

(NOTE: THESE MINUTES ARE SUBJECT TO CONFIRMATION BY THE JOINT COMMITTEE AT ITS NEXT MEETING)



ERW Joint Committee
Wednesday, 3rd April, 2019
Y Llwyfan, College Road, Carmarthen
10.00 am - 12.35 pm

PRESENT: Councillor Ellen ap Gwynn [Chair], Ceredigion County Council

Councillor Glynog Davies	Carmarthenshire County Council
Councillor Myfanwy Alexander	Powys County Council
Councillor Rob Jones	Neath Port Talbot Council
Councillor David Simpson	Pembrokeshire County Council
Councillor Jennifer Raynor	Swansea Council
Mr Eifion Evans	Ceredigion County Council
Mr Steven Phillips	Neath Port Talbot County Council
Ms Caroline Turner	Powys County Council
Mr Ian Westley	Pembrokeshire County Council
Ms Kate Evan-Hughes	Pembrokeshire County Council (ERW Deputy Lead Director)
Mr Gareth Morgans	Carmarthenshire County Council
Mr Mark Sheridan	Swansea Council
Mr Geraint Rees	ERW Senior Leadership Team
Mr Jonathan Haswell	Pembrokeshire County Council (ERW - S151 Officer)
Ms Elin Prysor	Ceredigion County Council (ERW-Monitoring Officer)
Mr Ian Eynon	Pembrokeshire County Council (Deputy S151 Officer)
Mr Ceri Davies	Pembrokeshire County Council (HR)
Mr Chris Llewelyn	WLGA
Mr Steve Vincent	Welsh Government
Ms Ruth Conway	Welsh Government
Ms Katie Morgan	Senior Accountant, ERW
Mr Clive Phillips	ESTYN
Mrs Jessica Laimann	Carmarthenshire County Council (Democratic Services)



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Emlyn Dole (Carmarthenshire County Council), Councillor Rosemarie Harris (Powys County Council), Councillor Rob Stewart (Swansea Council), Mr. Phil Roberts (Swansea Council), Mr. Mark James (Carmarthenshire County Council) and Mr. Mark Campion (ESTYN).

The Chair welcomed Ms Caroline Turner (Powys County Council) to the Joint Committee.

2. DECLARATIONS OF PERSONAL INTERESTS

There were no declarations of personal interests made at the meeting.

3. BUSINESS PLAN 2019-2020

The Joint Committee considered the Business Plan for 2019-20, outlining the division of functions between the three tiers in the regional system – Region, Sub-region/LA and Schools.

The Joint Committee was advised that the Business Plan had two main parts. Pink pages outlined the main work associated with the aims of ERW, including the new curriculum for Wales, skills of workforce, developing leaders, strong and inclusive schools and supporting a self-improving system. This was followed by detailed regional/local operational plans for each activity relating to the overall aims of ERW. The Business Plan would be updated in response to feedback from LA Leaders.

UNANIMOUSLY RESOLVED that the Business Plan be approved on basis it can be revised/amended.

4. FINANCES FOR 2019-20

The Joint Committee considered the Budget Report 2019-20, which provided an update on the following:

- 2018-19 and 2019-20 Central Team Budget
- Local Authority Contributions
- 2019-20 Progression
- 2019-20 Grant
- 2019-20 Grant Funded Budget
- Risks
- Reserves
- Recommendations



The Chair advised that copies of correspondence in relation to the budget had been circulated at the meeting. This included a letter to the Minister for Education, dated 11th February 2019, asking the Minister to ring-fence ca. £790k grant money to employ central staff, and the Minister's responses from the 1st March 2019 and 2nd April 2019. The Minister's response from 2nd April stated that the Joint Committee could lever up to £500k from current grant funding on the condition that LAs addressed the shortfall and total funding was equally split between LA's and Welsh Government.

The correspondence further included:

- A letter from Pembrokeshire County Council, dated 20th March, asking in their role as Employing Authority and Budget Holder for assurance from all authorities in the partnership;
- A letter from Neath Port Talbot Council, dated 27th March 2019, giving notice of their intention to leave ERW by 31st March 2020 but reserving the right to withdraw that notice if issues could be resolved;
- The Chair's statement to the press in response to NPT's notice.

The Joint Committee was advised that the Budget Report was identical to the one received at the last Joint Committee meeting as confirmation from the Minister regarding the use of grant funding had only been received last night.

A number of questions and comments were raised in relation to the report, including the following:

In response a query regarding Schools Causing Concern, the Joint Committee was advised that budget increases were required to establish a sustainable model for schools helping schools and that this was core business for ERW. The number of schools classified as amber or red had reduced from 165 to 87 under ERW and the categorisation of schools was a means of allocating support.

Several comments were made expressing concern that the Minister's response left a funding gap of £290k which might have to be covered by increasing LA contributions. Neath Port Talbot stated that while they would remain ERW members until 31st March 2020, they would not support an increase in LA contributions. NPT confirmed that they would pay their outstanding 2018-19 contributions and those for 2019-20 at the same level.

