

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



**ERW Joint Committee
Friday, 13th November, 2020
Virtual Meeting
2.05 - 4.05 pm**

PRESENT: Councillor Emlyn Dole [Chair], Carmarthenshire County Council

Councillor Rob Stewart	Swansea City Council
Councillor Phyl Davies (substituting for Cllr Rosemarie Harris)	Powys County Council
Councillor Guy Woodham (substituting for Cllr David Simpson)	Pembrokeshire County Council
Councillor Ellen ap Gwynn	Ceredigion County Council
Ms Caroline Turner	Powys County Council
Mr Eifion Evans	Ceredigion County Council
Mrs Wendy Walters	Carmarthenshire County Council
Mr Phil Roberts	Swansea City Council
Councillor Jennifer Raynor	Swansea County Council
Councillor Robert Smith	Swansea County Council
Mr Jonathan Haswell	Pembrokeshire County Council (ERW – S151 Officer)
Ms Elin Prysor	Ceredigion County Council (ERW - Monitoring Officer)
Mr Gareth Morgans	Carmarthenshire County Council (Lead Director)
Mr Stephen Richards Downes	Pembrokeshire County Council
Mr Ceri Davies	Pembrokeshire County Council (ERW - HR)
Ms Helen Lewis	Pembrokeshire County Council (ERW - HR)
Ms Jo Hendy	Pembrokeshire County Council (ERW – Internal Audit)
Mr Greg Morgan	ERW Chief Officer
Mr Ian Altman	ERW Chief Officer



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Ms Ruth Lee	ERW Business Support Manager
Ms Natalie Chambers	ERW Principal Accountant
Ms Ffion Lloyd	Ceredigion County Council
Mr Jeremy Saunders	Audit Wales
Ms Aneesa Ali	Audit Wales
Mr Mark Campion	ESTYN
Mr Alex Ingram	Welsh Government
Dr Chris Llewelyn	WLGA
Ms Llinos Jenkins	Carmarthenshire County Council
Mrs Michelle Evans Thomas	Carmarthenshire County Council (Democratic Services)
Mrs Jessica Laimann	Carmarthenshire County Council (Democratic Services)
Mrs Rhian Lloyd	Carmarthenshire County Council (Democratic Services)
Ms Siwan Rees	Carmarthenshire County Council (Translation)
Mr Jonney Corner	Carmarthenshire County Council (Technical Support)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors David Simpson (Pembrokeshire County Council) and Rosemarie Harris (Powys County Council), with Councillors Guy Woodham (Pembrokeshire County Council) and Phyl Davies (Powys County Council) attending as deputies.

The Chair welcomed to the meeting Greg Morgan and Ian Altman, who had been jointly appointed as Chief Officers for ERW.

2. DECLARATIONS OF PERSONAL INTERESTS

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

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 21ST JULY 2020

RESOLVED that the minutes of the meeting held on the 21st July 2020 be signed as a correct record.

4. MATTERS ARISING FROM THE MINUTES

The Chair provided the Joint Committee with an update on the decisions arising from the last meeting.



5. ERW ACTIVITY UPDATE

The Joint Committee received an ERW Activity Update report, which outlined ERW activity between September and November 2020 and provided an overview of the Business Plan 2020/21 and the Business Plan monitoring for the first two quarters of the financial year.

The Joint Committee was advised that the Activity Report and Business Plan were based around six different priority areas with associated strategy groups. The Activity Report also provided an update on stakeholder engagement, communication and blended learning resources. There were several vacancies in the ERW Central Team and recruitment work for two Business Support Officer posts had commenced.

With regard to the budget, the ERW Chief Officer advised that 90% of ERW funding went directly to schools and local authorities, 1% was Education Workforce Council (EWC) funding for the NQT programme and only 9% were retained within ERW.

In relation to Covid-19, the Joint Committee was advised that the Welsh Government had imposed a 3% saving on each consortium based on the RCSIG total grant. Funding to schools and staff salaries had been protected and ERW had absorbed the savings in full, resulting in a 20% cut to work-stream budgets.

In response to a query on recruitment, the Joint Committee was advised that, given the current circumstances, the Business Support Officer posts would be offered fixed-term contracts until the 31st March 2021.

RESOLVED that the ERW Business Plan 2020/21 and the associated monitoring process be approved.

6. ERW DEVELOPMENT

6.1. TEMPORARY VARIATION OF THE ERW LEGAL AGREEMENT

The Joint Committee considered a report on the temporary variation of the ERW Legal Agreement. It was advised that the report was brought before the Joint Committee following its decision in July to provide Neath Port Talbot (NPT) schools with access to agreed services. The proposed changes to the Legal Agreement would enable ERW to provide NPT schools with access to services as detailed in the report. The report provided a draft Variation to the Legal Agreement, which was subject to agreement from all constituent authorities. Following advice from the Monitoring Officer, the report also proposed that a



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separate legal agreement be prepared between ERW and Neath Port Talbot Council.

