

# Complete Agenda



Tuag at Ragoriaeth  
Towards Excellence



Meeting

**GWE JOINT COMMITTEE**

Date and Time

**1.00 pm, WEDNESDAY, 11TH SEPTEMBER, 2019**

Location

**GwE Offices, Bryn Eirias, Abergele Road, Colwyn Bay, LL29 8BF**

Contact Point

**Annes Sion**

**01286 679490**

**[cabinet@gwynedd.llyw.cymru](mailto:cabinet@gwynedd.llyw.cymru)**

(DISTRIBUTED 05/09/19)

# **GWE JOINT COMMITTEE**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

Councillor Julie Fallon	Conwy County Borough Council
Councillor Meirion Jones	Isle of Anglesey County Council
Councillor Huw Hilditch-Roberts	Denbighshire County Council
Councillor Ian Roberts	Flintshire County Council
Councillor Phil Wynn	Wrexham County Borough Council
Councillor Cemlyn Rees Williams	Gwynedd Council

### **Co-opted Non-voting Members**

Rosalind Williams	Church of Wales
Haf Williams	Primary Schools Representative
Jonathan Morgan	Special Schools Representative
Alison Fisher	Governor Representative

### **Non-voting Officers**

Rhys Howard Hughes	Isle of Anglesey County Council
Dr Lowri Brown	Conwy County Borough Council
Karen Evans	Denbighshire County Council
Claire Homard	Flintshire County Council
Ian Roberts	Wrexham County Borough Council
Garem Jackson	Gwynedd Council

### **Officers in Attendance**

Arwyn Thomas	GwE Managing Director
Iwan G. Evans	Host Authority
Dafydd L. Edwards	Host Authority
Susan Owen Jones	GwE Business Manager
Dr Gwynne Jones	Isle of Anglesey County Council
Alwyn Jones	GwE Assistant Director
Gareth Williams	GwE Advisory Board Chairman

### **Observer**

# **A G E N D A**

**1. ELECT VICE-CHAIR**

**2. APOLOGIES**

To receive any apologies for absence.

**3. DECLARATION OF PERSONAL INTEREST**

To receive any declaration of personal interest.

**4. URGENT ITEMS**

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

**5. MINUTES OF PREVIOUS MEETING 8 JULY**

5 - 8

(copy enclosed)

**6. THE JOINT COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019 AND RELEVANT AUDIT**

9 - 74

Dafydd L Edwards to submit –

- The Statement of Accounts post-Audit;
- The Wales Audit Office's report;
- Letter of Representation.

(Deloitte video link)

**7. EFFICIENCY SAVINGS TARGET**

75 - 77

Arwyn Thomas to request approval from the Joint Committee to confirm the efficiency savings target implementation plan.

**8. GWE BUDGET 2019-20 - QUARTER 1 REVIEW**

78 - 82

Arwyn Thomas and Dafydd L Edwards to update Joint Committee members on the latest financial review of GwE's budget for the 2019/20 financial year.

**9. 2019-20 BUSINESS PLAN - QUARTER 1 MONITORING**

83 - 108

Arwyn Thomas to present the Level 1 Business Plan – Monitoring Quarter 1 Report to the Joint Committee

**10. DISCUSSION PAPER - REPORTING ON PERFORMANCE FROM 109 - 115  
SEPTEMBER 2019 ONWARDS**

Arwyn Thomas to report on performance from September 2019 onwards.

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## **GWE JOINT COMMITTEE MONDAY, 8 JULY 2019**

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### **Present:**

**Councillors:** Phil Wynn - (Chair - Wrexham County Borough Council), Julie Fallon (Conwy County Borough Council), Meirion Jones (Anglesey County Council), Huw Hilditch-Roberts (Denbighshire County Council) and Cemlyn Williams (Gwynedd Council).

### **Co-opted non-voting Members:**

Haf Williams (Primary Schools' Representative)

**Non-voting Officers:** Ian Roberts (Wrexham County Borough Council), Garem Jackson (Gwynedd Council), Dafydd Ifans (Conwy County Borough Council).

**Officers present:** Iwan G Evans (Host Authority - Gwynedd Council), Hefin Owen (Host Authority - Gwynedd Council), Hywyn Jones (Host Authority - Gwynedd Council), Arwyn Thomas (GwE Managing Director), Susan Owen Jones (GwE Business Manager), Rhys Howard Hughes (GwE Assistant Director), Alwyn Jones (GwE Assistant Director), Bethan Roberts (GwE), Annes Siôn (Host Authority Members' Support Officer - Gwynedd Council).

### **1. ELECTING A VICE-CHAIRPERSON**

It was decided to postpone the decision until the September meeting.

### **2. APOLOGIES**

Prior to any apologies being received, Coun. Julie Fallon was welcomed to her first meeting and Coun. Garffild Lewis was thanked for his contribution over the period.

Apologies were received from Coun. Ian Roberts, Arwyn Williams (Anglesey County Council), Claire Homard (Flintshire County Council), Dafydd L Edwards (Host Authority - Gwynedd Council), Sion Huws (Host Authority - Gwynedd Council).

