



GwE



Cyfarfod / Meeting

CYD-BWYLLGOR GwE
GwE JOINT-COMMITTEE

Dyddiad ac Amser / Date and Time

1.30 pm DYDD MERCHER, 9 GORFFENNAF 2014

1.30 pm WEDNESDAY, 9 JULY 2014

Lleoliad / Location

VENUE CYMRU
LLANDUDNO

Pwynt Cyswllt / Contact Point

GLYNDA O'BRIEN

(01341) 424301

GlyndaOBrien@gwynedd.gov.uk

AELODAETH Y CYDBWYLLGOR/MEMBERSHIP OF THE JOINT COMMITTEE

Aelodau â phleidlais/ Voting Members

Cynghorydd/Councillor Ieuan Williams – Cyngor Sir Ynys Môn/Isle of Anglesey County Council
Cynghorydd/Councillor Gareth Thomas – Cyngor Gwynedd Council
Cynghorydd/Councillor Wyn Ellis Jones – Cyngor Bwrdeistref Sirol Conwy/Conwy County Borough Council
Cynghorydd/Councillor Eryl Williams – Cyngor Sir Ddinbych/ Denbighshire County Council
Cynghorydd/Councillor Chris Bithell – Cyngor Sir y Fflint/Flintshire County Council
Cynghorydd/Councillor Michael Williams – Cyngor Bwrdeistref Sirol Wrecsam/Wrexham County Borough Council

Aelodau Cyfetholedig heb Bleidlais/Co-opted Non-voting Members

Esgobaeth Llanelwy/St Asaph Diocese – Rosalind Williams
Cynrychiolydd Ysgolion Cynradd/Primary Schools Representative – sedd wag / vacant seat
Cynrychiolydd Ysgolion Uwchradd/ Secondary Schools Representative – Annwen Morgan
Cynrychiolydd Ysgolion Arbennig/Special Schools Representative – Jonathan Morgan
Cynrychiolydd Llywodraethwr/ Governor Representative – Alison Fisher

Swyddogion heb Bleidlais/Non-voting Officers

Dr Gwynne Jones – Cyngor Sir Ynys Môn/Isle of Anglesey County Council
Dewi R. Jones – Cyngor Gwynedd Council
Geraint James – Cyngor Bwrdeistref Sirol Conwy/Conwy County Borough Council
Karen Evans – Cyngor Sir Ddinbych/Denbighshire County Council
Ian Budd – Cyngor Sir y Fflint/Flintshire County Council
John Davies – Cyngor Bwrdeistref Sirol Wrecsam/Wrexham County Borough Council

Swyddogion yn bresennol/Officers in attendance

Iwan Evans a Dafydd Edwards – Awdurdod Lletyol/Host Authority
Geraint Rees – Llywodraeth Cymru/Welsh Government
Huw Foster Evans – Prif Swyddog GwE/GwE Chief Officer
Susan Owen Jones – Rheolwr Busnes a Chyllid GwE/GwE Business & Finance Manager
Mohammed Mehmet – Cyngor Sir Ddinbych/Denbighshire County Council

AGENDA

1. CHAIRMAN

To elect a Chairman for 2014/15

2. VICE-CHAIRMAN

To elect a Vice-chairman for 2014/15

3. APOLOGIES

To receive any apologies for absence.

4. DECLARATION OF PERSONAL CONNECTION

To receive any declaration of personal interest.

5. URGENT ITEMS

To note any items that are a matter of urgency in the view of the Chairman for consideration.

6. MINUTES OF THE LAST MEETING 30/4/14

(copy enclosed)

7. THE JOINT COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

(copy enclosed)

8. ANNUAL GOVERNANCE STATEMENT

(copy enclosed)

9. PROGRESS REPORT ON THE PROGRESS & DEVELOPMENT OF GwE

(copy enclosed)

10. GwE BUDGET 2014/15 – 1st QUARTER REVIEW

(copy enclosed)

11. THE NATIONAL MODEL

(i) MINISTER FOR EDUCATION AND SKILLS' RESPONSE

(copy enclosed)

(ii) GwE's RESPONSE TO ADDITIONAL ISSUES RAISED IN WELSH GOVERNMENT FEEDBACK

(copy enclosed)

12. 2014/15 MEETING DATES

(copy enclosed)

**GwE Joint Committee
30.04.14**

Present: **Councillor Eryl Williams (Chair)**
 Councillor Siân Gwenllian (Vice-chair)

Councillors Ieuan Williams (Isle of Anglesey Council), Wyn Ellis Jones (Conwy County Borough Council), Chris Bithell (Flintshire County Council), Michael Williams (Wrexham County Borough Council).

Co-opted Members without a vote: Mr Rhys Howard Hughes (Primary Schools Representative), Mrs Annwen Morgan (Secondary Schools Representative), Mr Jonathan Morgan (Special Schools Representative)

Officers without a vote: Mr John Davies (Wrexham County Borough Council), Mr Dewi R Jones (Cyngor Gwynedd Council), Dr Gwynne Jones (Isle of Anglesey Council), Mr Geraint James (Conwy County Borough Council), Karen Evans (Denbigh County Council)

Also present: Mr Huw Foster Evans (GwE Chief Officer), Mrs Susan Owen Jones (GwE Business and Finance Manager), Mr Iwan Evans (Host Authority Legal Service Manager - Cyngor Gwynedd Council), Mr Hefin Owen (Host Authority Finance Manager - Cyngor Gwynedd Council), Ms Sandra Evans (Host Authority Senior Human Resources Adviser - Cyngor Gwynedd Council), Mr Geraint Rees (Welsh Government representative) and Glynda O'Brien (Host Authority Members Support Officer - Cyngor Gwynedd Council).

Apologies: Mr Ian Budd (Flintshire County Council), Mr Dafydd Edwards (Host Authority Head of Finance - Cyngor Gwynedd Council)

Councillor Wyn Ellis Jones apologised for his absence from the last Joint Committee meeting

1. CHAIR ANNOUNCEMENTS

- (a) A welcome was extended to Councillor Gareth Thomas, who is Councillor Siân Gwenllian's successor to the post of Cabinet Member for Education - Cyngor Gwynedd Council
- (b) Reference was made to a bereavement suffered recently by Mrs Annwen Morgan and deepest condolences were expressed to her in her loss.

2. DECLARATION OF PERSONAL INTEREST

No declaration of personal interest was received by any Members present

3. MINUTES

The Chair signed the minutes of this meeting, held on the following dates, as a true record:

6 November 2013

12 March 2014

4. **PROGRESS REPORT**

The GwE Chief Officer presented a report updating the Members of the Joint Committee on GwE progress and developments.

It was noted that the report has been prepared for some time now. It was prepared for the last Joint Committee meeting but due to an insufficient quorum the meeting had to be postponed. The Chief Officer took advantage of the opportunity to thank the GwE team for their work during the last six months, which has been crucial work of a high standard.

The GwE Chief Officer led the Members through the report, making reference to:

- GwE continues to work in accordance with the original Service Level Agreement agreed by the six Authorities
- the Chief Officer has represented GwE in national discussions with regard to developing the National Model for School Improvement
- System Leaders' programme of work
- data collected by the Service on primary and secondary school outcomes following Visit 1 during the autumn term of 2012 and Visit 3 during the summer term of 2013. A significant change has been noted since the situation in the autumn term of 2012 in that there has been an increase, from 26% to 32%, in the percentage of primary schools judged as adequate or unsatisfactory and a decrease, from 11% to 6%, in the percentage of primary schools judged as excellent.
- an increase, from 38% to 52%, in the percentage of secondary schools judged as adequate or unsatisfactory although the percentage of unsatisfactory secondary schools has fallen from 13% to 5%.
- an increase, from 9% to 15%, in the percentage of secondary schools judged as excellent. The most significant change with regard to the secondary sector was the decrease, from 53% to 33%, in the percentage of schools judged as good.
- the above changes are to be expected as the tool used for coming to judgement is more familiar by now; also, the Service Level Agreement itself means that schools must be in one of the two lower categories in order to qualify for additional support by the Service
- GwE continues to conduct moderation activities across the region as well as conducting joint visits
- schools' feedback to Visit 1 questionnaire with a good percentage of positive responses
- an update on literacy and numeracy noting that one of GwE's Senior System Leaders continues to work as the region's main link with the National Support Programme
- update on pupil outcomes 2013
- the future, referring specifically to the development of the National Model and the Business Case, which has by now been presented to the Minister for Education, Welsh Government. It was noted that it is important for the Service to be responsive to the National Model with new expectations for consortia. To this end, it is necessary to develop

capacity to address the developments in the Business Case and attention was drawn to an example of the current staffing structure of the EAS Service in South East Wales.

Before proceeding to discuss structures and appointments, Mr Rhys Howard Hughes left the meeting as he had expressed an interest in one of the posts discussed below.

The Chief Officer went on to note that the Headteacher of Ysgol Uwchradd Alun, Flintshire, has been appointed to the role of Senior System Leader to pertain to quality. The Chief Officer is keen to appoint a Head of Support and Brokerage, from GwE's current resources, to develop the supporting capacity of the Service to assist schools in special categories. The need to move on with this appointment was noted and the Joint Committee's approval was sought with regard to this.

Arising from the report, the following points were highlighted:

- (i) In response to a Member's enquiry about KS2 targets, the Chief Officer explained that the problem is a national problem with regard to variations in interpretation and guidance regulated by the Welsh Government. He intends to discuss the matter with the GwE Management Team, which takes place in the next few days.
- (ii) With regard to GwE monitoring the implementation of the literacy and numeracy tests, the Chief Officer noted that GwE had been requested to undertake this task on behalf of the six Authorities and that the results this year would note the progress score in line with the Government's requirement.
- (iii) Schools expect to receive support and it was felt that this support is key. It is hoped that the Joint Committee will approve the principle of appointing a Head of Brokerage to develop this support.
- (iv) Concern about assessments and school categorisation and, specifically, if the progress score is going to be more important than the raw score how this will impact ESTYN inspections. In response, the Chief Officer strongly believes that the categorisation processes must coincide with ESTYN procedures. If this does not happen, it will be a challenge for the GwE service. The Welsh Government representative added that the 4 regions should take ownership of the Model and create consistency across the regions.
- (v) In response to the above, it was felt that it is the role of the Welsh Government to lead on this and ensure guidance that is more robust and firm, as it is very open-ended at present.
- (vi) The GwE Chief Officer reported that Professor Graham Donaldson from Glasgow University is undertaking a review of the educational curriculum from the Foundation Phase to the Secondary along with assessment in Wales.
- (vii) In response to a Member's enquiry about how those schools that are performing at the top can be maximised, the Chief Officer noted there is a role for schools to improve on every level and the hope is to create a family of schools that can work and improve together. It is intended to prepare a development plan for school-to-school working by the end of September.

It was decided to: (a) **Accept and note the contents of the report on the current GwE developments, thank the Chief Officer for the comprehensive report and all the work undertaken by him and his team during a busy period with regard to national developments.**

(b) **Approve:**

- (i) **the principle of appointing a Head of Brokerage, from current GwE resources, to develop the supporting capacity of the service in accordance with what is presented in the Regional Business Case;**
- (ii) **to grant the Chief Officer permission to go ahead with the appropriate arrangements for appointing, in consultation with the 6 Authorities;**
- (iii) **that the Chief Officer continues to work with the Education Directors of the 6 Authorities on implementing the requirements of the Regional Business Case and report back to the Joint Committee on developments.**

5. GwE BUDGET FINANCIAL REVIEW REPORT 2013/14

Presented: Report by GwE Chief Officer and Host Authority Head of Finance (Cyngor Gwynedd Council), which outlines the latest financial review of GwE budget for 2013/14.

(a) The Host Authority Head of Finance noted that the report focuses on 'significant' financial variations that have emerged, namely an increase in the £150,000 underspend, which means an estimated net underspend of £563,000 against the budget set as part of the Full Business Case to set up GwE.

(b) Attention was drawn to 'significant' financial variations between the reports of Quarter 2 and Quarter 3 that pertain to costs linked to Employees (Q2: £81k overspend; Q3: £2k overspend) as well as commissioning (Q2: neither overspend nor underspend; Q3: £52k underspend).

It was decided to: (a) **Accept and note the contents of the report**

(b) **Confirm:**

- (i) **Earmark £70,000 towards the Welsh Government national training programme for System Leaders to be held in 2014/15**
- (ii) **Earmark the remainder, that is £493,000, towards reinforcing the commissioning budget and to deliver the Regional Business Plan to implement the National Model 2014/15.**

6. BASELINE BUDGET 2014/15

Presented: GwE Chief Officer and Host Authority Head of Finance (Cyngor Gwynedd Council) report on GwE Baseline Budget 2014/15.

