



ERW Leaders of Learning Programme

FINAL INVESTIGATION REPORT

Investigation Number I-119 (2019-20)

Report issued to:	Jonathan Haswell, ERW S151 Officer Eifion Evans, Former Interim ERW Lead Chief Executive, Ceredigion CC Phil Roberts, ERW Lead Chief Executive Elin Prysor, ERW Monitoring Officer
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Report copied to:	Joanne Hendy, ERW Head of Internal Audit
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Investigating Officer:	Matthew Holder, Audit, Risk & Counter Fraud Manager
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This report may contain data as defined by the General Data Protection Regulation 2016 and the Data Protection Act 2018, which must be treated as strictly private and confidential.

1.0 Introduction and Background

- 1.1 The ERW Joint Committee met on 03 April 2019 and resolved that an Internal Audit investigation be undertaken into previous funding streams and governance arrangements to support the expenditure associated with the Leaders of Learning Programme.
- 1.2 Negotiation between the Central Team of ERW and Civil Servants from Welsh Government initially agreed to host these Leaders of Learning directly within Welsh Government buildings in Aberystwyth, Carmarthen and Swansea.
- 1.3 A global figure of approximately £2.5m was utilised from several funding streams provided by Welsh Government to the region to employ 58 (FTE) Full-time equivalent) Leaders of Learning.
- 1.4 The Audit, Risk and Counter Fraud Manager was asked to lead on the investigation, with the draft investigation report being presented to the ERW S151 Officer, ERW Monitoring Officer and ERW Lead Chief Executive for review, before being finalised and reported to the ERW Joint Committee.
- 1.5 Whilst the ERW Joint Committee resolved to commission the investigation through its own Internal Audit function, in the interests of openness and transparency, the Wales Audit Office Financial Audit Director was notified on 04 April 2019.

2.0 Investigation Objectives

- 2.1 The objective of the investigation was to ascertain:
 - The quantum of funding for ERW Leaders of Learning.
 - The funding streams utilised for the ERW Leaders of Learning (including the specific issue around "Initial Teacher Training" funds as one of the potential funding streams utilised to fund Leaders of Learning).

- Who authorised the funding for the ERW Leaders of Learning (as it had been mentioned previously that funds were moved around to balance various priority areas. The Joint Committee want reassurance that the correct governance was followed at all times, and this includes authorisation from Welsh Government as well as the internal arrangements of ERW).
- That funding Terms and Conditions have been complied with at all times.
- The circumstances surrounding the location of ERW Leaders of Learning directly within Welsh Government buildings in Aberystwyth, Carmarthen and Swansea.
- The number of FTE (Full-time equivalent) ERW Leaders of Learning employed within the ERW Central Team.
- Whether there are any opportunities and funding flexibilities that were not previously realised in the funding Terms and Conditions.

3.0 Investigation Methodology

3.1 The Investigating Officer interviewed the following:

- Alan Edwards, former ERW Head of Teaching & Learning
- Geraint Rees, ERW Acting Managing Director
- [REDACTED]
- [REDACTED]

3.2 Relevant documentation relating to the ERW Leaders of Learning Programme was reviewed where available, including grant Terms and Conditions.

3.3 The Investigating Officer compiled a formal investigation report.

4.0 Conclusion and Opinion

4.1 The audit investigation found weaknesses in governance arrangements, with the delegation arrangements surrounding the approval and usage of grant funding requiring strengthening and formalising, so that there is a clear understanding of the process to be followed to determine both the allocation of funding and the outcomes that are to be achieved.

There was a lack of direction and scrutiny from the Joint Committee relating to how grant funding is to be utilised. For the Leaders of Learning Programme there were no requests by the Joint Committee for Programme updates in order to effectively scrutinise whether the Programme provided value for money and whether it was an efficient way of delivering Business Plan priorities. Governance arrangements surrounding the employment of seconded staff also need to be strengthened with a

significant amount of paperwork missing resulting in the appointment process being weak and being open to criticism.

No financial issues were identified during the investigation with the Leaders of Learning Programme complying with the respective grant Terms and Conditions, although there is an opportunity to simplify the accounting structure in order to reduce the number of journals made, and to strengthen existing arrangements.

Recommendations have been made within the detailed findings, which the Joint Committee should consider in order to strengthen arrangements moving forward within ERW. A definition of the Recommendation gradings are shown at Appendix A.

4.2 **The quantum of funding for ERW Leaders of Learning Programme.**

The total funding used to support the Leaders of Learning Programme is predicted to be £5.09m, from the beginning of September 2017 through to August 2019. This figure may reduce but is dependent on secondment agreements ceasing earlier than stated. This has funded a total of 57.7 FTE staff with additional payments being made direct to schools involved.

4.3 **The funding streams utilised for the ERW Leaders of Learning Programme.**

The Initial Teacher Training (ITT) funding was not used to support the Leaders of Learning Programme. A total of 7 funding streams have been used to fund the Leaders of Learning Programme over 3 financial years. The Executive Board and Joint Committee, whilst being made aware of variations in funding through the S151 Officer's budget report, have not requested any updates on the funding which has been used or the outcomes that are to be achieved. (The Business Plan which outlined the Leaders of Learning Programme is only approved on an annual basis with no progress update provided on achievement against National Priorities to ensure that the Consortia is achieving the objectives approved).