RESOLVED to

6.1.1. Agree the proposed changes to the Legal Agreement to enable ERW to provide Neath Port Talbot schools with access to agreed services as detailed within the report, subject to the assurance of no costs falling on ERW (save for legal costs incurred in amending the Legal Agreement);

6.1.2. Agree to the preparation of a separate legal agreement between ERW and NPT.

6.2. ERW JOINT AGREEMENT- TO MAKE CHANGES TO THE JOINT LEGAL AGREEMENT IN ACCORDANCE WITH CLAUSE 25

The Joint Committee considered a report proposing changes to the ERW Joint Legal Agreement in accordance with Clause 25. The Joint Committee was advised that the report responded to a Joint Committee decision to replace the ERW Consortium with a new footprint. All constituent authorities except Pembrokeshire County Council and Powys County Council had issued their notice to withdraw from the Consortium by 31st March 2021. In order to enable Pembrokeshire and Powys to leave the Consortium by the same date, and to facilitate the dissolution of ERW by 31st March 2021, it was proposed that the Joint Committee, in consultation with the Executive Board, recommend to each constituent authority that changes were made to the Legal Agreement to:

- I. Facilitate dissolution/termination of the ERW Consortium;
- II. Address any subsequent liabilities/indemnities of all present (and former) constituent authorities;
- III. Facilitate a reduced notice of withdrawal period of 4 months

The Joint Committee was advised that amendments to the Joint Legal Agreement were subject to approval from each constituent authority and draft proposed amendments had been circulated to the respective Heads of Legal. It was further advised that, following receipt of written notices recommending variation of the Legal Agreement, legal opinion from the respective Heads of Legal of constituent authorities would need to be sought, Ceredigion County Council's legal costs in executing the above changes would be charged to ERW and legal advice would be required in establishing any new Consortium to which withdrawing authorities may wish to be affiliated.

Several questions and comments were raised, including the following:

- With regard to the reduced notice of withdrawal period, it was suggested that this should be three rather than four months to provide constituent authorities that wished to withdraw by 31st March 2021 with sufficient time to agree and submit a notice of withdrawal;



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- In response to a query, the Joint Committee was advised that the proposed decision was an agreement in principle to provide Pembrokeshire and Powys County Councils with the option to leave ERW by the 31st March 2021 if they wished.

RESOLVED that

6.2.1. Following consultation with the Executive Board, a recommendation be made to each Authority, in accordance with Variation clause (Clause 25) of the ERW Joint Legal Agreement (2014) (“Legal Agreement”), that changes are made to the Legal Agreement, to:

- I. Facilitate dissolution/termination of the ERW Consortium;**
- II. Address any subsequent liabilities/indemnities of all present (and former) Authorities;**
- III. Facilitate a reduced notice of withdrawal period of three months;**

6.2.2. Notice in writing be given to each Authority of the recommendation agreed under 6.2.1.

6.3. CONSORTIUM DEVELOPMENT UPDATE

The Joint Committee received an update on the ERW Consortium Development and noted the recommended decisions as detailed in the report. It was advised that, following the decisions made under Agenda Items 3, 6.1 and 6.2, the report proposed further decisions regarding additional support.

Members were advised that, in order to secure additional HR capacity to support the change process, an additional full-time officer at a senior level was required. Notification had been received that an experienced officer from Pembrokeshire was available and that the associated costs could be managed from within the current budget due to vacancies. Agreement in regard to this proposal had been received from each constituent Authority on the 8th of October 2020 but confirmation from the Joint Committee would be required to finalise the agreement. The report further proposed that the Senior HR Officer set up a Working Party with HR representatives from each constituent authority to deliver the agreed changes, that he provide advice on the contents of the current employees’ contracts in respect to redundancy, and calculate the potential cost in order that the Joint Committee could make informed decisions.

The Joint Committee was further advised that, in light of the complexity of the HR and financial processes and the impact of COVID-19 on the capacity of key officers, it was proposed that the implementation date for a new partnership model be deferred from 1st April 2021 to 1st September 2021. This would require all partners who had issued notice of withdrawal to agree to defer this action until the end of August 2021.

RESOLVED that



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- 6.3.1. The secondment of Ceri Davies to ERW to provide additional capacity to deal with the ERW closure and set up of new partnership arrangements, as agreed via e-mail response to Chair's request sent on 8th October 2020, be confirmed;
- 6.3.2. The Leaders of the constituent authorities hold a workshop to further discuss the dissolution of ERW.

7. FINANCIAL UPDATE 2020-21

The Joint Committee received an update on the financial position of ERW for 2020-21 up to 30th September 2020. It was noted that the report provided specific detailed information in relation to:

- Central Team Budget
- Service Level Agreements
- Grant Allocations
- Regional Consortia School Improvement Grant (RCSIG)
- Business Plan Priorities
- Risks
- Reserves
- Recommendations

The Joint Committee was advised that expenditure was slightly higher than approved, however this had no impact on the level of reserves or Local Authority contributions. Similar to the previous financial update, risks areas had been identified around the change of the ERW structure, diminishing reserves and the continued reliance on grant funding.