- (a) The Host Authority Finance Manager drew the Joint Committee's attention to the fact that the budget has been prepared using the final business case format with the impact of inflation/increase in costs estimated and

incorporated into the budget (including pay rise, national insurance adjustments and consumer price index increase). In the Joint Committee meeting in July a progress report on developments will be presented, which will lead to responsibilities being transferred to GwE.

- (b) Concern was raised by many Members regarding the financial cutbacks facing local authorities and as a result GwE will have to show value for money for the service.

It was decided to: Adopt the 2014/15 baseline budget as outlined in Appendix 1 of the report

7. THE BUSINESS CASE AS THE REGION'S RESPONSE TO THE NATIONAL MODEL FOR SCHOOL IMPROVEMENT

Presented: The Region's Business Case presented to the Welsh Government as a response to the National Model for School Improvement

- (a) Mr Geraint Rees, Welsh Government, reported that the Business Case presented is concise, fit for purpose and meets the requirements of the Welsh Government. The following are responses to observations made by Joint Committee Members:

- there needs to be a Central Team to support the GwE Chief Officer
- it was accepted that the region is vast and that it is a challenge to ensure consistency in monitoring across the region
- a model of school-to-school collaboration needs to be established and a framework and flexibility put in place to respond to schools' needs
- the intention was not to create unnecessary work, but rather to secure a model for raising standards that will lead naturally in the long term to school leaders assisting each other
- it would be beneficial for the Joint Committee to invite an international expert to share evidence and experience in the field

- (b) Varying views were expressed by Joint Committee Members with regard to realising the above, such as:

- it would be inevitable that a project plan with regard to governance arrangements along with a finance model would have to be prepared for September
- awaiting the legal opinion of the Welsh Local Government Association (WLGA) on the process
- the need for additional resources within the GwE Central team to be able to carry out the work
- it was suggested that during the next few weeks the Education Directors and the GwE Chief Officer discuss the way forward and report on progress in the next Joint Committee meeting in July
- it was felt that a period of stability is needed in order to be able to focus on improving standards rather than respond to constant changes by the Welsh Government

It was decided to: Accept and note the above and ask Mr Geraint Rees to convey the concerns of the Joint Committee to the Minister for Education with regard to monitoring and making regional assessment consistent.

7. ANY OTHER BUSINESS

In response to the Chair's enquiry about the empty seat in the Membership of the Joint Committee, the Chief Officer reported that Ms Alison Fisher has accepted an invitation to represent the Governors on the Joint Committee

8. DATE OF THE NEXT MEETING

The next meeting of the Joint Committee will be held at 1.30pm on Wednesday 9 July 2014 at Venue Cymru, Llandudno.

The meeting started at 9.30 a.m. and concluded at 11.00 a.m.

CHAIR

MEETING	GwE Joint Committee
DATE	9 July 2014
TITLE	The Joint Committee's Final Accounts for the year ended 31 March 2014
PURPOSE	To submit – <ul style="list-style-type: none"> • The Revenue Income and Expenditure “outturn” report for 2013/14, and • The Statement of Accounts, in the ‘statutory’ format, duly certified, but pre-Audit.
RECOMMENDATION	To receive and note the information, and confirm the handling of the underspend.
AUTHOR	Dafydd L Edwards, Head of Finance, Gwynedd Council

1. STATUTORY FINANCIAL REPORTING REQUIREMENTS

- 1.1 There are specific accounting and audit reporting requirements for Joint Committees.
- 1.2 Section 12 of the Public Audit (Wales) Act 2004 states that a joint committee of two or more (local) authorities is a local government body, and Section 13 of the Act requires such bodies to maintain accounts subject to audit by an external auditor approved by the Auditor General for Wales.
- 1.3 Although they are not independent legal entities, for the purposes of keeping accounts and being audited, a joint committee is separately subject to the same regulations as other local councils.
- 1.4 Gwynedd Council is the host Council responsible for meeting the accounting and financial reporting responsibilities of GwE's Joint Committee.
- 1.5 The Accounts and Audit (Wales)(Amendment) Regulations 2010 require all Joint Committees to prepare year-end accounts, i.e. an income and expenditure account, and where the turnover exceeds £1m, a statement of accounts must be prepared in accordance with the CIPFA code for the Joint Committee.
- 1.6 GwE's Statement of Accounts will be subject to an audit by the Wales Audit Office, separate to their audit of Gwynedd Council's accounts.

2. ACCOUNTS FOR 2013/14

- 2.1 **The Revenue Income and Expenditure Account for 2013/14 is submitted herewith as Appendix A**, as well as commentary on the major variances between the budget and actual expenditure for information “as usual”, in “outturn” format which, I trust, is more understandable for members acting as a “management board”.
- 2.2 **The Statement of Accounts for 2013/14 (prior to audit) is submitted herewith as Appendix B, duly completed and certified by the Responsible Financial Officer**, namely Gwynedd Council’s Head of Finance (Dafydd L Edwards) as the Statutory Finance Officer for the Joint Committee. This statement is in a standard statutory format and is essential from a “governance” perspective.
- 2.3 These will be subject to imminent audit by the Wales Audit Office, and the Appointed Auditor (Anthony Barrett) will produce an “ISA 260” report (detailing the Wales Audit Office’s main findings) for submission to GwE’s Joint Committee on 29 September 2014.

3. UNDERSPEND

- 3.1 It was reported to the Joint Committee on 30 April that the estimated underspend for 2013/14 was £563,000.
- 3.2 It was decided on 30 April to commit £70,000 towards a System Leaders training programme, and to ear-mark the remainder, namely £493,000, towards reinforcing GwE’s commissioning budget in 2014/15 and beyond.
- 3.3 By now, the final underspend is £776,662 and therefore it is possible to ear-mark £706,000 for commissioning in order to achieve the business plan, the national model, and schools’ requirements in 2014/15 and beyond.
- 3.4 The main reasons for the increase in the 2013/14 underspend are slippage in the use of specific income, and further underspend on a number of headings, including less expenditure than anticipated on ‘commissioning’ in quarter 4, as well as additional staff turnover.

4. RECOMMENDATION

- 4.1 **GwE’s Joint Committee is asked to receive and note the information in the appendices, i.e. –**
 - Revenue Income and Expenditure Account for 2013/14 – Appendix A
 - The Statement of Accounts for 2013/14 (pre-audit) – Appendix B

GwE JOINT COMMITTEE**(COUNCILS: CONWY, DENBIGHSHIRE, FLINTSHIRE, GWYNEDD, ANGLESEY AND WREXHAM)****INCOME AND EXPENDITURE REVENUE ACCOUNT 2013/14**

	Budget £	Final Accounts £	Variance £
<u>EXPENDITURE</u>			
Workers			
Salaries			
- Management and Administration	485,305	369,895	(115,410)
- System Leader	2,406,684	2,078,291	(328,393)
Training, advertising and other employee costs	24,700	5,809	(18,891)
Building			
Rent (includes services)	49,600	30,818	(18,782)
Travel			
Travel Costs	190,370	97,567	(92,803)
Supplies and Services			
Furniture, equipment, printing, postage, telephone, room hire etc	21,694	22,360	666
External Auditor Fees	0	6,125	6,125
Brokerage	250,000	83,745	(166,255)
Gwynedd Council Host Authority Support Service Costs			
Legal	5,000	5,000	0
Human Resources	8,572	8,572	0
Finance	37,075	37,075	0
Information Technology	41,000	41,000	0
Projects	0	166,496	166,496
One-off Start up Costs			
Redundancy costs and the purchase of equipment / resources	0	853,166	853,166
Total Expenditure	3,520,000	3,805,920	285,920
<u>Income</u>			
Core Service Contributions			
- Conwy Council	(550,600)	(550,600)	0
- Denbighshire Council	(531,136)	(531,136)	0
- Flintshire Council	(791,334)	(791,334)	0
- Gwynedd Council	(634,878)	(634,878)	0
- Anglesey Council	(356,402)	(356,402)	0
- Wrexham Council	(655,650)	(655,650)	0
Regional Coordinator - National Support Program: Literacy and Numeracy	0	(28,800)	(28,800)
Conwy, Denbighshire and Flintshire Councils: SACRE	0	(8,550)	(8,550)
WJEC	0	(3,119)	(3,119)
Projects	0	(166,496)	(166,496)
One-off Start up Costs			
- Contribution from North Wales Councils	0	(853,166)	(853,166)
Interest	0	(2,452)	(2,452)
Total Income	(3,520,000)	(4,582,582)	(1,062,582)
Total	0	(776,662)	(776,662)

	£
Balance 31/3/2013	0
Transfer to balances 2013/14	(776,662)
Balance 31/03/2014	(776,662)

Final Accounts 2013/14 – Main Variances

- The final accounts show a net underspend of (£776,662) for the year 2013/14, and the following table summarises the main variances.

Expenditure Heading	Net Over / (Under) spend	
	£	£
Employees		
- Management and Administration (delay with appointments, turnover)	(115,410)	
- System Leader (delay with appointments, turnover)	(328,393)	
- Training, advertising and other employee costs (turnover, slippage)	(18,891)	
- External Income	<u>(40,469)</u>	(503,163)
Building		
Rent (over-provision)		(18,782)
Travel		
Travel Costs (delay with appointments, turnover)		(92,803)
Brokerage (slippage)		(166,255)
Net Overspend - Other		4,340
Net Underspend 2013/14		(776,662)

GwE Reserves

Movement in reserve	Reserve balance (£)	% of budget
Net underspend 2013/14	(776,662)	22.1
GwE Reserve Balance 31 Mawrth 2014	(776,662)	22.1

GwE Joint Committee
(Conwy, Denbighshire, Flintshire, Gwynedd,
Anglesey and Wrexham Councils)

STATEMENT OF
ACCOUNTS
2013/14

SUBJECT TO AUDIT

INDEX

	Page
Explanatory Foreword	2 – 4
Statement of Responsibilities	5
Movement in Reserves Statement	6
Comprehensive Income and Expenditure Statement	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Accounts	10 - 26

EXPLANATORY FOREWORD

Introduction

The Regional School Effectiveness and Improvement Service (GwE) has been established in partnership between the six North Wales authorities, being Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Gwynedd Council, Isle of Anglesey County Council and Wrexham County Borough Council, to be accountable to the Councils and undertake the statutory function of the Councils in respect of school improvement and effectiveness. This includes the duty to monitor, challenge, provide support services for curriculum continued professional development and management of schools, and in addition provides services that can be commissioned by schools and local authorities.

Gwynedd Council has been appointed as Host Authority in implementing and maintaining the service, and the Joint Committee of all the partners oversees the management of the service.

The GwE Joint Committee accounts for the year 2013/14 are presented here on pages 6 to 27. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14*.

The Accounts consist of:-

- **Movement in Reserves Statement** – This statement shows the movement in year on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The income and expenditure has been split between the six councils as follows for 2013/14 :

Conwy	15.64%
Dinbych	15.09%
Fflint	22.48%
Gwynedd	18.04%
Ynys Môn	10.13%
Wrexham	18.63%
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2014.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2013/14 for revenue and capital purposes.

These accounts are supported by this Foreword, the Accounting Policies and various notes to the accounts. The accounting policies adopted by the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts on page 9.

Revenue Expenditure in 2013/14

- The Comprehensive Income and Expenditure Statement on page 7 shows that the Joint Committee's gross revenue expenditure was £3,903k during 2013/14, with the net position as -£680k. Reversing the Code's required technical adjustments through the Statement of Movement in Reserves, the true net increase is seen to be (£777k).
- The financial out-turn position for 2013/14 was reported to the Joint Committee at its meeting on 9 July 2014. Joint Committee Members' approval is sought to transfer the £777k

underspend to an earmarked reserve.

- The Movement in Reserves Statement and the Comprehensive Income and Expenditure Statement on page 6 and 7 detail the actual analysis in movements for the year.

TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	3,520	3,806	286
Income			
Council Contributions for the core service:			
Conwy	(551)	(551)	0
Denbigshire	(531)	(531)	0
Flintshire	(791)	(791)	0
Gwynedd	(635)	(635)	0
Anglesey	(356)	(356)	0
Wrexham	(656)	(656)	0
Income for one-off start up costs (contributions from the 6 councils)	-	(853)	(853)
Other Income	-	(210)	(210)
Net (Underspend)/Overspend	0	(777)	(777)

TABLE 2 –Transposition movement between rhwng ‘Budget and Actual Comparison Summary (Net)’ (Table I) to the Income and Expenditure format

	Performance Report	*Transposition Adjustment	Income & Expenditure Statement
	£'000	£'000	£'000
Expenditure	3,806	97	3,903
Income	(4,583)	0	(4,583)
Cost of Services	(777)	97	(680)

* The adjustments in the transposition column relate to the required technical adjustments for pensions and accumulated absences.