4.4 **Authorisation of funding for the ERW Leaders of Learning Programme.**

Both the Executive Board and Joint Committee approved the Leaders of Learning Programme with minutes of both meetings showing approval; however, there was no approval of the grants, which were to be used to support delivery. As stated above, no progress reports were requested from either the Executive Board or Joint Committee to ensure that the Leaders of Learning Programme was an effective way of delivering the National Priorities. Governance arrangements in approving and monitoring the use of grant funding were also found to be ineffective, with arrangements for delegated decisions requiring updating to ensure that it is fit for purpose. Whilst noted, there was no approval by the Joint Committee for the

Education Improvement Grant spend in 2017-18 or the Raising School Standards grant 2017-18.

4.5 **Funding Terms and Conditions.**

Funding Terms and Conditions have been complied with, with the expenditure matching the aims and objectives of both the grant and the Business Plan. The accounting set up is complex with multiple codes being used to align with the Business Plan. The in-year variation grant letters and the lateness of approval has led to significant journal entries transferring expenditure from one code to another. This is a concern both for the accuracy of expenditure against specific priorities as it could allow ineligible expenditure to be incurred. Evidence was found where duplicate payments had been made to schools.

4.6 **The location of ERW Leaders of Learning.**

There has been no accommodation provided within Welsh Government buildings to house staff working on the Leaders of Learning Programme, with all employees working within their cluster of schools to deliver outcomes.

4.7 **The number of FTE (Full-time equivalent) ERW Leaders of Learning employed within the ERW Central Team.**

There was evidence to show that expenditure for staff classed as “Central Team Employees” had been included within the same priorities where there was Leaders of Learning expenditure. It was difficult to determine the value of management time allocated direct to the Leaders of Learning Programme due to there being no formal method to record the allocation of staff time against a priority area.

Weaknesses were found in the recruitment process, with a number of secondment agreements not signed by all parties, interview notes not being fully completed, the quality assurance process of managing the Leaders of Learning ineffective and the final recruitment and selection form formally appointing an individual to the Leaders of Learning role not being completed on any occasion.

4.8 **Whether there are any opportunities and funding flexibilities that were not previously realised in the funding Terms and Conditions.**

There are flexibilities within the grant funding which allows ERW to be able to deliver its objectives and goals. This could also relate to the funding of “Central Team” staff, although the Joint Committee will need to balance this option with the level of delegated funding that is required by Welsh Government. If the Joint Committee see this as a viable option, then an understanding of the direct impact Schools will face should be undertaken as this will reduce their overall budget to deliver the priorities set out within the ERW Business Plan, which has been agreed by Welsh Government.

5.0 Detailed Findings

5.1 Quantum of Funding for Leaders of Learning Programme

- 5.1.1 The financial accounting for the Leaders of Learning Programme is fairly complex, with Leaders of Learning working across multiple National Priorities, which have individually been accounted for through a specific main code.
- 5.1.2 The financial accounting codes provided a direct link to either the Education Improvement Grant (EIG), or the Raising School Standards (RSS) Grant in 2017-18, and a link to the Regional Consortia School Improvement Grant (RCSIG) in 2018-19.
- 5.1.3 The 2019-20 expenditure is currently based on an estimate as this is dependent on whether secondment arrangements cease earlier than expected. (Currently secondment agreements are due to cease in either May or August 2019).
- 5.1.4 A complete analysis of the expenditure incurred from September 2017 has been undertaken, and has been split down into financial years, payments made to Schools, and also by Business Plan priority. Full details can be found at Appendix B.
- 5.1.5 The total expenditure figure does not include any management or support time allocated from a "core budget" perspective. A breakdown of secondments presented to the Executive Board in June 2017 outlined that there were 3 staff members classed within the Central Team whose salaries could be apportioned to the Leaders of Learning Programme.
- 5.1.6 These posts specifically relate to the former Head of Teaching & Learning (0.5 FTE), the Strategic Portfolio Lead for Pioneer Schools (1 FTE), and the Strategic Portfolio holder for School to School Improvement (1 FTE). The salaries for these 3 members of staff were attributed to the same main accounting codes as the seconded staff members, therefore could be directly linked to the Programme.
- 5.1.7 The time spent managing and supporting the Leaders of Learning Programme could not be quantified, due to there being no timesheets available, which would have confirmed the allocation of expenditure to the priority which it had been attributed.
- 5.1.8 The [REDACTED] stated that as these positions were already in place before the Leaders of Learning programme was implemented, there is a case to state that if the programme had not been implemented then their roles would have remained unaffected, as they would have worked on different priorities.

5.1.9 [REDACTED] stated during interview (Appendix C) that Education Directors agreed in 2017-18 to allow ERW to retain a further £300k to support the Leaders of Learning Programme. There was evidence to show that all Directors had been emailed by the Managing Director outlining their EIG funding for 2017-18 which showed a reduction in funding to support the programme. Whilst, no email confirmation could be viewed, a decision log provided evidence that all Directors of Education had agreed to this action before the Executive Board meeting was held on 03 March 2017.

5.1.10 The ERW Financial Update Reports submitted by the ERW S151 Officer have stated since July 2017 the proposed costs of the Programme relating to salaries of seconded staff, with an original salary figure of £3.25m quoted.

5.1.11 The financial breakdown of the Leaders of Learning Programme showed that a total of 57.7 FTE (76 individuals) were employed on the programme with a salary total of £4.13m (this figure includes salaries projected in 2019-20 based on when individual secondments cease – see section 5.1.3). Payments were also made to schools totalling £0.96m for those who engaged with the programme. The total value of the Leaders of Learning programme is therefore £5.09m.

5.2 Funding Streams utilised to fund the ERW Leaders of Learning Programme

5.2.1 One of the questions which formed part of the original scope was to investigate whether any Initial Teacher Training (ITT) funds were used to support the development and ongoing provision of the Leaders of Learning Programme.