In response to a query, Members were advised that the liability calculation following an ERW dissolution on 31st March 2021 would depend on any redundancies going forward and a comprehensive calculation could be developed once the structure of the new partnership model had been determined.

RESOLVED that

- 7.1. The updated ERW financial position at the end of 30 September 2020 be noted;
- 7.2. The amendments to the Central Team budget for 2020-21 due to the increase in SLA costs and the costs of the secondment of the Head of Human Resources/HR Lead to ERW be approved;
- 7.3. The allocation of the PDG Grant for 2020-21 be approved;
- 7.4. The allocation of the RCSIG EIG Grant for 2020-21 be approved.

8. ERW GRANT FUNDING AND ALLOCATIONS REPORT 2020-21

The Joint Committee considered a report on ERW Grant Funding and Allocations for 2020-21. The Joint Committee was advised that the report provided detailed



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information on the grants received and proposed allocations for the following grants:

- Regional Consortia School Improvement Grant (RCSIG);
- EIG Element of the RCSIG;
- Recruit, Recover, Raise Standards: Accelerating Learning Programme (RRRS-ALP) Element of RCSIG;
- Welsh Charter Element of RCSIG;
- Professional Learning Grant Element of RCSIG;
- Pupil Development Grant;

RESOLVED that

- 8.1. The Regional School Improvement Grant (RCSIG) awarded for 2020-21 be accepted;**
- 8.2. The EIG Allocations for 2020-21 be approved;**
- 8.3. The RRRS-ALP Allocations for 2020-21 be approved;**
- 8.4. The Welsh Charter Distribution Allocations for 2020-21 be approved;**
- 8.5. The Professional Learning Grant Allocations for 2020-21 be approved;**
- 8.6. The Pupil Development Grant awarded for 2020-21 be accepted.**

9. AUDIT WALES ERW AUDIT PLAN

The Joint Committee received an update on the work to be undertaken by Audit Wales in discharging its statutory duties, including potential risk, the proposed audit response and details on the audit fee, team and timetable.

RESOLVED that

- 9.1. The WAO audit plan be approved;**
- 9.2. The audit fee of £13,000 be agreed;**
- 9.3. The timetable be agreed;**
- 9.4. The respective responsibilities be agreed.**

10. ANNUAL HEAD OF INTERNAL AUDIT OPINION

The Joint Committee received a report on the Head of Internal Audit annual opinion on the effectiveness of ERW's governance, internal control, risk management and financial management arrangements.

RESOLVED that the Head of Internal Audit Annual Assurance Opinion 2019-20 be noted.

11. ERW STATEMENT OF ACCOUNTS 2019-20 AND AUDIT WALES ISA260 REPORT

The Joint Committee received a report on the ERW Statement of Accounts for 2019-20. The overall financial position of ERW was recognised in several core financial statements within the Statement of Accounts, including the



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Comprehensive Income & Expenditure Statement (CIES), the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement.

The Joint Committee was advised that the deadline required by the Accounts and Audit (Wales) (Amendment) Regulations 2018 for audit and approval of the ERW Statement of Accounts was the 15 September 2020. Due to the Covid-19 outbreak, this deadline could not be met but in accordance with Regulation 10 (4) a statement had been published on the ERW website setting out the reasons for non-compliance and the actions to be taken to ensure compliance as soon as possible.

The Joint Committee noted an uncorrected misstatement of £124k in the net pension fund liability as at 31st March 2019 and 31st March 2020. It was advised that the understatement had not been corrected because it was identified near to the end of the audit after all other amendments had substantially been completed and the value of the understatement was below the materiality threshold of £1.3m.

The Joint Committee was advised that the Internal Audit Opinion had not identified any significant internal control issues and Audit Wales would issue an unqualified opinion subject to the Statement of Accounts being signed by the S151 Officer and the Chair of the Joint Committee.

RESOLVED that

11.1. The ERW Statement of Accounts for 2019-20 be approved;

11.2. The ERW Statement of Accounts for 2019-20 be signed by the Director of Resources (ERW S151 Officer) and the Chair of the ERW Joint Committee.

12. ANNUAL GOVERNANCE STATEMENT

The Joint Committee received a report detailing the findings from the annual review of governance arrangements for the ERW Consortium for 2019-20. The Joint Committee was advised that the report and action plan had been produced in July against the best available evidence and planned actions might need to be reviewed in light of emerging discussions around the cessation and future model of ERW.

RESOLVED that the Annual Governance Statement 2019-20 be approved.

13. ERW RISK REGISTER

The Joint Committee received an update on the ERW Risk Register. Members were advised that the Risk Register had been updated to reflect the withdrawal of Neath Port Talbot Council and the impact of the Covid-19 pandemic. The risk relating to ERW Governance would need to be reviewed once a new partnership structure had been agreed. An additional risk was added in relation to qualifications 2020/21.



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RESOLVED that

- 13.1. The changes in the Regional Risk Profile be noted;**
- 13.2. The ERW Risk Register be approved.**

- 14. 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**

There were no items of urgent business.

CHAIR

DATE