Accounting Policies

The accounting policies adopted on behalf of the Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note I of the Accounts on page 10.

Further Information

The Statement of Accounts is available on Gwynedd Council's website www.gwynedd.gov.uk.

Further information relating to the accounts is available from:

William E Jones
Senior Finance Manager
01286 679406

or

Caren Rees Jones
Central Accountancy Unit, Finance Department
01286 679134

Finance Department
Gwynedd Council
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press at the appropriate time.

GwE JOINT COMMITTEE

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE JOINT COMMITTEE'S RESPONSIBILITIES

Gwynedd Council bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs and the Responsible Financial Officer is the Head of Finance.

It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources to safeguard its assets, and to approve the Statement of Accounts.

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the GwE Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code of Practice.

The Head of Finance has also kept proper accounting records which were up to date and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the GwE Joint Committee at 31 March 2013 and its income and expenditure for the year then ended.

26 June 2014

Dafydd L. Edwards B.A., C.P.F.A., I.R.R.V.
Head of Finance, Gwynedd Council

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Joint Committee.

	Note	General Fund Balance	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Joint Committee's Reserves
		£'000	£'000	£'000	£'000	£'000
Opening Balance 1 April 2013		0	0	0	4,097	4,097
Movement in reserves during 2013/14						
(Surplus)/Deficit on provision of services		(495)	0	(495)	0	(495)
Other Comprehensive Income and Expenditure		0	0	0	(1,104)	(1,104)
Total Comprehensive Income and Expenditure		(495)	0	(495)	(1,104)	(1,599)
Adjustments between accounting basis and funding basis under regulations	8	(282)	0	(282)	282	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves		(777)	0	(777)	(822)	(1,599)
Transfers to/from Earmarked Reserves	9	777	(777)	0	0	0
(Increase)/Decrease in 2013/14		0	(777)	(777)	(822)	(1,599)
Balance 31 March 2014 carried forward		0	(777)	(777)	3,275	2,498

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT – 2013/14

This statement shows the accounting cost in the year of providing the special educational needs service in accordance with generally accepted accounting practices.

2012/13			Note	2013/14		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
0	0	0		2,264	0	963
0	0	0		31	0	25
0	0	0		98	0	51
0	0	0		370	0	49
0	0	0	20	853	(853)	0
0	0	0		287	0	287
0	0	0		0	(3,730)	(3,730)
0	0	0		3,903	(4,583)	(680)
0	0	0		0	0	0
0	0	0	10	185	0	185
0	0	0		0	0	0
0	0	0		4,088	(4,583)	(495)
		0	22			(1,104)
		0				(1,104)
		0				(1,599)

* One off GwE start-up costs and income.

BALANCE SHEET – 31 MARCH 2014

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets/(liabilities) of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

1 April 2013 £'000		Note	31 March 2014 £'000
0	Long Term Assets		0
0	Short Term Debtors	11	1,041
0	Cash and Cash Equivalents		126
0	Current Assets		1,167
0	Short Term Creditors	12	(440)
0	Current Liabilities		(440)
(4,097)	Pension Liability	22	(3,225)
(4,097)	Long Term Liabilities		(3,225)
(4,097)	Net Assets/(Liabilities)		(2,498)
0	Usable Reserves	13	(777)
4,097	Unusable Reserves	14	3,275
4,097	Total Reserves		2,498

CASH FLOW STATEMENT – 2013/14

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period.

2012/13 £'000	Note	2013/14 £'000
0 Net (Surplus) or Deficit on the Provision of Services		(495)
0 Adjustments to net surplus or deficit on the provision of services for non-cash movements (<i>creditors, debtors and pension</i>)	15	369
0 Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0
0 Net cash flows from Operating Activities		(126)
0 Investing Activities		0
0 Financing Activities		0
0 Net (Increase)/Decrease in cash and cash equivalents		(126)
0 Cash and cash equivalents at the beginning of the reporting period		0
0 Cash and cash equivalents at the end of the reporting period		(126)

* Cash Flow position in line with Accounting Policy 1.3.

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued in the 2005 Act.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

I.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet where such balances are considered material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

I.3 Cash and Cash Equivalents

The Joint Committee does not have its own bank account and cash is administered by Gwynedd Council within its own accounts.

I.4 Contingent Assets

A contingent asset arises where an event has taken place that gives the Joint Committee a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee.

Contingent assets are not recognised in the Balance Sheet, but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential. The Joint Committee has no contingent assets.

I.5 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Joint Committee a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet, but disclosed in a note to the accounts.

1.6 Employee Benefits

1.6.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Joint Committee. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Joint Committee can no longer withdraw the offer of those benefits or when the Joint Committee recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Joint Committee to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.6.3 Post Employment Benefits

Employees of the Joint Committee are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Westminster Government's Department for Education.
- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Gwynedd Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee and their previous employers.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Joint Committee. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

1.6.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme:

The liabilities of the Gwynedd Pension Fund attributable to the Joint Committee are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc, and projections of earning for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 4.3% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Joint Committee are included in the balance sheet at their fair value as determined by the Fund's actuary.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- Net interest cost on the net defined benefit (asset), i.e. the net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Joint Committee of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.6.5 Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect (where it is possible to estimate the cost).

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.8 Prior Period Adjustments, changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.9 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Joint Committee has not satisfied.

1.10 Overheads and Support Services

Charges for services provided by the Central Support Departments within Gwynedd Council are derived from a combination of pre-determined fixed charges, actual recorded staff time, transaction logging and pre-determined formulae.

1.11 Non Distributed Costs

The majority of central support services are allocated to the service divisions in accordance with the Service Reporting Code of Practice (SeRCOP) 2013/14. The items that are excluded from this treatment are defined as Non Distributed Costs and include the cost of discretionary benefits awarded to employees retiring early.

1.12 Reserves

Specific reserves are created to set aside amounts for future spending schemes. This is done through transfers out of the General Fund Balance in the Movement in Reserves Statement.

1.13 Value Added Tax

Only in a situation when VAT is irrecoverable, will VAT be included or charged as 'irrecoverable VAT'. Since the Joint Committee has not registered for VAT, the VAT is recovered through Gwynedd Council's VAT registration.

1.14 Debtors and Creditors

The Joint Committee's Accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

1.15 Pensions

International Accounting Standard (IAS) 19 governs how the long term liabilities which exist in relation to pension costs should be reported. Local councils (including joint committees) in Wales and England are required to produce their financial statements in accordance with IAS 19.

1.16 Jointly Controlled Operations

Jointly controlled operations are activities undertaken in conjunction with other ventures that involve the use of assets and resources of the ventures rather than the establishment of a separate entity.

The GwE Joint Committee has been categorised as a Jointly Controlled Operation.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

As this is the first year of the Joint Committee all accounting policies are in line with the *Code of Practice on Local Authority Accounting in the United Kingdom* for 2013/14.

NOTE 3 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 has introduced several changes in accounting policies which will be required from 1 April 2014. The changes are as follows:

IFRS 10 - Consolidated Financial Statements (May 2011)

This change in the accounting policy has introduced a new definition of control, which is used to determine which entities are consolidated for the purpose of group accounts.

IFRS 11 - Joint Arrangements (May 2011)

This change in accounting policy is related to accounting for joint arrangements, which is a contractual arrangement over which two or more parties have joint control. These are classified as either a joint venture or a joint operation. Proportionate consolidation is no longer an option for jointly controlled entities.

IFRS 12 - Disclosure of Interest with Other Entities (May 2011)

This change requires a number of disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures (amended May 2011)

These statements have been amended as a result of the changes to IFRS 10, IFRS 11 and IFRS 12 (above). Given that there would be no changes in the financial statements, except for disclosure, due to the changes to IFRS 10, IFRS 11 and IFRS 12, there is therefore also no impact as a result of changes in IAS 27 and IAS 28.

IAS 32 - Financial Instruments: Presentation (amended December 2011)

This standard introduces changes to the presentation of financial instruments and allows the offsetting of financial assets and financial liabilities.

It is not likely that the above changes will have a material affect on GwE's Statement of Accounts.

NOTE 4 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Joint Committee has had to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on historical experience and other factors, other factors being historical and actual future projections and assumptions that are considered to be relevant.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as earmarked reserves, provisions and contingent liability. Actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 5 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following item in the Joint Committee's Balance Sheet at 31 March 2014 may be considered to be a significant risk, with the possibility of material adjustment in the forthcoming financial year.

- **Pensions Liability** – The Pension Liability position as contained within the accounts is based on a number of complex assessments and judgments as provided by Actuaries engaged by the Council. Further details are contained in Note 21 and 22.

NOTE 6 – MATERIAL ITEMS OF INCOME AND EXPENSE

(Not disclosed on the face of the Comprehensive Income and Expenditure Statement)

There are no material items of income and and expense which are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

NOTE 7 – EVENTS AFTER THE BALANCE SHEET DATE

There are no known events after the balance sheet date.

NOTE 8 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

2013/14		
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	Useable Reserve General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
Adjustments primarily involving the Pensions Reserve:		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 22)	(886)	886
Employer's pensions contributions and direct payments to pensioners payable in the year	654	(654)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(50)	50
Total Adjustments	(282)	282

NOTE 9 – TRANSFERS TO/FROM EARMARKED RESERVES

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans.

Earmarked Reserves

	GwE Joint Committee Reserves
	£'000
Balance 1 April 2013	0
<u>Transfers:</u>	
Between Reserves	0
In	777
Out	0
Balance 31 March 2014	777

NOTE 10 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2012/13		2013/14
£'000		£'000
0	Net interest on the net defined benefit liability (asset)	185
0	Total	185

NOTE 11 – SHORT-TERM DEBTORS

	1 April 2013 £'000	31 March 2014 £'000
Central Government Bodies	0	2
Other Local Authorities	0	1,022
Other Entities and Individuals	0	17
Total	0	1,041

NOTE 12 – SHORT-TERM CREDITORS

	1 April 2013 £'000	31 March 2014 £'000
Other Local Authorities	0	245
Public Corporations and Trading	0	6
Other Entities and Individuals	0	189
Total	0	440

NOTE 13 – USABLE RESERVES

The Movement in Reserves Statement details the movements in the Joint Committee's usable reserves.

NOTE 14 – UNUSABLE RESERVES

1 April 2013 £'000		31 March 2014 £'000
(4,097)	Pensions Reserve	(3,225)
0	Accumulated Absences Account	(50)
(4,097)	Total Unusable Reserves	(3,275)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the

resources the Joint Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2012/13 £000	2013/14 £000
0 Balance 1 April	(4,097)
0 Re-measurements of the net defined benefit liability / (assets)	1,104
0 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(886)
0 Employer's pensions contributions and direct payments to pensioners payable in the year	654
0 Balance 31 March	(3,225)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2012/13 £000	2013/14 £000
0 Balance 1 April	0
0 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(50)
0 Balance 31 March	(50)

NOTE 15 – CASH FLOW STATEMENT : ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2012/13 £'000	2013/14 £'000
0 (Increase)/Decrease in Creditors	(440)
0 Increase/(Decrease) in Debtors	1,041
0 Pension Liability	(232)
0	369

NOTE 16 – OFFICERS’ REMUNERATION

a. 7A (1) (b) of the Accounts and Audit (Wales) (Amendment) Regulations 2010, require the Joint Committee to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. In compliance with the defined requirements, the pensionable pay and the employer’s pension contributions are included below, but the employer’s national insurance contributions are excluded. The remuneration paid to the Joint Committee’s senior employees is as follows:

2012/13				Chief Officers	2013/14			
Employer's		Other	Total		Employer's		Other	Total
Pension	Employer				Pension	Employer		
Salary	Contribution	Costs			Salary	Contribution	Costs	
£	£	£	£	£	£	£	£	
0	0	0	0	Chief Officer ¹	34,749	11,363	72,170	118,282
0	0	0	0	Chief Officer ²	48,648	15,908	0	64,556

¹ Employed in post up to 31 August 2013

² Employed in post from 1 September 2013

b. Other Joint Committee employees receiving more than £60,000 remuneration for the year (excluding employer’s pension and national insurance contributions), were paid the following amounts. The figures include termination benefits paid in 3 cases in 2013/14. These posts would not appear below except for the termination benefits paid in the individual year.