5.2.2 The former Head of Teaching & Learning stated during his interview (Appendix D) that he did not have at the time of questioning have any information to state whether ITT funding was used. He also stated that the training provided by the Leaders of Learning for current Initial Teacher Education (ITE) students would have allowed elements of the funding to be allocated against the work undertaken.

5.2.3 Following the interview the former Head of Teaching & Learning clarified that ERW worked with the University of Wales Trinity St David to develop an engagement programme for Mathematics, English and Science teachers in order to "up skill" non-specialists. A total of £60k had been spent with Swansea University and the University of Wales Trinity St David during 2018-19 to engage in a regional collaborative partnership between ERW and the Higher Education Institution (HEI) to build on ITE partnerships and grow capacity in and across schools in order to increase research engagement.

5.2.4 As part of the Terms and Conditions outlined within the RSS Grant a budget profile was submitted to Welsh Government outlining that in 2017-18 an allocation of

£100k had been set for the Initial Teacher Education Programme. In 2018-19, £122k had been allocated through the RCSIG. (Appendix F provides a breakdown of the costs associated to the ITT Programme).

- 5.2.5 The [REDACTED] confirmed that whilst the Initial Teacher Training programme is funded through the RCSIG 2018-19 grant, no allocation of the budget had been utilised through the Leaders of Learning Programme. Evidence obtained through the Main Accounting System provided confirmation that no funding had been used from the Initial Teacher Training programme to fund or support the Leaders of Learning Programme.
- 5.2.6 The [REDACTED] stated that [REDACTED] believed that the RCSIG had funded the whole programme for 2018-19, with the EIG and RSS Grant being used in 2017-18. These grants were split into different main codes to track progress against National Priorities.
- 5.2.7 EIG totalling £39,093,186 in 2017-18 was awarded to ERW for the following priorities:
- Education Improvement Grant (Main) - £37,751,710
 - Global Futures - £120,000
 - GCSE Support Programme - £582,232
 - Assessment for Learning - £129,126
 - Literacy & Numeracy - £125,000
 - Foundation Phase Practice & Training Resources - £5,000
 - Accelerate Improvement in Schools - £313,118
 - Implementation of the Professional Standards - £40,000
 - Head teacher Advisory Group - £7,000
 - Post 16 Challenge & Support - £20,000
- 5.2.8 The RSS Grant totalling £3,091,886 in 2017-18 was awarded to ERW for the following priorities:
- Raising School Standards (Main) - £2,162,005
 - Capacity Building - £231,039
 - Develop Schools as Learning Organisation - £125,000
 - Future Leadership Programme - £480,342
 - Mentoring & Network Support Programme - £37,500
 - Associates Programme - £56,000

5.2.9 The RCSIG totalling £44,957,883 in 2018-19 was awarded to ERW for the following priorities:

- Regional Consortia School Improvement Grant (Main) - £40,791,102
- School Improvement - £37,500
- Professional Teaching Awards Cymru - £5,000
- National Professional Qualification for Headship - £253,500
- Digital Competence Framework - £28,945
- Modern Foreign Languages - £53,470
- Curriculum Pioneer Partnership Schools & Additional Capacity for AoLE Groups - £450,000
- Part-time & Work Based ITE - £50,000
- More Able & Talented - £144,443
- Associates Programme - £10,000
- Professional Learning to support and raise the quality of our teachers - £2,461,126
- Capacity Building expertise - £62,500
- Schools as Learning Organisations & Professional Teaching Leadership Standards - £145,168
- National Approach to Professional Learning Accreditation Project - £25,000
- Cluster Funding (non-Pioneer Schools) - £64,000
- Production of Digital Resources to support the Curriculum Reform - £116,129
- Development funding for further National Networks of Excellence - £120,000
- Research funding in relation to All-Age Schools - £100,000
- Discover Teaching - £40,000

5.2.10 Grant offer variation letters were received late both in 2017-18 and 2018-19 from Welsh Government which increased the overall value of funding available for all 3 grants stated above. Whilst the budget updates for the Joint Committee do provide evidence of the increase in funding received there was no evidence within minutes to show that the Joint Committee had scrutinised or approved the funding streams which were being used to support the Leaders of Learning Programme. There was also no formal decision by the Joint Committee approving the allocations on how either the EIG or the RSS Grant in 2017-18 were to be used. **(Refer to Recommendation R1).**

5.2.11 The Joint Committee received a report on 02 November 2016 from the Managing Director to outline the delegation arrangements for the Consortia in which it was agreed that for additional ad hoc grants received for smaller funding streams, delegation would be given to the Executive Board.

- 5.2.12 The report however, does not clearly define the level of a smaller funding stream, and given the value of the larger grants (such as RCSIG or EIG back in 2017-18), a grant totalling £3m (RSS Grant for example) could be considered small in comparison.
- 5.2.13 Given the funding used in Appendix B, it could be considered that the amalgamation of all of these grants and the values attached would be material within the Statement of Accounts, and would therefore require approval by the Joint Committee, both in terms of how the funding is to be spent and the outcomes which can be measured. **(Refer to Recommendation R2).**
- 5.2.14 Governance arrangements within ERW have only ever required that the RCSIG or EIG Grants be approved formally by Joint Committee at the beginning of the financial year (so that Local Authorities are aware of their delegation) rather than once a variation letter has been received, and how these new priorities will be met. There was no evidence of variation letters being approved by the Executive Board, and no formal approval of the RSS Grant, which would have highlighted the work being undertaken by the Leaders of Learning.