In response to a query regarding staff funding, Mr. Geraint Rees advised that, previously, £2.5.m had been used to second 56 ERW FTEs. These were managed locally with payments being invoiced through schools. The Section 151 Officer advised that details regarding the source of the funding were not contained in the present budget report but further details could be provided at the Committee's request. The Joint Committee was advised that the Finance Team had acted appropriately from an Audit perspective and budget/monitoring reports had been prepared and submitted to the Joint Committee as required. While the Finance Team recorded and reported incoming funding streams, decisions regarding the



source and authorisation of funding were made by the Managing Director and Directors of Education. It was suggested that the Internal Audit Team could provide a review of the source, authorisation and quantum of the relevant funds and that WAO could be notified of the review.

A comment was made suggesting that, if the use of £2.5m for seconding ERW staff had been compliant with the Terms and Conditions for grant funding, this would suggest that the terms and conditions already provided the needed flexibility and Ministerial Authorisation to ring-fence grant funding for the employment of central staff might not be required. It was suggested that the flexibility of the terms and conditions could be ascertained as part of the Internal Audit Review.

A comment was made suggesting that a letter could be sent to the Minister thanking her for the commitment to ring-fence up to £500k but pointing out that there was no leeway for LAs to increase their contributions. The letter could notify the Minister of the plans for an Internal Audit Review to look into the source, authorisation, quantum, and terms and conditions of extant staff funding arrangements.

It was further suggested that the Joint Committee could agree the budget for 2019-20 in principle, subject to confirmation that the funding gap for staffing costs could be covered with grant funding. It was suggested that the Joint Committee could notify the Minister of this decision in the letter and asking her to respond within 14 days.

The grant distribution formulas were discussed and the S151 Officer advised that these were just an example and any variation of the formulas could be chosen. A further query was made seeking clarification on who would determine which formula to use and the S151 Officer advised that the decision would be made by the Managing Director and the six Education Directors.

Mr. Geraint Rees advised that today was the latest possible date to start the recruitment process and that recruitment could not commence on the basis of the Joint Committee's conditional approval of the budget as the appointments in question were permanent. The lack of certainty was having a negative impact on staff health and well-being and further delays would risk compromising the successful implementation of the new structure. He further advised that it was uncertain whether the terms and conditions provided the flexibility to employ central staff. The representative from ESTYN noted that, should these issues of recruitment be realised, they would be significantly concerned.

A comment was made suggesting that the recruitment process could commence today if candidates were advised that their appointment was subject to Welsh Government confirmation. The Section 151 Officer advised that the level of confidence was sufficient to commence recruitment and that any potential redundancy costs would have to be split between Local Authorities as per the Legal Agreement.



RESOLVED

- 4.1. To approve in principle the Central Team Budget for 2019-20, the Local Authority Contributions and the basis for their calculation, and the distribution funding formulas;
- 4.2. To undertake an ERW Internal Audit Review into the authorisation, source (of £2.5m from RSIG) quantum, and terms and conditions of Leaders of Learning (56 FTE) staff funding arrangements. WAO to be notified of the review;
- 4.3. To write a letter to the Minister for Education containing the following:
 - i. Notification of the Joint Committee's approval in principle of the Budget 2019-20;
 - ii. Request for the Minister to clarify whether terms and conditions of extant grant funding provide the flexibility to cover central staffing costs;
 - iii. Request for the Minister to respond within 14 days due to urgency;
- 4.4. That the Managing Director proceed with the implementation of the new structure, subject to the further work and confirmation in 4.1. and 4.3 above, with a view to ensuring its completion by the end of the Summer Term.

5. EXCLUSION OF THE PUBLIC

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following item as the report contained exempt information as defined in paragraph 13 and 15 of Part 4 of Schedule 12A to the Act.

6. FINANCIAL STAFFING INFORMATION

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 5 above, to consider this matter in private, with the public excluded from the meeting as the report contained information which might identify individuals and information relevant to negotiations/consultations relating to the workforce.

The Joint Committee considered a report on financial staffing information, which provided information on the finances of potential Central Team Staffing in 2019-20. The report contained the potential ERW Staffing Structure from April 2019 and the current staffing commitments that would roll into the 2019-20 financial year.

UNANIMOUSLY RESOLVED that the report be noted.

[Note: Following the consideration of the above item, the public was readmitted to the meeting]

7. APPOINTING LEAD DIRECTOR AND TEMPORARY LEAD CHIEF EXECUTIVE



The Joint Committee was advised that the following nominations had been received:

- Temporary Lead Chief Executive: Mr Eifion Evans (Ceredigion County Council)
- Lead Director: Ms Kate Evan-Hughes (Pembrokeshire County Council)

The Joint Committee was advised that further discussion was to take place in relation to the apportionment of roles and responsibilities in the consortium.

UNANIMOUSLY RESOLVED that

7.1. Mr Eifion Evans be appointed Temporary Lead Chief Executive;

7.2. Ms Kate Evan-Hughes be appointed Lead Director.

8. ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100(4)(B) OF THE LOCAL GOVERNMENT ACT 1972

The Chair advised that there were no other items of business that should be considered as a matter of urgency.

CHAIR

DATE