Number of other employees who received more than £60,000 including remuneration and termination benefits:		
Number in 2012/13		Number in 2013/14
Total		Total
0	£60,000 - 64,999	1
0	£65,000 - 69,999	1
0	£70,000 - 74,999	0
0	£75,000 - 79,999	0
0	£80,000 - 84,999	0
0	£85,000 - 89,999	0
0	£90,000 - 94,999	1

NOTE 17 – EXTERNAL AUDIT COSTS

The Joint Committee has incurred the following costs relating to external audit.

2012/13	2013/14
£’000	£’000
0 Fees for External Audit Services	6

NOTE 18 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

Members

Members of the Joint Committee have an influence over the Joint Committee's financial and operating policies.

Members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Joint Committee. A breakdown of the payments and balances at 31 March 2014 made to these companies under this heading during 2013/14 is as follows:

Payments made	Amounts owed by the Joint Committee	Amounts owed to the Joint Committee
£2,000	£0	£0

The figures are based on information received in respect of Councillors' returns.

Officers

The Joint Committee's Senior Officers (as defined) have declared as required and where appropriate an interest or relationship (as defined) in companies, voluntary, charitable, or public bodies which receive payments from the Joint Committee. A breakdown of the payments and balances at 31 March 2014 made to these companies under this heading during 2013/14 is as follows:

Payments made	Amounts owed by the Joint Committee	Amounts owed to the Joint Committee
£0	£0	£0

The figures are based on information received in respect of Senior Officers' returns.

NOTE 19 – EXIT PACKAGES

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The cost in the table below reflects the related cost to the employer rather than the actual cost of the payments to the individuals.

(a)	(b)		(c)		(d)		(e)	
Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
£	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
	Number	Number	Number	Number	Number	Number	£'000	£'000
0 - 20,000	0	4	0	0	0	4	0	56
20,001 - 40,000	0	6	0	0	0	6	0	158
40,001 - 60,000	0	6	0	0	0	6	0	273
60,001 - 80,000	0	3	0	0	0	3	0	199
80,001 - 100,000	0	1	0	0	0	1	0	95
100,001 - 150,000	0	0	0	0	0	0	0	0
Total	0	20	0	0	0	20	0	781

NOTE 20 – EXCEPTIONAL ITEM

The exceptional item in the Comprehensive Income and Expenditure Statement (2013/14) indicates the one-off start up costs for the GwE Joint Committee. The main element are the costs of exit packages as indicated in Note 19, financed from contributions from each originating authority.

NOTE 21 – PENSIONS SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Joint Committee are members of the Teachers' Pension Scheme, administered by the Government's Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Joint Committee contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Joint Committee is not able to identify its share of underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2013/14 the Joint Committee paid £0.02m in respect of teachers' pension costs, which represented 14.10% of teachers' pensionable pay. In addition the Joint Committee is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms for the teachers' scheme.

There were no such costs in 2013/14. These costs are accounted for on a defined benefits basis and are included in Note 22.

NOTE 22 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

GwE participates in two post employment schemes:

- a) **The Local Government Pension Scheme** administered locally by Gwynedd Council. This is a funded defined benefit final salary scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- b) **Arrangements for the award of discretionary post retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Gwynedd Council. Policy is determined in accordance with the Local Government Pensions Scheme Regulations. The investment managers of the fund are appointed by the committee.

The principal risks to the Joint Committee from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the Joint Committee.

Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against council tax (via the Council's contributions) is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the Joint Committee's General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2014		
	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000
Fair Value of Employer Assets	9,806	0	9,806
Present Value of Funded Liabilities		(13,903)	(13,903)
Present Value of Unfunded Liabilities		0	0
Opening Position at 31 March	9,806	(13,903)	(4,097)
Service Cost			
Current Service Cost*	0	(414)	(414)
Past Service Costs(including curtailments)	0	(287)	(287)
Total Service Cost	0	(701)	(701)
Net interest			
Interest Income on Plan Assets	447	0	447
Interest Cost on Defined Benefit Obligation	0	(632)	(632)
Total Net Interest	447	(632)	(185)
Total Defined Benefit Cost Recognised in Profit/(Loss)	447	(1,333)	(886)
Cashflows			
Plan participants contributions	109	(109)	0
Employer contributions	645	0	645
Contributions in respect of funded benefits	0	0	0
Benefits Paid	(406)	406	0
Unfunded Benefits Paid	0	0	0
Expected Closing Position	10,601	(14,939)	(4,338)
Re-measurements			
Change in demographic assumptions	0	0	0
Change in financial assumptions	0	(420)	(420)
Other experience	0	1,154	1,154
Return on Assets excluding amounts included in net interest	379	0	379
Total remeasurements recognised in Other Comprehensive Income (OCI)	379	734	1,113
Fair Value of Employer Assets	10,980	0	10,980
Present Value of Funded Liabilities	0	(14,205)	(14,205)
Present Value of Unfunded Liabilities	0	0	0
Closing Position at 31 March 2014	10,980	(14,205)	(3,225)

* The current service cost includes an allowance for administration expenses of 0.5% of payroll

The Major Categories of Plan Assets as a Percentage of Total Plan Assets

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets and to further break them down between those with a quoted price in an active market and those that do not. The asset split for GwE is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2013. The split is shown in the table above. The actuary estimates the bid value of the Fund's assets as at 31 March 2014 to be £1,305,000,000 based on information provided by the Administering Authority and allowing for index returns where necessary.

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS19.

Asset Category	At 1 April 2013				At 31 March 2014			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	%	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	%
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Equity Securities								
Consumer	117	0	117	1	206	0	206	2
Energy and Utilities	297	0	297	3	263	0	263	2
Financial Institutions	165	0	165	2	92	0	92	1
Health and Care	494	0	494	5	487	0	487	4
Information Technology	154	0	154	2	306	0	306	3
Other	472	0	472	5	501	0	501	5
Private Equity								
All	0	483	483	5	0	525	525	5
Real Estate								
UK Property	0	841	841	9	0	945	945	9
Overseas Property	0	30	30	0	0	28	28	0
Investment Funds and Unit Trusts								
Equities	218	3,018	3,236	33	2,463	3,217	5,680	52
Bonds	1,979	1,296	3,275	33	0	1,632	1,632	15
Infrastructure	0	0	0	0	0	48	48	0
Derivatives								
Inflation	0	25	25	0	0	0	0	0
Cash and Cash Equivalents								
All	217	0	217	2	268	0	268	2
Total	4,113	5,693	9,806	100	4,586	6,395	10,981	100

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on fund specific projections called VitaCurves with long term improvement assumed to have already peaked and converging to 1.25% per annum.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries, estimates for the Gwynedd Pension Fund being based on the latest full valuation of the scheme as at 31 March 2013. The significant assumptions used by the actuary are as follows:-

31 March 2014	
Financial Assumptions	% p.a.
Pensions Increase Rate	2.8
Salary Increase Rate	4.6*
Inflation Rate	2.8
Discount rate	4.3
Long term expected rate of return on all categories of assets	4.3
Take-up option to convert annual pension into retirement lump sum	
for pre-April 2008 service	50
for post-April 2008 service	75
Mortality assumptions	Years
Longevity at 65 for current pensioners	
Men	22.0
Women	24.0
Longevity at 65 for future pensioners	
Men	24.4
Women	26.6

*Salary increases are assumed to be 1% p.a. until 31 March 2015 reverting to the long term assumption shown thereafter.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31 March 2014 on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Joint Committee of a one year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3%. In practice the actual cost of one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages). The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31st March 2013, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Impact on the Defined Benefit Obligation in the Scheme		
Change in assumption	Approximate increase to Employer 31 March 2014	Approximate monetary amount 31 March 2014
	%	£'000
0.5% decrease in real discount rate	16	2,205
1 year increase in life expectancy	3	426
0.5% increase in the salary increase rate	3	464
0.5% increase in the pension increase rate	12	1,725

Impact on the Joint Committee's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. Gwynedd Council has agreed a strategy with the fund's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis.

The contributions paid by the Joint Committee are set by the Fund Actuary at each triennial valuation (the most recent being as at 31 March 2013), or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2017 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Joint Committee, please refer to the 2013 actuarial report dated 31 March 2014.

Information about the Defined Benefit Obligation

	Liability Split		Duration
	£'000	%	
Active Members	9,950	70.1	22.6
Deferred Members	302	2.1	33.7
Pensioner Members	3,953	27.8	14.7
Total	14,205	100.0	20.6

The above figures are for funded obligations only and do not include unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2013.

Impact in Future Years

Future IAS19 reporting will take account of the national changes to the scheme under the Public Pensions Services Act 2013 and the change from final salary benefits to career average revalued benefits for service from 1st April 2014 onwards.

The total contributions expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2015 is £458,000.

As the Actuary's report is based on estimates and due to timing issues, there is a variance of £8,523 in 2013/14 between the deficit in the Scheme based on the Actuarial figures in comparison with the Liability related to the defined benefit pension schemes in the Balance Sheet. This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities and therefore has been included in the Liability related to the defined benefit pension schemes in the Balance Sheet.

MEETING	GwE Joint Committee
DATE	9 July 2014
TITLE	Annual Governance Statement
PURPOSE	To Submit The Annual Governance Statement
RECOMMENDATION	To Approve The Annual Governance Statement
AUTHOR	Dafydd L Edwards, Head of Finance, Gwynedd Council

1. BACKGROUND

- 1.1 The Accounts and Audit Regulations (Wales) (Amendment) (2010) require every Joint Committee to prepare annual accounts. In accordance with Part 4 of the Accounts and Audit Regulations (Wales) 2005 it is necessary to produce a Statement of Internal Control and to this end, an Annual Governance Statement has been prepared (see Appendix A).
- 1.2 It is intended to combine the Statement with the GwE Joint Committee's accounts to form one composite document to be presented to the Joint Committee for approval at the end of September 2014.

2. RECOMMENDATION

- 2.1 **The GwE Joint Committee is asked to approve the Annual Governance Statement.**

ANNUAL GOVERNANCE STATEMENT

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulations 2005.

Part 1: SCOPE OF RESPONSIBILITY

GwE was established as a Joint Committee to be a regional school effectiveness and improvement service by the 6 north Wales local authorities in 2013 by undertaking the functions that are detailed in an agreement between the Joint Committee and the authorities. In the agreement, the Councils have agreed to work together in a partnering relationship to establish a Regional School Effectiveness and Improvement Service to be accountable to, and undertake the statutory functions of the Councils in respect of school improvement and effectiveness.

The Councils' vision was to establish a Regional School Effectiveness and Improvement service to be accountable to, and undertake the statutory responsibilities of, the six local North Wales Authorities in respect of the duties to monitor; challenge; provide support services for curriculum continued professional development and management of schools, and in addition provide services that can be commissioned by schools and local authorities.

GwE is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the GwE is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the GwE is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authorities that are part of the GwE to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of GwE's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at the GwE for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

Part 3: THE GOVERNANCE FRAMEWORK

3.1 Membership

The Councils have entered into an Agreement to establish and implement GwE pursuant to the powers conferred on them by Section 9 of the Local Government Wales Measure 2009, Section 2 of the Local Government Act 2000 Sections 101 and 102 of the Local Government Act 1972 and associated Regulations.

Membership of the Joint Committee includes one member each from Isle of Anglesey County Council, Gwynedd Council, Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, and Wrexham County Borough Council with voting rights.

The Statutory Chief Education Officers, one from each local authority in north Wales, are officer members without voting rights.

One Diocese Representative, one Primary Schools Representative, one Secondary Schools Representative, one Special Schools Representative and one Governor Representative are co-opted non-voting members.

3.2 Functions

The Councils have signed an agreement on 13 February 2013 to formalise each of their roles and responsibilities in respect of the Service, and have appointed Gwynedd Council the Host Authority for operating and maintaining the Service in accordance with the terms of the agreed Final Business Case.

The agreement is comprehensive, and includes information on governance and administrative aspects of the Joint Committee. The agreement is the foundation of GwE's governance framework.