Recommendations	Management Response
<p>R1. Scrutiny arrangements for both the Joint Committee and Executive Board should be strengthened to ensure evidenced oversight of how grant funding (including in-year variations) are to be used and the expected outcomes.</p> <p>Grade: A1</p>	<p>Acceptance: Accepted</p> <p>Management Response:</p> <p>i) Delegation levels in relation to grant funding to be included within the Schedule of delegation (R2 below).</p> <p>ii) Oversight of how grant funding (including in-year variations) are to be used and the expected outcome to be provided to Joint Committee and Executive Board by quarterly reporting.</p> <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director</p>

Recommendations	Management Response
<p>R2. Delegation arrangements of the Consortia should be reviewed and updated so that a clear decision making process is in place to agree and approve the use of grant funding.</p> <p>Grade: A1</p>	<p>Acceptance: Accepted</p> <p>Management Response: A revised Schedule of delegation will be prepared to include financial levels where appropriate. This schedule to be approved by Joint Committee.</p> <p>Timescale for Action: 31 Dec 2019</p> <p>Responsible Officer: S151 Officer & Monitoring Officer</p>

5.3 Authorisation of the Leaders of Learning Programme.

- 5.3.1 The Leaders of Learning Programme was first brought to the attention of Directors of Education on 03 March 2017, where Directors of Education were informed of the new Cluster Model and that the proposal would require additional financial support from each of the Local Authorities through their EIG allocation.
- 5.3.2 The centrally held decision log provided evidence that all Directors of Education agreed to provide the additional resources from the EIG totalling £300k, and agreed on a cluster principle to support teaching and learning and the rollout of Successful Futures.
- 5.3.3 The Managing Director sent an email to all Directors of Education and the Deputy S151 Officer on 10 March 2017 to outline the EIG allocations, however this was subject to the Joint Committee agreeing the allocations. Joint Committee minutes show that no formal approval had been received in relation to the allocations to each Authority. There was no evidence to show that the Executive Board were aware of how the centrally retained funding was to be used, which would have strengthened arrangements along with transparency of how the funding was to be used. **(Refer to Recommendation R3).**

- 5.3.4 On 07 April 2017, the Executive Board received the proposal for the new Leaders of Learning model and agreed to employ a Leaders of Learning in clusters of schools across ERW to support the improvement of teaching and learning, mentoring new and developing teachers, implementing Successful Futures, and delivering key actions from the ERW Business Plan. The Executive Board minutes of this meeting confirmed that this decision had been approved.
- 5.3.5 The Leaders of Learning Programme was presented to the Joint Committee on 17 July 2017, with Members querying the risks associated with the increased cost for cluster work, to which it was clarified that the risks were from secondments in future years and delayed confirmation and payment of grants. At this meeting the Joint Committee Members agreed that the Cluster Model report be received and that the "development of Teaching and Learning networks of schools across the region be approved".
- 5.3.6 The Business Case submitted to both the Executive Board and Joint Committee did not contain any clear financial data or the outcomes which were to be achieved. There was an outline cost of the Programme which was submitted as part of the S151 Officer's budget report although this only consisted of a one-line heading. There was no clarification on how the project was to be funded and where this funding was to come from. There has been no progress update provided to the Joint Committee since the initial project was approved, and the Joint Committee have not requested any update.
- 5.3.7 The Executive Board were presented with a verbal update and PowerPoint presentation by the former Head of Teaching & Learning and the Strategic Lead for Secondary Support, on 20 October 2017.
- 5.3.8 On 24 November 2017, the Directors of Education were given a verbal update by the Managing Director on the Leaders of Learning Programme, with the Managing Director agreeing to e-mail the respective Directors of Education the details of the remaining cluster schools who had not engaged with the Programme.
- 5.3.9 A monitoring report for the Pioneer Grant was submitted to Welsh Government on 22 December 2017, outlining compliance with the Terms and Conditions of the grant and also how the grant was being used to help develop the Leaders of Learning Programme. There was no feedback received from Welsh Government outlining concerns with how the grant was being utilised.

5.3.10 The former Head of Teaching & Learning provided evidence to show that updates had been presented to the Directors of Education on 28 February 2018 and May 2018. He also stated that a Gateway Review had been commissioned and was undertaken by Welsh Government officials specifically looking at 4 areas which assessed whether:

- ERW has a clear and resourced plan to support the implementation of "A curriculum for Wales" against the Welsh Government timeline;
- Teaching and Learning Networks are a suitable vehicle to support curriculum reform;
- Schools in the ERW region will be prepared and equipped to meet the challenges of the new curriculum, assessment and professional teaching standards;
- There is or will be a good level of understanding across the schools' workforce of the rationale for and benefits of curriculum reform.

This report has not been shared with the Joint Committee, which would have provided additional assurance that ERW are achieving their objectives. **(Refer to Recommendation R4).**

5.3.11 The former Head of Teaching & Learning confirmed during interview that reports are sent to the Welsh Government's "Operational Delivery Board" with representatives from the four Education Consortia. The former Head of Teaching & Learning stated that he previously attended Board meetings to provide evidence of compliance and fulfilment with the Terms and Conditions of the RCSIG and RSS grant.

5.3.12 The former Head of Teaching & Learning stated that the Managing Director sat on the Welsh Government's "Change Board" which the Operational Delivery Board feeds into. He also reiterated that the Welsh Government's approval of ERW's Business Plan and the flexibility of funding helps the region meet the needs of the business. A Challenge and Review session with Welsh Government was held in 2018 where ERW designed a booklet, which was presented to Welsh Government officials and the Cabinet Secretary for Education. This session entailed a group discussion and questions on ERW's performance outcomes and the Regional delivery of Education in Wales. The booklet contained information on the Leaders of Learning, however from review of both the Executive Board and Joint Committee minutes there is no evidence to state that this booklet had been shared with Members of the Executive Board or Joint Committee.