3.3 Principles

By signing the agreement, the Councils have agreed that they would maintain their relationship in accordance with the following principles of good governance:

- **Openness and Trust**
In relation to the Agreement the Councils will be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful;
- **Commitment and Drive**
The Councils will be fully committed to working jointly, will seek to fully motivate employees and will address the challenges of the Service with drive, enthusiasm and a determination to succeed;
- **Skills and Creativity**
The Councils recognise that each brings complementary skills and knowledge which they will apply creatively to achieving the Councils' objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it;
- **Effective Relationships**
The roles and responsibilities of each Council will be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other's representatives;
- **Developing and Adaptive**
The Councils recognise that they are engaged in what could be a long term relationship which needs to develop and adapt and will use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives;
- **Reputation and Standing**

The Councils agree that, in relation to this Agreement and the Service generally, they shall pay the utmost regard to the standing and reputation of one another and shall not do or fail to do anything which may bring the standing or reputation of any other Council into disrepute or attract adverse publicity to any other Council;

- Reasonableness of Decision Making

The Councils agree that all decisions made in relation to this Agreement and the Service generally shall be made by them acting reasonably and in good faith;

- Necessary Consents

Each Council hereby represents to the other Councils that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement; and

- Members and Officers' Commitments

Each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the Service shall at all times act in the best interests of the Service, and respond in a timely manner to all relevant requests from the other Councils.

Part 4: EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

GwE has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

Gwynedd Council is the Host Authority of the Joint Committee. As a result, therefore, reviews of the effectiveness of the Local Code of Governance, the Constitution and the system of internal control of that authority will also incorporate the basis of the Joint Committee's governance.

Since 2013/14 was the first year of GwE's existence, a review of the effectiveness of its system of governance was undertaken by Internal Audit. Attention was given to the outcome of the host authority's Head of Internal Audit's annual report. Mainly based on the work of Internal Audit, the assessment of the effectiveness of the governance framework is as follows:

Objectives

A Full Business Case has been provided for the Service, dated March 2012, with the business case showing evidence that clear objectives have been established and are SMART and that an appropriate work programme is in place.

Structure, Roles and Responsibilities

The Joint Committee has been established, with appropriate membership.

There is a clear organisational structure for the service, but after receiving the new national model, there will be changes to the structure in the future due to changes in expectations on the part of the Service.

The terms of reference of the Joint Committee set out some of its responsibilities together with a list of members of the Joint Committee and voting rights. The role of the Authorities has been identified in the Agreement.

Leadership

The Joint Committee met on the following dates:

- 20/02/2013
- 08/07/2013
- 06/11/2013

However, there was an attempt to hold a meeting on 12/03/2014 but there was no quorum as five members of the Joint Committee with voting rights were required, and five were not available.

Risk Management

GwE's risk register has been updated in December 2013. The relevance of the risk register will be kept under review.

Accountability

In an independent assessment, Internal Audit was satisfied that:

- The agreement had been signed by appropriate officials in the 6 Authorities.
- The agreement prescribes the service in detail.
- Appropriate clauses exist in the contract refers to key governance issues as follows:
 - Duties of the Host Authority and the Other Councils,
 - Decision Making
 - The Joint Committee
 - Commitment and Contributions of Councils
 - The commitment of the Host Authority and the Other Councils
 - Commencement, Duration and Termination
 - Withdrawal
 - Underperformance of the Service.

Performance Management Systems

Under the agreement, the Service's Chief Officer will report annually to the Joint Committee and to each individual Council on the performance of the Service in undertaking Functions and achieving Key Service Objectives.

Under the agreement, a report will be provided to all Councils by the Chief Officer no later than 31 October in any year, but it was decided in October 2013 that the Service had not been running long enough to be able to report on the performance and therefore the next report to the Councils will be by 31/10/2014

Internal Audit was of the opinion that appropriate outcomes have been established to monitor the performance of the Service.

User Needs and Complaints

The Service follows Gwynedd Council complaints procedure. So far no complaints have been received.

In addition, it is possible for schools to provide feedback via the User Group that has been established to provide support to the Joint Committee as well as challenge. Appropriate representatives from secondary and primary schools of the 6 authorities belong to the user group.

The User Group is operating effectively because:

- It has the right to report and make recommendations to the Joint Committee on any matter within the scope of functions of the Service.
- The group meets three times a year.
- The group includes:
 - 6 Secondary representatives, one from each Authority
 - 6 Primary representatives, one from each Authority
 - 1 representatives of Special Schools
 - School Governors - 1 representative per Council.

Corporate Policies

At the balance sheet date, the corporate policies were the process of being reviewed by Human Resources, GwE and the Unions with some way to go until this work is complete.

We have been advised on the implications of the result of the **review of the effectiveness of the governance framework** by GwE, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**.

Part 5: SIGNIFICANT GOVERNANCE ISSUES

The processes outlined in previous sections of this statement describe the methods used by GwE to identify the most significant governance issues that need to be addressed.

GwE does not believe that any such issues have arisen during the assessment of its governance arrangements that warrant attention in this Annual Governance Statement.

Part 6: OPINION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

GwE Lead Officer**GwE Chairman****Date :** _____**Date :** _____



REPORT TO THE JOINT COMMITTEE

9 JULY 2014

Report by: Chief Officer of GwE

Subject: Progress report on the progress & development of GwE (Regional School Effectiveness and Improvement Service)

1.0 Purpose of the report

1.1 To update Joint Committee members on the progress and development of GwE.

2.0 Background

2.1 This report provides an update to the Chief Officer's report to the Joint Committee on 30 April 2014.

2.2 Following the recommendation of the meeting of 6th November 2013, the Chief Officer has continued to represent GwE in national discussions on the development of the National Model for School Improvement.

3.0 Considerations

3.1 A number of significant appointments have been made since the previous Joint Committee meeting:

3.1.1 Head of Support & Brokerage: following the agreement at the last Joint Committee meeting, the appointment process has been completed. Rhys Howard Hughes has been appointed & will be commencing in post as of 1st of September 2014 (a brief introduction to Rhys is included in appendix 1).

3.1.2 Senior System Leader (Wrexham & Flintshire): Ashley Jones has appointed & will be commencing in post as of 1st September 2014 (a brief introduction to Ashley is included in appendix 1).

3.1.3 Stella Gruffydd has been appointed as System Leader in the Gwynedd/Anglesey hub. Stella is currently headteacher at Ysgol Bro Lleu, Penygroes, Gwynedd.

3.1.4 The Welsh Government requires GwE to be 'adaptable and flexible' to respond quickly to various requirements. In response, an advertisement (included as appendix 2) for part time secondments to GwE was circulated in April 2014. Following a positive response from headteachers & senior leaders, 14 headteachers have been offered & have accepted part time secondments (up to 30 days) during 2014/15. The secondments will be of benefit to GwE and also to the headteachers as individuals & their schools.

3.2 The current work programme for the System Leaders includes the following:

- Attending briefing session for Visit 3;
- Preparing for and holding Visit 3 in every school in the region;
- Arrange and provide support for targeted schools;
- Pre-inspection support;
- Post-inspection support;
- Sub-regional team meetings;
- Meetings with local authority home teams to discuss individual school issues.

3.3 In addition, members of the Senior Management Team have held meetings, made presentations and ran training on behalf of GwE with a variety of partners to include:

- Groups of school headteachers;
- Union representatives;
- National Conferences of Teacher and Headteacher Unions;
- Elected Member and Scrutiny Committees;
- Local Authority Officers;
- Welsh Government Officials;
- Challenge Advisors National Training Group;
- Welsh Government Education Communications & Marketing Group.

3.4 The Welsh Government (in consultation with the 4 regional consortia) are developing a programme of National Training for Challenge Advisors (System Leaders). It is envisaged that the training will consist of two days of national workshops (September 2014), a one day conference (November), Estyn training and a bespoke training package for each consortia dependent on needs. The training will lead to a 'kite mark' type certification for all Challenge Advisors.

3.5 Termly Monitoring Visit (Visit 2, Spring 2014)

3.5.1 This year's Visit 2 focused on specific aspects of school provision within Question 2 of Estyn's Common Inspection Framework and included joint scrutiny of a sample of learners' work between the Senior Management Team and the System Leader. The visit specifically looked at:

- quality and range of extended writing across the curriculum;
- quality of staff feedback on the work of learners.

The visit was extremely well-received and viewed by many as a means of verifying quality and validating the robustness of school procedures. This is corroborated in schools' response to the questionnaire (see appendix 3).

3.6 Termly Monitoring Visit (Visit 3 Summer 2014)

3.6.1 The Team of System Leaders are currently carrying out their Summer Term monitoring visits which, like last year, focus on specific aspects of leadership – i.e. quality and impact of quality improvement procedures (self-evaluation) and planning for improvement across the school (Performance Indicators 3.2.1 and 3.2.2 Question 3 Estyn Inspection Framework). Nevertheless, this year, the main focus is on identifying what has changed or improved

in the school as a result of evaluation procedures and on identifying and agreeing on a programme of work which will help to make action even more robust.

3.6.2 In order to ensure a clear and unambiguous focus for the visit and so that System Leaders are suitably equipped for the professional discussion, schools are requested to send copies of the following key documents beforehand:

- current version of the school self-evaluation against the 3 Key Questions (and in secondary an example of a departmental self-evaluation against the 3 Key Questions and an example of a Departmental Development Plan);
- recent examples of summative reports following lesson observation cycles;
- 2013-14 SDP (along with an evaluation of progress against the action);
- and a list of likely issues for priority in the 2014-15 School Development Plan.

3.6.3 We also encourage schools, where feasibly possible, to involve wider stakeholders in these key discussions e.g. Middle Leader/Head of Department/Curricular Coordinators and representation from the Governing Body.

During this year's visit 3, the new national tool/matrix will be trialled to reach a judgement on the quality of leadership and to help us with categorisation.

The Joint Committee will be presented with an analysis of the profile of judgements across the region early in the autumn term.

3.7 Literacy and Numeracy – update since the last report.

3.7.1 With the appointment of a new Senior System Leader for the Wrexham / Flintshire hub, the current postholder will commence as Senior System Leader with responsibility for the national priorities from September onwards. She will be responsible to the Head of Brokerage & Support, and will assist him in the development of a coherent regional plan for the use of the School Effectiveness Grant (SEG).

3.7.2 This year, for the first time, GwE were responsible for monitoring the administration and process of marking the National Reading & Numeracy Tests within schools. We visited 104 schools across the region during the period between the 6th & 25th of May. There were no instances of maladministration. A full analysis of the performance of the region's schools will be available early in the autumn.

3.7.3 Four additional Associate Partners have been seconded to increase the capacity of the existing team of 8; who have been providing support to specific schools to implement the National Literacy & Numeracy Framework during this year. Between them, the four new secondees have experience of working across the Foundation Phase, KS2 & KS3, and leadership within the field of literacy and numeracy within their schools. They will begin their work in September.

3.8 GCSE Project 2015/PISA

3.8.1 In response to the Welsh Government's decision to release substantial resources to the four Consortia to support schools in their delivery of the revised GCSE 2015 specifications and prepare learners better for PISA tests, GwE has introduced an innovative and challenging approach. Rather than building capacity amongst the central team through secondments, schools themselves are invited to submit bids to become regional '*lead institutions*' in one or more of the 4 curricular areas (Welsh First Language, English, Mathematics and Science). In support of the work, up to £100,000 per year, for two years, will be released for each curricular area. Once schools had been

informed of this opportunity, a briefing session was held on the morning of 20 June at Conwy Business Centre where this alternative approach was fully supported and appreciated by the schools present. This project will see the *lead school* attending national meetings to keep up to date with changes, working with GwE's link SL for local dissemination, providing support to fellow schools and leading action-based research in their schools. All materials developed – whether learning resources or exemplar schemes of work – will be shared with all schools in the region.

3.8.2 If successful, this approach could be adopted for several other developmental areas and ties in with GwE's intentions as regards promoting *school-to-school* collaboration. With the basic principle of this initiative being: '*led by schools for schools*', we are hopeful that it will bring with it a lasting legacy together with better capacity within the system.

3.8.3 The closing date for applications is 4 July, with the successful schools being confirmed soon after. Further details will be presented to the Joint Committee during the autumn term.

3.9 'Schools Challenge Cymru' Initiative

3.9.1 In February 2014, the Minister for Education announced a £20m programme to support around 40 of the most disadvantaged and lowest performing schools across Wales. Only 5 of these are in GwE's region [Holyhead from Anglesey; Holywell from Flintshire and Rhosnesni/Bryn Alyn and Clywedog from Wrexham].

3.9.2 "Challenge" Advisers will be working closely with these schools, and the good news for us is that the individuals appointed to the local schools are System Leaders who are existing GwE employees or who are contributing on a part-time basis by supporting specific schools. Dr Alwyn Jones will be working with Holyhead, Clive Hampton with Bryn Alyn and Clywedog and Dave Mountfort with Rhosnesni and Holywell. All three are extremely experienced in the area and their contributions will hopefully result in improvements in the outcomes of the schools in question. They will be accountable to the Chief Officer and there will be agreed protocols for reporting to Welsh Government officers.

3.9.3 In addition to this, GwE was given the opportunity to bid for additional resources to build the capacity of the support available to institutions and other schools in the region which will help us to drive improvements in the 5 schools. This bid will involve making extensive use of successful Senior Leaders, Middle Leaders and teachers in order to model and share good practice. The bid consists of two themes (Leadership and Teaching/Learning) together with an element which will ensure appropriate capacity for management and coordination. The bid totals £513,000 and we are awaiting confirmation from the Welsh Government.

3.10 The GwE User Group continues to meet with a wide representation from headteachers and governors. Very useful and valuable feedback is provided by members and the main matters under discussion recently can be summarised as follows:

- Providing feedback on Visit 2 (Spring Term) – see also (Appendix 1) the response to the on-line questionnaire sent to every school following Visit 2.
- Arrangements for Visit 3.
- Implications of the National Model.
- GwE Visits pattern 2014 / 15.

3.7 The Trade Unions consultation meetings continue under the chairmanship of the Consortium Lead Director.

4.0 The Future

4.1 The future of the service is fully entwined with the development of the National Model.

4.2 As reported at the last meeting of the Joint Committee, GwE will need to develop its capacity to respond to the requirements of the National Model. A proposed structure for GwE is included as Appendix 4. The structure includes the additional new role of Head of Standards. This role would increase capacity within the Senior Management Team & on a regional basis.

5.0 Recommendations

The Joint Committee is asked to:

5.1 note the content of the report on the current developments within GwE.

5.2 approve that the Chief Officer continues to work alongside the Directors of Education in the six authorities to enact the requirements of the National Model Business Plan and report back to the Joint Committee on the developments.

5.3 Approve the amendment of the title of GwE Chief Officer to GwE Managing Director (in line with the National Model & the other regional consortia in Wales).

5.4 Approve in principle the addition of the Head of Standards to the core structure of the service; & additionally recognising the need to increase capacity on a temporary basis until the appointment is made.

6.0 Financial Implications

6.1 There are no additional financial implications as a result of this report

7.0 Equality Impact

7.1 There are no new equality impacts arising from this report

8.0 Personnel Implications

8.1 As explained within the body of the report.

9.0 Consultations

9.1 None as a direct result of this report

10.0 Appendices

Appendix 1:

Rhys Howard Hughes – Head of Brokerage & Support

Rhys is currently the Headteacher of Ysgol Cae Top in Bangor, Gwynedd. He has held this position since 2002 and the school was awarded seven grade ones in their last Estyn inspection in 2009. Rhys is also a member of the National Leadership Development Board (NLDB) with specific responsibility of researching into the developments of "school to school" working in Wales, and researching the potential of further developing the role of the "Executive Head" in Wales.

Ashley Jones – Senior System Leader (Wrexham & Flintshire Hub)

Ashley began his career teaching in three secondary schools in Leeds before becoming Head of Mathematics at Victoria High in Ulverston, Cumbria. In 1992 he moved to the Alun School in Mold as Deputy Head, and was promoted to Headteacher at Easter 2008. Since then the school has been awarded a full set of top grades in inspection, is a Band 1 school, and in Summer 2013 its Level 2 (inc. En/We/Ma) score was the third highest in Wales.

Appendix 2:

Secondments advertisement



PENAETHIAID ac UWCH ARWEINWYR

CYFLE AM SECONDIAD FEL RHAN O WASANAETH GwE

Ydych chi'n Bennaeth neu yn Uwch Arweinydd mewn ysgol? Hoffech chi gael cyfle i ymestyn eich profiad ac i gyfrannu ymhellach at wella ysgolion ar draws Gogledd Cymru?

Mae GwE yn chwilio am bennaethiaid ac uwch arweinwyr i ymuno â'r gwasanaeth ar delerau secondiad o oddeutu 30 diwrnod o fewn blwyddyn ysgol. Bydd cyfle i weithio fel Arweinydd System gydag ysgolion unigol ac i fod yn rhan o ddatblygiadau rhanbarthol mewn meysydd blaenoriaeth arbennig fel bo cynhwysedd cefnogol y gwasanaeth yn cynyddu.

Mae'r gwasanaeth, a sefydlwyd yn Ebrill 2013, yn atebol i chwe Awdurdod Lleol Gogledd Cymru ac yn gyfrifol am gyflawni cyfrifoldebau statudol o ran dyletswyddau monitro, herio a darparu gwasanaethau cefnogi. Yn ogystal, mae'n darparu gwasanaethau y gall ysgolion ac awdurdodau lleol eu comisiynu.

CEISIADAU TRWY LYTHYR AT SYLW'R PRIF SWYDDOG I'R CYFEIRIAD EBOST ISOD

DYDDIAD CAU: 10.00 O'R GLOCH, DDYDD MERCHER 7 MAI 2014

Am sgwrs anffurfiol cysylltwch â Huw Foster Evans, Prif Swyddog GwE ar 0300 500 8087 neu e-bost [Huw FosterEvans@GwE.org.uk](mailto:HuwFosterEvans@GwE.org.uk)

HEADTEACHERS and SENIOR LEADERS

OPPORTUNITY FOR SECONDMENT WITHIN GwE

Are you a Headteacher or a Senior Leader in a school? Would you like an opportunity to extend your experience and make a further contribution to improving schools across North Wales?

GwE is looking for headteachers and senior leaders to join the service on secondment terms of around 30 days within a school year. There will be an opportunity to work as a System Leader with individual schools and to be part of regional developments in particular areas of priority as the support capacity of the service increases.

The service, established in April 2013, is accountable to the six North Wales Local Authorities and is responsible for undertaking statutory responsibilities as regards duties to monitor, challenge and provide support services. In addition, it provides services that can be commissioned by schools and local authorities.

APPLICATIONS BY LETTER FOR THE ATTENTION OF THE CHIEF OFFICER AT THE E-MAIL ADDRESS BELOW.

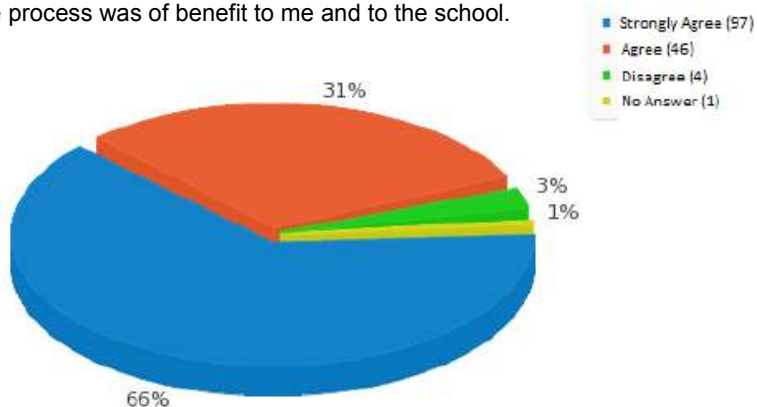
CLOSING DATE: 10.00AM, WEDNESDAY 7 MAY 2014

For an informal discussion about the post please contact Huw Foster Evans, GwE Chief Officer on 0300 500 8087 or e-mail HuwFosterEvans@GwE.org.uk.

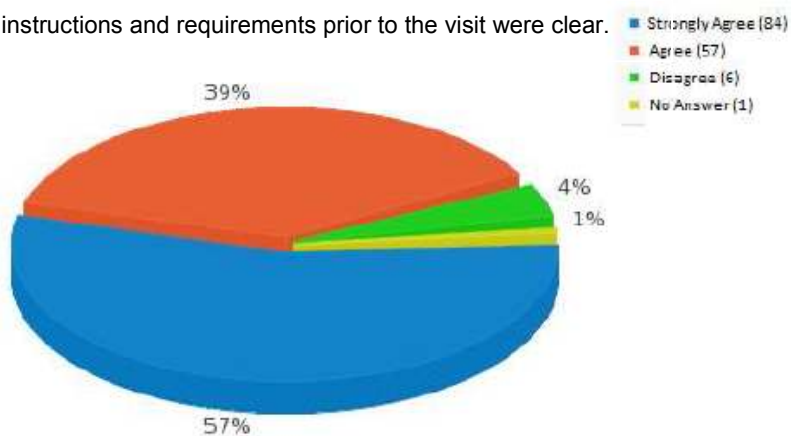


Appendix 3: Schools' response to Visit 2 questionnaire

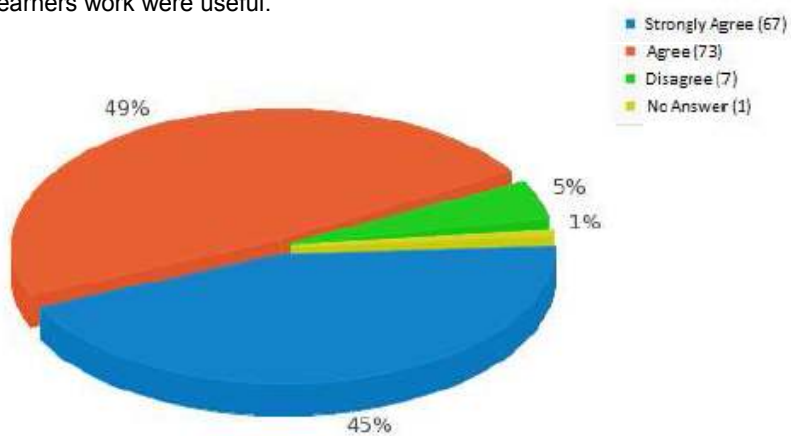
The process was of benefit to me and to the school.



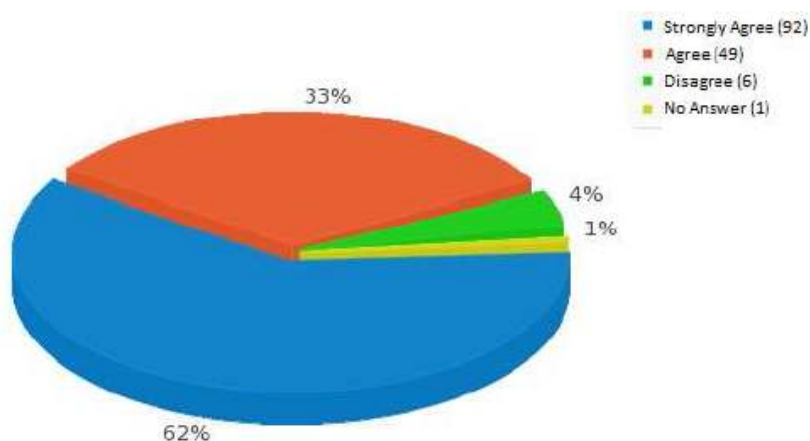
The instructions and requirements prior to the visit were clear.



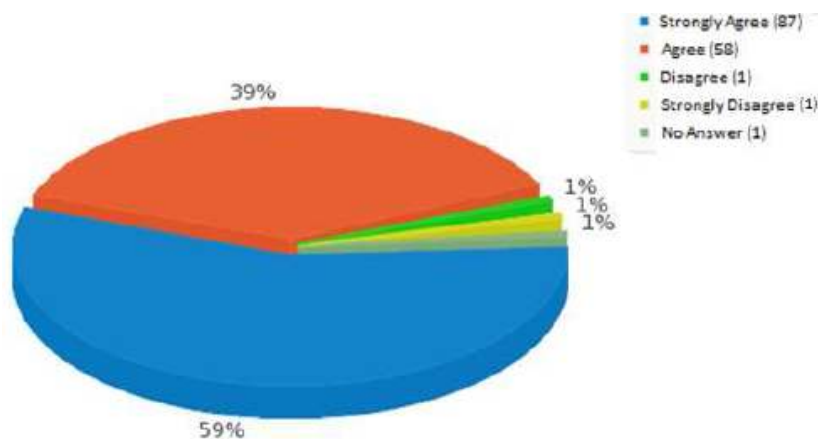
The guidance documents on evaluating extended writing and giving feedback on learners work were useful.



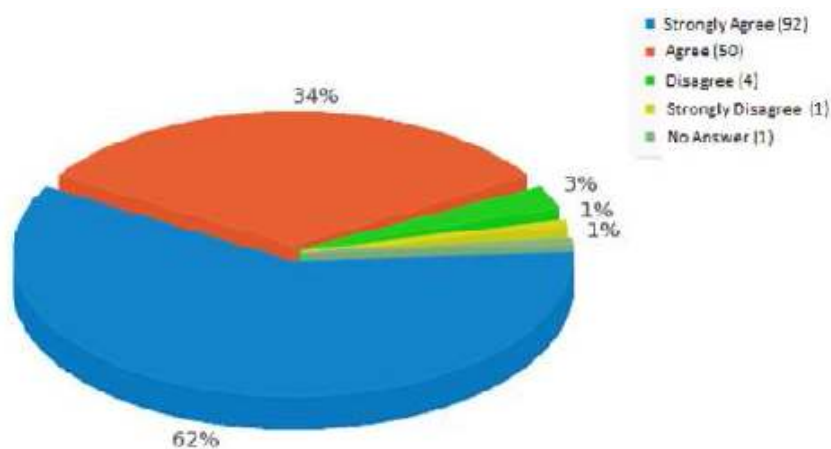
The discussion and subsequent recommendations were beneficial in moving the school forward.