- 5.3.13 ERW's Business Plan 2018-19 was not approved by the Joint Committee until late in 2018. There is detail contained within to state that "to enhance support to schools, the region will employ a Leader of Learning in each network to support the implementation of a regional initiative to improve teaching and learning, develop the implementation of Successful Futures and support the roll out of the new teacher standards". **(Refer to Recommendation R5).**
- 5.3.14 The Leader of Learning Programme is also outlined within the Level 3 Plan Template for 2018-19, which has been scrutinised by all Directors of Education, Joint Committee and Welsh Government officials, however the Business Plan is not costed by priority area.
- 5.3.15 There is a disjointed approach towards the monitoring of the Business Plan (approved annually - with no updates provided to the Joint Committee on progress made) and matching it to whether the finances of the region allow the Business Plan priorities to be met. If the Business Plan priorities were reviewed more regularly as well as being fully costed then the Joint Committee would have been able to scrutinise the benefits of the Leader of Learning Programme and the expenditure associated. **(Refer to Recommendation R6).**
- 5.3.16 As part of the investigation, the secondments process was looked at, which identified weaknesses. Out of a total of 76 appointments, no paperwork could be provided for 24 individuals with a further 20 individuals not completing an application form. The job advert was approved by the Managing Director and countersigned by the Deputy S151 Officer who put a caveat on the appointments stating that it was subject to grant funding being approved. **(Refer to Recommendation R7).**
- 5.3.17 There was no reference on the recruitment form of the numbers of individuals that would be appointed to the role. Testing also identified shortcomings with the secondment process with interview notes not being completed thoroughly (this was a common theme) and the final recruitment and selection form, which formally appoints an individual to the role, not being completed on any occasion.
- 5.3.18 Secondment agreements were not saved (where applicable) onto the employers HR (Trent) system, with 18 of the 55 agreements that were available to view out of the 76 (33%) not being fully signed by all parties. The former Head of Teaching & Learning also stated that the S151 Officer would not approve secondments for longer than a year at a time due to funding concerns.

Recommendations	Management Response
<p>R3. The Joint Committee should approve how grant funding is to be utilised. This should include any centrally retained funding so that there is openness and transparency of how this funding is to be used.</p> <p>Grade: A1</p>	<p>Acceptance: Accepted</p> <p>Management Response:</p> <ul style="list-style-type: none"> i) Delegation levels to be clarified by way of a revised Schedule of delegation (R2). ii) Publication of Executive Board decision logs and quarterly reports to Joint Committee will enhance transparency of decision making. <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director</p>
<p>R4. Any external reports from regulatory bodies (including the Gateway Review) should be presented to the Joint Committee as a source of assurance that the region is achieving its aims and objectives.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response:</p> <p>Copies to be supplied initially to the Lead Chief Executive, S151 Officer and Monitoring Officer.</p> <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director</p>
<p>R5. The Joint Committee should be presented with quarterly reports on the progress against the objectives within the Business Plan, with more explicit focus on how the individual projects are aligned to the National Priorities. A Forward Work Programme for the Joint Committee should help achieve this recommendation.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response:</p> <p>Forward Work Programme will become standing Joint Committee agenda item.</p> <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director</p>

Recommendations	Management Response
<p>R6. Business Plan priorities should be fully costed to ensure that the objectives of the region are deliverable.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response: Costing exercise to be undertaken prior to consideration of the Business Plan by the Joint Committee. Costing evidence to be supplied to the Joint Committee</p> <p>Timescale for Action: 31 Mar 2020</p> <p>Responsible Officer: Managing Director & [REDACTED] [REDACTED]</p>
<p>R7. The HR process surrounding secondments within ERW needs to be strengthened, so that key processes are in place in terms of recruitment and selection, and to allow openness and transparency of the appointments process.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response: HR recruitment processes and policies of the lead HR authority (currently Pembrokeshire County Council) to be followed.</p> <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director & [REDACTED] [REDACTED]</p>

5.4 Compliance with Funding Terms & Conditions

- 5.4.1 The expenditure incurred through the Leaders of Learning Programme was eligible within the grants used. More information is given within sections 5.4.4 to 5.4.8.
- 5.4.2 Welsh Government have not requested a financial breakdown relating to expenditure as they are now more focussed on an outcome based provision. The in-year variations have also meant that journal transfers moving expenditure around has become more prevalent, and increases the risk of mistakes occurring. There was

evidence of two schools being paid on multiple occasions for a number of priorities linked to the Leaders of Learning. The duplicate payments made totalled £33k. This also makes the financial monitoring of the programme difficult for Officer's to quantify, and whilst some of this is out of ERW's control (due to in-year variations), the accounting structure is complex and could be simplified, so that reporting is easier to understand. **(Refer to Recommendation R8).**

5.4.3 The lack of financial accountability required by Welsh Government has ensured that the movements within the account headings are not heavily scrutinised, as regular reports are not required as part of the Terms and Conditions. Updates on Grant streams should be provided to the Executive Board/Joint Committee along with a progress update so that the Members are reassured that Terms and Conditions are being adhered to. **(Refer to Recommendation R9).**

5.4.4 The EIG Terms and Conditions are clearly outlined within the grant offer letter. Expenditure on the Leaders of Learning Programme was compliant with the Terms and Conditions as it met the following criteria:

- Schools and settings being supported and challenged to implement the Successful Futures agenda.
- Improved quality of teaching and leadership.
- Schools and settings being enabled to grow as learning organisations, working in collaboration and sharing expertise for the benefit of all learners.
- The related outcomes and their supporting key performance indicators will be embedded in consortia business plans and the level 2/3 plans.
- Supporting a self-improving system - where applicable, you will facilitate, schools, foundation phase providers and PRUs consideration of cluster models when determining the most effective use of the funding to support the delivery of improved outcomes for learners.

5.4.5 The RCSIG Terms and Conditions were detailed within the grant offer letter. Expenditure on the Leaders of Learning Programme was compliant the Terms and Conditions as it met the following criteria:

- The funding covers 4 main objectives to support the Welsh Governments National Priorities for Education. These include:
 - Developing and delivering a high quality education profession
 - Inspirational leaders working collaboratively to raise standards
 - Strong and inclusive schools committed to excellence, equity and well-being
 - Robust assessment, evaluation and accountability arrangements supporting a self-improving system

- Supporting a self-improving system - where appropriate, you will facilitate schools, foundation phase providers and PRUs consideration of cluster models when determining the most effective use of the funding to support the delivery of improved outcomes for learners.
- Cluster working - where appropriate you may facilitate the consideration of cluster models for schools, Foundation Phase providers and PRUs when determining the most effective use of funding to support the delivery of improved outcomes for learners.
- Support for the Design and Development of the new curriculum - The funding supports the preparation of Pioneer Schools and all Schools and consortia to work with the new curriculum from 2022, ensuring all schools have experience of curriculum and assessment arrangements and are involved in the development process. It will help ensure all schools have seen and thought through and had input into the development of the new curriculum so as to be ready to respond at publications from 2019.

5.4.6 The Pioneer Schools Network, Professional Learning & Curriculum Design Grant Terms and Conditions were detailed within the grant offer letter. Expenditure on the Leaders of Learning Programme was compliant the Terms and Conditions as it met the following criteria:

- Contribute to national engagement indicators and develop and implement a national engagement approach to prepare schools to deliver Successful Futures in a managed way.
- Engaging and involving the wider schools in developing the new curriculum around action inquiry cycles and cluster based approach led by pioneers.
- National Plan to develop all schools to adopt the principles of Schools as Learning Organisation.

5.4.7 The RSS Grant Terms and Conditions were detailed within the grant offer letter. Expenditure on the Leaders of Learning Programme was compliant the Terms and Conditions as it met the following criteria:

- Curriculum & Assessment.
- Primary LNF Oracy Scheme for Wales - Further develop approaches to oracy development within the foundation phase, building on the work achieved during 2016-17 as part of the consortium's contribution to developing a national approach to oracy in Wales. Delivery will align with existing provision on literacy and numeracy and strengthen existing school to school working and professional learning approaches in relation to oracy so that capacity within schools and settings is increased.
- Professional Learning

- Higher Level Teaching Assistants - Continue delivery of the scheme to increase HLTA members and consider associated activity to enhance opportunities for learning support workers within the Consortium.
- Professional Standards - to support the introduction of new professional standards for teaching and leadership and the development of professional standards for assisting teaching and learning support staff in schools. Specifically, the consortium will support further trialling work and generate examples of how the standards are being used effectively.
- National Network for Excellence in Science & Technology (NNEST) - Support science and technology teaching and learning in schools through a Network of Excellence approach, working with universities, learned societies and lead schools across Wales - as an integral part of the national approach to Professional Learning Standards.
- Welsh language - Professional development of practitioners' Welsh language skills - The funding must be used for action for deliver a professional learning programme to develop the Welsh language skills of all practitioners and effective methodology for Welsh-medium and bilingual teaching; and provide a programme of professional learning for practitioners.
- Self Improving System
- Action to extend the depth and impact of collaborative working and develop capacity in consortia to support the Welsh Government's ambitions for a self-improving system; a system in which all schools actively support themselves and each other to improve, to raise standards, reducing variability between schools and classes, ensuring consistency across Wales.

Recommendations	Management Response
<p>R8. The accounting structure of ERW should be reviewed so that each grant is allocated a specific main code, with each business plan priority having a separate cost centre so that financial reporting is both strengthened and easier to analyse. The introduction of the new Financial Management Information System within Pembrokeshire should provide an opportunity to do this.</p> <p>Grade: B2</p>	<p>Acceptance: Accepted</p> <p>Management Response: The introduction of the new Financial Information Management System within Pembrokeshire County Council will address this.</p> <p>Timescale for Action: 31 Mar 2020</p> <p>Responsible Officer: S151 Officer and [REDACTED] [REDACTED]</p>

Recommendations	Management Response
<p>R9. A formal process to vire expenditure from one grant to another should be adopted, to ensure that there is scrutiny, clarity and transparency in the transfer.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response: The Pembrokeshire County Council Financial Regulations (Section 3.4 Budget Transfer/Virements) adopted by ERW on 8 February 2019 will be complied with.</p> <p>Timescale for Action: 31 Mar 2020</p> <p>Responsible Officer: Managing Director and [REDACTED] [REDACTED]</p>

5.5 Circumstances surrounding location of ERW Leaders of Learning

- 5.5.1 A report was submitted to the Joint Committee on 01 December 2017 to provide an overview of the rationale to move to larger offices in order to accommodate ERW's workforce.
- 5.5.2 The proposal outlined within the report was to move offices and lease from a choice of two suitable office spaces within Carmarthen, to accommodate all existing staff plus hot-desking for an additional 50 Leaders of Learning.
- 5.5.3 Two options were put forward to the Joint Committee, which included:
- Moving to Parc Pensarn, Pensarn, Carmarthen with the benefits and risks associated with this move clearly outlined.
 - Moving to Welsh Government Offices, Picton Terrace, Carmarthen. This outlined that the Welsh Government had two floors within the Carmarthen Office available to let, with the offices being newly refurbished and able to provide workspace support for all ERW employees.
- 5.5.4 The report concluded that the Joint Committee approve the report and support the move to the Welsh Government Offices, however review of the Joint Committee minutes showed that Members agreed to defer consideration of the report on office space pending the outcome of the ERW Review and Reform Programme.