The level of challenge was appropriate.

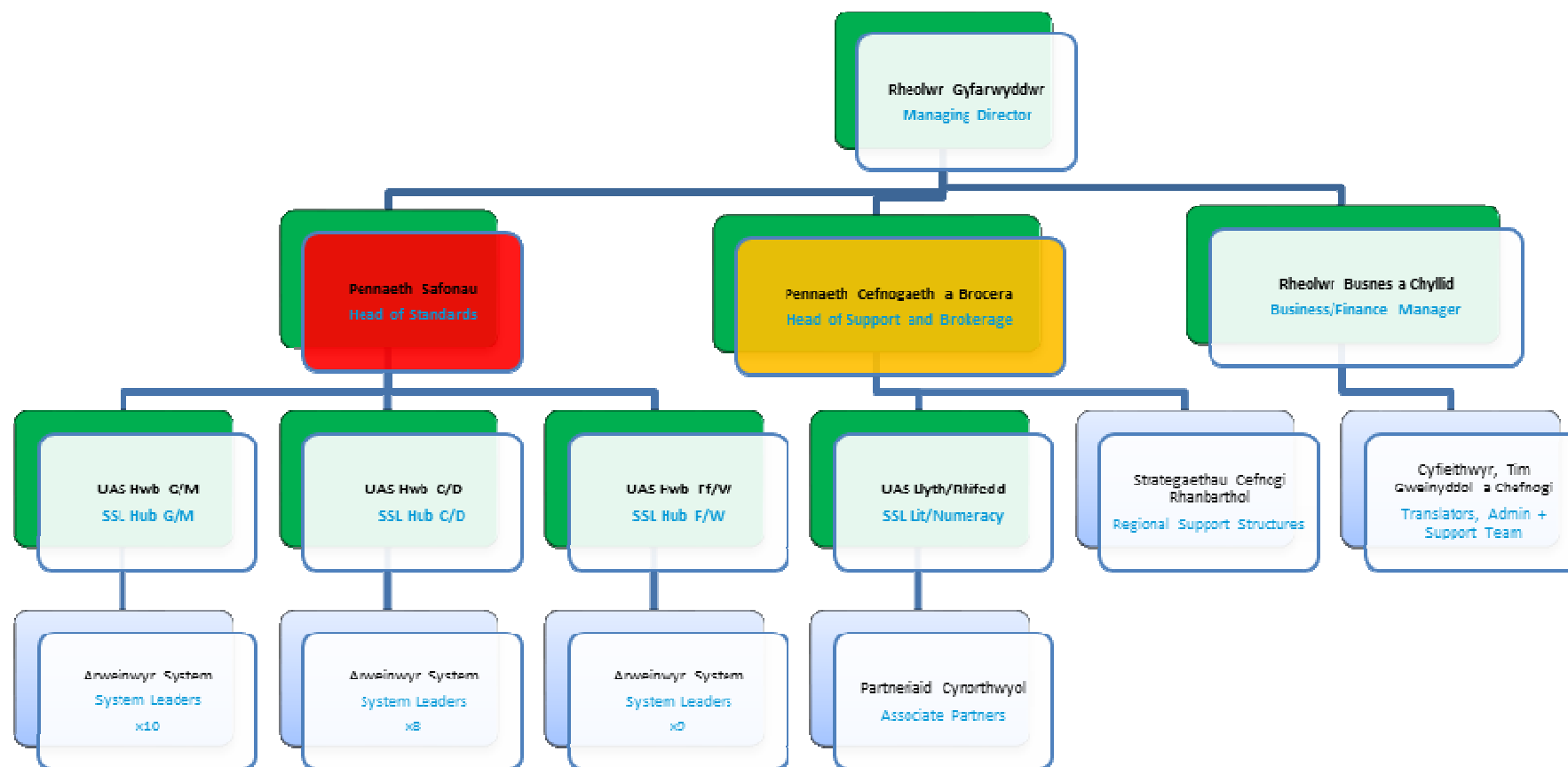


The timescale for receiving the visit report was acceptable.



Appendix 4:

Proposed Structure of GwE



Gwyrdd : UDRh GwE x8
Green : GwE SMT x8

Oren : gweithredol Medi 2014
Amber : operational Sept 2014

Coch : i'w gadarnhau
Red : to be confirmed



REPORT TO THE JOINT COMMITTEE

9 July 2014

Report by: **Chief Officer, GwE and Head of Finance, Gwynedd Council**

Subject: **GwE Budget 2014/15 – 1st Quarter Review**

1. PURPOSE OF THE REPORT

- 1.1 To inform Joint Committee members of a review of GwE's initial financial position for the 2014/15 financial year.
- 1.2 The report focuses on significant financial variances that have emerged when setting the budget for 2014/15 and trends in expenditure during 01/04/2014 - 30/06/2014.

2. BRIEF SUMMARY

- 2.1 Based on the financial situation at the end of 2013/14 and early trends in 2014/15, a net underspend of (£230,000) this year is estimated against the budget.
- 2.2 It must be emphasised that this projection is a very early indication in 2014/15 and that some matters will become clearer during the academic year from September 2014 onwards.

3. DETAILS OF MOST 'SIGNIFICANT' FINANCIAL VARIANCES

- 3.1 Employee costs: a likely underspend of £230,000 is foreseen due to the following reasons.
 - 3.2 GwE's budget is based on the business case as approved by the 6 Councils in 2013, which has assumed that employees will need to be funded at top scale. Some GwE employees have not yet reached top scale.
-

- 3.3 After a three yearly valuation of the pension fund and first detailed assessment of GwE's likely pension commitments, the rate of the employer's pension contribution has fallen from 32.7% to 28.2%, as of 1st April 2014.
- 3.4 The new post of 'Head of Support and Brokerage' will commence on 1st September 2014, which means a one-off saving for 5 months from 2014/15.

4. RESERVES

- 4.1 See separate report for Final Accounts 2013/14, which refers to an underspend of £776,000.
- 4.2 A sum of £70,000 had already been earmarked towards the estimated cost of the Welsh Government's National System Leader Training. We now understand that the training, due to take place in September 2014, will not incur any costs apart from those which are indirect (e.g. travelling, accommodation for two days etc.) with the estimated cost therefore falling to approx. £10,000.
- 4.3 A sum of £706,000 was expected to be earmarked for "Commissioning" in order to realise the business plan, and schools' requirements in 2014/15 and beyond. However £60,000 (reduction in training commitment) and £230,000 (estimated underspend 2014/15) could now be added to this amount.

5. RECOMMENDATION

- 5.1 For the time being, the Joint Committee is requested to confirm the committal of any underspend to commissioning purposes in order to realise the business plan, the national model, and schools' requirements in 2014/15 and beyond.
- 5.2 The Joint Committee will be presented with a follow-up report on proposed steps to create a senior managerial capacity (with non-contact time) within GwE. To this end, I understand that there is an expectation to use the flexibility within the budget, without approaching the 6 Councils for additional contributions, given the current financial climate where authorities could face unprecedented grant cuts by 2015/16.

APPENDICES

Appendix 1: GwE Budget 2014/15 – 1st Quarter Review.

GwE JOINT COMMITTEE**(COUNCILS: ANGLESEY, GWYNEDD, CONWY, DENBIGHSHIRE, FLINTSHIRE and WREXHAM)****GwE Budget 2014-15 - 1st Quarter Financial Review**

	Budget	Anticipated Expenditure 1st Quarter	Variance
	£	£	£
<u>Expenditure</u>			
Employees			
Salaries			
- Management and Administration	489,940	485,940	(4,000)
- System Leader	2,429,669	2,232,469	(197,200)
Training, advertising and other employee costs	25,230	25,230	0
Building			
Rent (includes services)	50,640	50,640	0
Travel			
Travel Costs	194,370	194,370	0
Supplies and Services			
Furniture, equipment, printing, postage, telephone, room hire, audit fees etc	22,140	22,140	0
Information Technology	16,329	16,329	0
Brokerage	255,250	255,250	0
Gwynedd Council Host Authority Support Service Costs			
Legal	5,107	5,107	0
Human Resources	8,754	8,754	0
Finance	37,856	37,856	0
Information Technology	25,525	25,525	0
National Model Commitments	595,446	595,446	0
School Effectiveness Grant (SEG)	1,662,000	1,662,000	0
Welsh in Education Grant (WEG)	701,069	701,069	0
Total Expenditure	6,519,325	6,318,125	(201,200)
<u>Income</u>			
Core Service Contributions			
- Anglesey Council	(425,039)	(425,039)	0
- Gwynedd Council	(747,738)	(747,738)	0
- Conwy Council	(648,868)	(648,868)	0
- Denbighshire Council	(629,293)	(629,293)	0
- Flintshire Council	(930,260)	(930,260)	0
- Wrexham Council	(775,058)	(775,058)	0
Regional Coordinator - National Support Program: Literacy and Numeracy	0	(28,800)	(28,800)
School Effectiveness Grant (SEG)	(1,662,000)	(1,662,000)	0
Welsh in Education Grant (WEG)	(701,069)	(701,069)	0
Total Income	(6,519,325)	(6,548,125)	(28,800)
Total	0	(230,000)	(230,000)



Eich cyf/Your ref
Ein cyf/Our ref
Cabinet Lead for Consortia
Eryl Williams
eryl.williams@denbighshire.gov.uk

11 April 2014

Dear Mr Williams

I refer to your submission of the GWE consortium business plan in line with the national model for regional school improvement services.

Firstly I would like to thank you for your engagement with the development, construction and implementation of the new national model.

I am pleased to inform you that I have endorsed the general approach of the GWE plan and note that:

- The region, and its constituent local authorities, has responded well to the challenges of the National Model. Representatives have engaged well in the process of co-constructing the model and this spirit of collaboration and dialogue has continued as the business plan evolved.
- The plan articulates the vision the consortium has to realise to bring about school improvement.
- Outcomes identified are appropriate and intelligence driven. The consortium has early drafts of LA level work on implementing the outcomes having considered LA level needs and contexts.
- Actions to deliver the outcomes are useful, and reflect the significant developments underway and those delivered at a regional level.
- Governance, accountability arrangements and structures are detailed and illustrate how the consortium is taking steps to advance the National Model regionally.
- A Managing Director is in place.
- The consortium is developing a data collation and sharing system to add capacity to and inform its work of their model for school to school working.

However, there are a few areas for development which will need to be addressed over the coming weeks. My officials will discuss these areas with officers within the consortium at the challenge and review meetings. These are:

- It is not wholly clear the maturity of some aspects of the plan.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Huw.Lewis@Wales.gsi.gov.uk

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- It is especially important to clarify how the statutory responsibilities of LAs are managed and to clarify collaboration and communication where the delivery functions remain at LA level, specifically for ALN.
- As a large area geographically, there are logistical challenges for the region in securing consistency and high quality.
- The impact of changes to the Challenge Adviser's role, and growing a rigorous high quality team and how the region manages the cross over from System Leader to Challenge Advisers.
- Arrangements for Governor Support and HR.
- Securing a fully functional central team for the region.
- The effectiveness of school self-evaluation and School Development/Improvement Plans as Challenge Advisers engage schools in conversations around categorisation.
- Head teacher performance management and CPD arrangements for all teaching staff as a key to driving improvement and leading improvements in learning.
- Safeguarding in education.
- The importance of attendance and behaviour to school improvement.
- Model for school to school working.
- Financial details and LA contributions.

I would also like to highlight that headteacher performance management needs to be addressed in the plan (or your operational plan) and I ask that it is done within the next two weeks.

I also expect that as new policy initiatives are developed the regional consortia will be central to taking these forward. I therefore expect that consortia will be agile enough to respond flexibly to new requirements, and to play the central part that I have envisaged for them in improving school performance across Wales.

Finally I would like to extend my thanks to all those involved in the process so far. I view the national model from initial development to ongoing implementation as a good example of Welsh Government and local government working collaboratively on our shared education reform agenda.