- 5.5.5 This report was deferred to the Joint Committee meeting on 16 July 2018, where an updated report by the Programme Manager asked the Joint Committee for the following:
- To note the situation regarding current lease
 - To note current situation regarding Health & Safety report
 - To note the cost efficiencies and value for money of proposed relocation
 - To approve the request regarding pursuing alternative accommodation
- 5.5.6 As a result of this report, the Joint Committee agreed that there was a requirement to renegotiate the lease at Y Llwyfan for a further period of time, pending progress of the ERW Review & Reform Programme and the National Model. The report also stated that Welsh Government buildings are not to be utilised by ERW staff in the event that alternative accommodation is required in the future.
- 5.5.7 The former Head of Teaching & Learning stated that there was no placement of Leaders of Learning based within Welsh Government buildings in Aberystwyth, Carmarthen and Swansea.
- 5.5.8 The former Head of Teaching & Learning stated that ERW considered the option of renting a public space in one of the Welsh Government Offices in Carmarthen as their current offices were not big enough. The former Head of Teaching & Learning also stated that it was believed that if they had taken this option then ERW would have been given access to other rooms in Aberystwyth and Swansea to use as meeting rooms.
- 5.5.9 The former Head of Teaching & Learning stated that various other buildings were looked at corporately by ERW as part of the process and this was reported back to the Executive Board and Joint Committee. This was presented to the Joint Committee as a report but was not related to the Leaders of Learning Programme.
- 5.5.10 The former Head of Teaching & Learning reiterated that the Leaders of Learning were hosted by their own clusters and not in Welsh Government buildings. There was no evidence found during the investigation that any of the Leaders of Learning were or had been based within a Welsh Government building.

5.6 Number of FTE ERW Leaders of Learning employed in ERW Central Team

- 5.6.1 The Acting Managing Director (Appendix E) explained that the Leader of Learning for Primary Science and the former Head of Teaching and Learning have been trying to manage all 76 individuals (57.7FTE), along with the training portfolio. The Acting Managing Director also stated that there is a misconception that the funding was used in the Central Team, and that the role of the Leader of Learning for Primary Science predated the Leaders of Learning Programme.
- 5.6.2 Financial analysis evidenced that “Central Team” staff including the Strategic Lead for Successful Futures and the Portfolio Lead School to School Improvement Officer, were accounted for in the same priority areas as some of the Leaders of Learning. However, it was difficult to ascertain the direct involvement they had with the Leaders of Learning Programme, and to quantify it financially. A breakdown of secondments and where they were to be funded from was presented to the Executive Board in June 2017, but has not been shared with the Joint Committee for openness and transparency. **(Refer to Recommendation R10).**
- 5.6.3 The [REDACTED] stated that as the Leaders of Learning Programme was managed by the former Head of Teaching & Learning, an element of [REDACTED] salary could therefore be attributed to the programme. Again it was difficult to quantify the time being spent managing the Leaders of Learning due to a lack of supporting evidence.

Recommendations	Management Response
<p>R10. The Joint Committee should be informed where all secondments are funded from and the National Priorities which are being worked on to ensure improved accountability and greater scrutiny on working arrangements.</p> <p>Grade: B1</p>	<p>Acceptance: Accepted</p> <p>Management Response: Joint Committee to be informed quarterly of:</p> <ul style="list-style-type: none"> i) Where all secondments are funded from, and; ii) The National Priorities that are being worked on. <p>Timescale for Action: 01 Nov 2019</p> <p>Responsible Officer: Managing Director</p>

5.7 Any opportunities and funding flexibilities not previously realised

- 5.7.1 There are flexibilities in the use of funding and this was evidenced through the grant offers received, which allow spending for a wider range of activities on the basis that outcomes are effectively measured.
- 5.7.2 There were several variation funding letters received from Welsh Government during 2017-18 and 2018-19, which has increased ERW's capacity to meet the National Priorities, however it has restricted ERW in appropriately planning to be able to deliver change or improvements. This has resulted in ERW being reactive rather than proactive in addressing areas that feature as part of their business plan.
- 5.7.3 The [REDACTED] stated that grant funding is maximised wherever possible, and that only £50k of salaries have been coded to the "core" budget during 2018-19, providing evidence that grant funding is being maximised. The grants require ERW to delegate 80% of funding out to schools, with 0.75% funding being allowed to support administrative costs.
- 5.7.4 Review of the Terms and Conditions show that there is the potential for core staff to be funded through grant streams, which is currently being utilised, however if this continues then it will ultimately detract on the level of delegation that schools will receive which may impact on the effectiveness of the region. The Acting Managing Director did state that there is the flexibility to fund all staff through grants received, however Welsh Government would expect to see an 80% delegation rate to schools, which would mean that Local Authorities would have to use their Revenue Support Grant (RSG) to support this.
- 5.7.5 There is nothing contained within the Terms and Conditions to stop all staff being funded through the grants received. However the Joint Committee should carefully balance this on the basis that if this route is to be undertaken then delegation to schools will decrease, and given schools dependence on these funding streams to support key roles to deliver Regional targets, could lead to further oversight and scrutiny by regulatory bodies.