Huw Lewis AC / AM

Y Gweinidog Addysg a Sgiliau
Minister for Education and Skills

CC:

Lead Chief Executive – Mohammed Mehmet

Lead Director – John Davies

Managing Director – Huw Foster Evans



Dear Minister,

Many thanks for your helpful and constructive response to our initial draft Business Plan for GwE. Please see below our response to the specific points you raise:

**GwE Business Plan
Responses to additional issues raised in Welsh Government Feedback, May 2014**

between Geraint Rees (Welsh Government) and Chief Officer of GwE, Huw Foster Evans (29th April) the Regional Executive on 30th April and T clarified further with Directors on 9th May.

Matters Raised in Bold:

It is not wholly clear the maturity of some aspects of the plan

The two most significant areas which require clarity in terms of time scales are

Managing **improved capacity** for GwE

- **service re-positioning** of Governor Support and HR support and the other functions which should be in place by April 2015.

Key appointments will be made during May to ensure improved capacity, with the appointment of a Senior Challenge Adviser and a Head of Support and Brokerage to co-ordinate and implement a model of school to school and GwE to school support. It is hoped that during the summer months, some of the new staff will be able to work on some key issues for early resolution.

The National Model requires the re-positioning or alignment of key services by April 2015. GwE has previously committed to developing these proposals through presenting options for the Executive to consider. Business cases, and proposed models for **Governor and HR Support** will be prepared for full consideration by end of September 2014 for decision makers to consider, and will be fully implemented by GwE from 1st April, 2015.

The **alignment of all other services** required by the National Model e.g. 14-19 will be subject to consideration by the end of December 2014, for implementation in April 2015.

To achieve these deadlines, senior GwE staff and designated LA Directors will lead for each area of work and will adopt common Project Management techniques. This will ensure clarity of timescales, reporting systems, governance, consultation processes, financial planning, legal implications and risk management.

Decisions will be taken as prescribed in the National Model, with an expectation of full implementation by April 2015, as agreed in the National Model.

It is especially important to clarify how the statutory responsibilities of LA's are managed and to clarify collaboration and communication where the delivery functions remain at LA Level, esp ALN

Apart from the cross-region structures that exist, and those that will exist under the National Model, communications systems are currently based on the 3 hubs (Ynys Mon/Gwynedd, Conwy/Denbigh and Wrexham/Flint). Systems Leaders relate to teams around the school models within LA's and arrangements relating to ALN in each individual school.

GwE was initially established on the basis of a commissioned service model across 6 authorities, each with their own distinctive practice with regards to their own service delivery for ALN.

As the work of GwE becomes embedded across all authorities, the ability to learn from and implement best practice across the region will become easier. Through the hub model, there is a clear understanding in each of the three GwE hubs as to how statutory responsibilities are discharged across each LA, and the models of working within ALN areas are clear. However, with heightened collaboration across the whole region (beyond single hubs) through GwE, it should be expected that the LA's will each respond to opportunities to adopt best practice from other LA's in the region. Additionally, the LA's are already seeking opportunities for joint working across boundaries and developing shared services in a range of functions e.g. Low Incidence SEN, Educational Psychology etc.

It is recognised that working together to align more closely ALN work to meet best practice across the region would be helpful so that GwE Challenge Advisers in the future might operate within a more homogenous environment.

(See below current project on alignment of attendance strategies across the region).

As a large area geographically there are logistical challenges for the region in securing consistency and high quality

The practical challenge of managing a large geographical area (approx. 2 hours driving time from East to West or North to South) and ensuring consistency across the region has been recognized from the outset.

GwE is now putting in place a leadership team which recognizes the all-north Wales need for consistency. The current hubs of 2 authorities provide a practical area of work, whilst also securing some economies of scale. However, beyond those hubs,

- a Head of Support and Brokerage post will cover all of N Wales and bring a consistency of approach across the 6 authorities.
- GwE Quality Assurance methods will be deployed equally across the whole region,
- a cross fertilization of Challenge Advisers across the north should secure consistency. A new cadre of Headteacher Challenge Advisers will be available soon, and it is expected that they will work across authority boundaries.
- The data capture and other paper work associated with school improvement services will be commonly deployed across all of north Wales, which should also raise levels of consistency across the region
- Regional and National training of all Challenge Advisers will provide a common platform and shared expectations.

The impact of changes to the Challenge Adviser's role, and growing a rigorous high quality team and how the region manages the cross over from System Leader to Challenge Advisers

The Region has already implemented a significant downsizing of the System Leader body between 2012 and 2014 from 48 to 30 systems leaders. Those remaining in the system have generally been considered to be amongst the strongest members of the previous team.

Additionally, there has been a good response from leading Headteachers in the region to the recent advertisements for part-time seconded Challenge Advisers.

A structure is now being put in place to ensure that their skills, along with the permanent team, are developed properly to ensure consistency across North Wales.

Opportunities for shared training across the 4 Regions in Wales will also be used to ensure that Challenge Advisers are properly equipped for the work that is to come.

The change in designation is helpful as the re-defining of the role allows GwE to deploy seconded HTs and the permanent full-time group of Challenge Advisers to provide thematic leads across the whole region on key issues such as teacher assessment, 14-19, ICT etc. This should secure greater consistency across the region and a growing sense of shared ownership of the regional service.

Arrangements for Governor Support and HR

It is proposed that both these developments are captured in proposals to take to Executive by end September 2014 for full implementation by April 2015 i.e. these should be the earliest of a group of business cases with a clear rationale for regional working.

The business cases will reflect fully the requirements of the National Model for a regional solution to these key areas to support school improvement and should be consistent with processes in the other three regions. There is already a piece of work being developed through ADEW and WG and GwE officials will be engaging in May and June with that project for HR.

By having a completed set of proposals for end of September 2014, there will be sufficient time for an effective implementation in 2015.

Securing a fully functional central team for the region

Currently the central team is hosted by Gwynedd. We are aware that a clear delegated business team needs to be in place to support the Managing Director and to respond quickly to additional requirements as they arise from WG and schools e.g. Schools Challenge Cymru, likely requirements from the National Leadership Board proposals and any other new policy initiatives.

It is acknowledged that the current team available to support the Managing Director is very small, especially mindful of likely initiatives coming from WG to support the raising of standards. GwE Executive and Directors are also mindful of the scale of the team available to support the EAS consortium. They will liaise across the 3 other regions to learn from their experiences as they seek to determine what scale of team is required to deliver future services in GwE.

The effectiveness of school self-evaluation and School Development Plan as Challenge Advisers engage schools in conversations around categorisation

Whilst it was not noted in the submitted business plan, it is the case that all schools currently submit their Self Evaluation and School Development Plans to GwE and these documents are the central pillars of Term 3 visit and all work with Systems Leaders. This has already been implemented. Good practice is shared across all schools, but no straight-jacket approach is used. Schools that struggle most with self-evaluation or development planning are already being given support and advice from other schools.

Head teacher performance management and CPD arrangements for all teaching staff as a key to driving improvement and leading improvements in learning

HT Performance Management is already in GwE's remit from LA's and forms part of the commissioned service. GwE already provides the "LA input" in all cases and therefore this would not be a new feature of GwE's work. It is for this reason that it was not included in the business plan. This already ties together Performance Management with outcomes from visits relating to Self-Evaluation and SDP.

Continuous Professional Development

A Head of Support and Brokerage is currently being appointed and will be responsible for developing a full programme with schools using their SEG and other grants. This will include building leadership capacity in the region and planning for future leadership of schools. The work will also tie in with key national initiatives around the 3 priorities.

An additional Senior System Leader to ensure a fully functioning partnership with the National Support Programme for Literacy and Numeracy is now in place. This should ensure a full join up of NSP's work and GwE's broader remit, including training and sharing of good practice in Literacy and Numeracy.

Safeguarding in Education

Currently there is complete clarity of division of roles across the LA's and GwE. GwE is responsible for safeguarding issues for its own staff and brokered partners. The LA's hold all other responsibilities. There is no consideration at present to change this, unless otherwise advised.

The importance of attendance and behaviour to school improvement

Currently, specialist advice and support to schools on these matters rests with the LA's. GwE can use and promote excellent practice from across the region. Where authorities are effective in promoting good practice, the partnership already works well.

The region has engaged positively with the WG Pilot and has established a Regional Attendance and Improvement Team (RAIT) which has worked across all 6 LAs to identify good practice and provide support and advice for schools, including a self-evaluation tool. The work is followed up by a central team visit where they audit processes and procedures with a view to improve attendance rates. The feedback has been good. The RAIT has conducted a number of audits across the region and schools have welcomed the advice and evaluation of systems and procedures that have taken place.

Currently it is crucial that GwE is able to evaluate the success of initiatives across the region and signpost towards schools and authorities who are able to provide the strongest leadership in these fields.

The work with supporting improved behaviour is a matter that needs to be developed in partnership with each of the LA partners, and could benefit from a similar approach to the RAIT noted above.

Model for school to school working

GwE is firmly committed to this model of school improvement and within the region there is a variety of practice already underway. There is a clear commitment to developing this on a regional basis. Developing the model and securing regional agreement from all parties will be the responsibility of the Head of Support and Brokerage, in conjunction with Headteachers and external expertise.

By the end of September 2014 GwE will have an agreed plan in place to identify how this will be operated over a period of years. Appointments into key roles are currently being made to ensure that a structure is in place across the North, which has been lacking up until now.

GwE colleagues are mindful of the models currently being implemented in Central South and the emerging model to be deployed in EAS. Within GwE, the Anglesey model appears to be securing positive outcomes. These models will inform the way forward.

Financial details and LA contributions

GwE's financial model is currently based on the figures agreed by Welsh Government. Each business case presented over the coming months (for HR Services, Governor Support etc.) will require clear proposals for funding, including LA and other contributions to the work being proposed within each case.

The need for the region to be flexible and agile to respond to new arrangements.....

The current and historical model for GwE has been tightly defined around a commissioned service and therefore it was designed to be "stable" as opposed to "agile". This is acknowledged by all parties. In line with the National Model, GwE needs to move to a new culture which is more flexible and responsive. Internally, this is easily achievable through the creation of many Part Time Headteacher Challenge Adviser roles filled by the strongest HTs in the region along with a strong cadre of full time staff to respond to school needs. In practical terms, this would allow GwE to respond to unexpected needs arising within a school or group of schools. However, securing a more flexible organisation which can respond suddenly to needs or initiatives also requires an effective business structure, which is currently being negotiated within GwE (see above, business structure).

All parties welcome the WG intention to promote major initiatives through the regional model, and it is the intention of GwE that the North Wales Region is well equipped to promote and implement all of those initiatives in turn.

In conclusion, therefore, we trust that the above responses serve to provide you with further assurance of our collective commitment to working collaboratively to improve educational outcomes for our children and young people.



REPORT TO THE JOINT COMMITTEE

9 JULY 2014

Report by: Business & Finance Manager

Subject: Calendar of Meetings

1.0 Purpose of the Report

1.1 To request the Joint Committee to agree the programme of meetings for the forthcoming year.

2.0 Background

2.1 The Joint Committee shall meet as and when required to suit the needs of the Service in accordance with the Service timetable provided that there be a minimum of three meetings per year, one of which shall be specified as the annual general meeting. The venue for the meetings shall be agreed by the Joint Committee.

3.0 Considerations

3.1 Proposed Meeting dates for the 2014/15 are included as Appendix 1.

3.2 In addition to the dates proposed, it is envisaged that another meeting may be required in October 2014.

3.3 If alterations to the calendar are required, it is proposed that the Chair be authorised to make changes following appropriate consultation.

3.4 It is proposed that the meetings be held in a central North Wales location, i.e. Conwy.

4.0 Recommendations

4.1 The Joint Committee is requested to:

4.1.1 Approve the meetings as proposed within Appendix 1.

4.1.2 Note the possibility of a meeting in October & approve that the Chair make arrangements if required.

4.1.3 That the Chair be authorised to make amendments to the calendar if required.

5.0 Financial Implications

5.1 There are no financial implications arising from this report.

6.0 Equalities Impact

6.1 There are no new equalities impacts arising from this report.

7.0 Personnel Implications

7.1 There are no new personnel implications arising from this report.

8.0 Consultation Undertaken

8.1 Consultation has been undertaken with the 6 North Wales Local Authorities, to avoid any duplication with Council meetings.

9.0 Appendices

Appendix 1 – Proposed dates for agreement & adoption:

MEETING	DATE	TIME	LOCATION
GwE Joint Committee	29 September 2014	Afternoon	Conwy
GwE Joint Committee	6 November 2014	Afternoon	Conwy
GwE Joint Committee	25 February 2015	Morning	Conwy
GwE Joint Committee	11 June 2015	Morning	Conwy