Appendices

APPENDIX A

Recommendation Gradings

Requires strategic management action or a corporate policy or procedural decision.	A	A1*	A2*	A3
Requires operational management action or a directorate/service policy or procedural decision.	B	B1*	B2	B3
Continued compliance with an existing policy or procedure.	C	C1	C2	C3
		1	2	3
		Critical	Important	Desirable
		Seriousness		

APPENDIX B**Financial Breakdown of Leaders of Learning Programme.**

Local Authority	FTE Secondments	2017-18 Expenditure	2018-19 Expenditure	2019-20 Estimated Expenditure	Payments to Schools 2017-18	Total Funding
Carmarthenshire	11.8	£193,636	£528,763	£129,809	£182,000	£1,034,208
Ceredigion	7.0	£16,328	£260,960	£45,900	£106,600	£429,788
Neath Port-Talbot	10.0	£25,988	£484,416	£166,899	£153,400	£830,703
Pembrokeshire	6.8	£132,126	£359,670	£53,691	£122,200	£667,687
Powys	8.4	£133,068	£421,882	£127,482	£172,800	£855,232
Swansea	13.7	£148,847	£753,373	£148,946	£218,400	£1,269,566
Total	57.7	£649,993	£2,809,064	£672,727	£955,400	£5,087,184

APPENDIX B**Business Plan Priorities & Grants Utilised to Fund Leaders of Learning Programme**

2017-18 Financial Year Secondment Payments and Payments to Schools		
<u>Funding Streams Used</u>	<u>Business Plan Priorities</u>	<u>Total Funding Used</u>
Pioneer Grant	<ul style="list-style-type: none"> Core Consortia Support / Curriculum & Assessment Priority 	£286,570
GCSE Support Grant	<ul style="list-style-type: none"> GCSE / Developing the Profession Priority 	£53,387
Education Improvement Grant	<ul style="list-style-type: none"> Education Improvement Grant / Developing the Profession Priority 	£287,303
Raising School Standards	<ul style="list-style-type: none"> Welsh / Developing the Profession Priority Primary Oracy / Developing the Profession Priority NNEST / Developing the Profession Priority Schools as a Learning Organisation / Developing the Profession Priority Higher Level Teaching Assistants / Developing the Profession Priority 	£216,000 £189,800 £197,406 £171,520 £62,000
Assessment for Learning	<ul style="list-style-type: none"> Assessment for Learning / Developing the Profession Priority 	£83,555
Literacy & Numeracy	<ul style="list-style-type: none"> Literacy & Numeracy Grant / Developing the Profession Priority 	£57,852
Total		£1,605,393

2018-19 Financial Year Secondment Payments		
<u>Funding Streams Used</u>	<u>Business Plan Priorities</u>	<u>Total Funding Used</u>
Regional Consortia School Improvement Grant	• Successful Futures / Curriculum & Assessment Priority	£357,805
	• Starter Iaith / Curriculum & Assessment Priority	£223,852
	• Multiple Areas / Leadership Priority	£103,029
	• Future Leadership / Leadership Priority	£15,642
	• Education Improvement Grant / Developing the Profession Priority	£1,353,674
	• Welsh / Developing the Profession Priority	£119,240
	• GCSE / Developing the Profession Priority	£66,751
	• Assessment for Learning / Developing the Profession Priority	£106,343
	• Literacy & Numeracy / Developing the Profession Priority	£59,068
	• Professional Teaching Standards / Developing the Profession Priority	£5,194
	• Oracy / Developing the Profession Priority	£202,224
	• NNEST / Developing the Profession Priority	£148,303
• Foundation Phase / Developing the Profession Priority	£47,939	
Total		£2,809,064

2019-20 Financial Year Secondment Payments (if allocations remain the same)		
<u>Funding Streams Used</u>	<u>Business Plan Priorities</u>	<u>Total Funding Used</u>
Regional Consortia School Improvement Grant	• Successful Futures / Curriculum & Assessment Priority	£98,828
	• Siarter Iaith / Curriculum & Assessment Priority	£98,018
	• Multiple Areas / Leadership Priority	£20,976
	• Education Improvement Grant / Developing the Profession Priority	£321,812
	• Welsh / Developing the Profession Priority	£21,208
	• Assessment for Learning / Developing the Profession Priority	£7,882
	• Literacy & Numeracy / Developing the Profession Priority	£39,949
	• Oracy / Developing the Profession Priority	£36,096
	• NNEST / Developing the Profession Priority	£27,958
Total		£672,727

APPENDIX F**Initial Teacher Training Programme Expenditure**

Code	Subjective	Expenditure 2017-18 £	Expenditure 2018-19 £
NE43-13201-999	Core Salaries	60,374	58,119
NE43-13227-670	Secondments	25,315	-
NE43-21312-999	Accommodation	150	89
NE43-25310-999	Mobile Telephone	60	-
NE43-31129-999	ICT Equipment	-	54
NE43-31134-999	Comp. Refreshments	58	-
NE43-31138-999	Catering Supplies	90	-
NE43-31206-999	Hire of Equipment	115	-
NE43-31246-999	Translation Services	33	33
NE43-31283-999	Other Contracted Services	-	60,000
NE43-41104-999	Mileage	296	1,321
NE43-41105-999	Expenses	9	-
NE43-41612-620	Payment to Schools – Powys	1,500	(1,500)
NE43-41612-630	Payment to Schools – Ceredigion	1,500	-
NE43-41612-640	Payment to Schools – Pembs	3,000	-
NE43-41612-650	Payment to Schools – Carms	1,500	-
NE43-41612-660	Payment to Schools – Swansea	3,000	2,160
NE43-41612-670	Payment to Schools - NPT	3,000	1,500
NE43-65101-999	Income from Welsh Government	(100,000)	(121,776)
	Net Cost	-	-