### **3. DECLARATION OF PERSONAL INTEREST**

No declaration of personal interest was received by any member present.

### **4. URGENT MATTERS**

There were no urgent matters.

## **5. MINUTES OF PREVIOUS MEETING**

The Chair signed the minutes of the meeting held on 22 May, 2019 as being correct.

In regard to the 'GwE Accounts' item - one of GwE's Assistant Directors will be leaving his post, however will not be replaced so as to meet the necessary cuts for this year. It was added that a report will be presented soon noting this in full.

## **6. STATEMENT OF ACCOUNTS 2018/19**

### **DECISION**

The Statement of GwE Accounts (subject to audit) for 2018/19 were received and noted.

### **DISCUSSION**

The report was presented, noting that Section 12 of the Public Audit Act (Wales) 2004 notes that a Joint Committee consisting of more than one authority is a Local Government body, and that Section 13 of the same Act stipulates that a Joint Committee must keep accounts that will be subject to an audit by independent auditors. It was noted that the Accounts and Audit (Wales) Regulations 2018 note, where overturn is greater than £2.5 million, that a statement of accounts must be prepared in accordance with the CIPFA code for Joint Committees. It was emphasised that a simple and concise "out-turn" report had been presented in May, which is more useful for internal purposes, whilst the Statement of Accounts is more suitable for governance purposes. It was added that the statement would be subject to an audit by Deloitte, and it was outlined that an 'ISA 260' report would be produced and presented to the Joint Committee on 11 September 2019.

Some aspects of the statement were highlighted, including the Pension fund. It was noted that the Balance Sheet contains an assessment by the Fund's Actuary, Hymans, of the Joint Committee's share of the Pension Fund liability. It was noted that liability has increased in 2018/19.

It was noted that there is a major change in terms of Short-Term Debtors for this year, mainly due to money from a number of grants having arrived during, rather than after, the end of the financial year.

Comments arising from the discussion

- It was questioned why Property expenditure had increased so much this year, in comparison to last year. It was noted that GwE had relocated to a slightly more expensive building in Mold, however that more training could be conducted at the new building, enabling GwE to attract income. It was noted that the issue had already been highlighted when setting the budget for 2019-20 at the Joint Committee in February 2019.
- It was questioned why the number of staff paid in excess of £60,000 had increased, in comparison to last year. It was noted that the threshold of £60,000 had remained unchanged for years, despite salaries having increased with salary inflation.
- It was questioned why grants had reduced in comparison to last year. It was noted that one-off grants had been received in 2017/18, and that there had been a cut in the Education Improvement Grant in 2018/19.
- Grants were discussed noting that a number of grants had now been set within the Regional Consortia School Improvement Grant.

- Under the heading 'EIG - Match Funding', it was asked why there was zero contribution from Wrexham - it was noted that this is a technical issue, as it is an assessment by individual councils as to what elements of their match funding are defined as devolved or non-devolved. It was noted that the devolved element does not appear in GwE's accounts, and that a match funding gross contribution is relative given the devolved element and non-devolved element. It was proposed that a paper highlighting the issue be presented at the next Joint Committee if desired, however the proposal was rejected.

## **7. GOVERNANCE STATEMENT 2018-19**

### **DECISION**

Accept and approve the Annual Governance Statement.

### **DISCUSSION**

The report was presented, noting that this statement is presented on an annual basis. It was noted that GwE is responsible for conducting an efficiency review of its Governance framework, including the internal management system. It was asked who holds GwE to account and in terms of the Joint Committee's policies and decisions. Details were shared regarding Governance, noting that this involved scrutiny meetings with Local Authorities, visits by Estyn and meetings with the Welsh Government. GwE's Managing Director emphasised that external accountability is demanding.

Comments arising from the discussion:

- It was asked how valuable the reviews are for GwE, and their cost. It was asked whether there was a better system GwE could use to avoid the cost.
- It was noted that GwE is a relatively young body and is a partnership set-up, therefore regular regulation ensures the success of partnership work.
- It was noted that external reports are important and that the circle of local and regional authorities is tight.

## **8. RISK REGISTER**

### **DECISION**

To accept the latest risk register.

### **DISCUSSION**

The risk register was presented, noting that it is a regularly updated working document. It was noted that amendments have been made, and it was suggested that some risks be removed from the register. It was added that the register is reviewed on a quarterly basis by the Joint Committee.

## **9. DEVELOPING A PEER ENGAGEMENT MODEL IN NORTH WALES.**

### **DECISION**

To approve the development of a Peer Engagement Model in North Wales, as outlined in Appendix 1.

### **DISCUSSION**

The report was presented, noting that schools are expected to be self-improving and collaborating with other schools in order to raise standards and narrow the attainment gap. It was noted that school categorisation will continue for another year.

It was noted that the report attempts to identify a potential pattern for developing a peer engagement model. It was added that the regional approach has already adopted a cluster approach model. It was noted that discussions had taken place on several occasions within the Joint Committee as to the complexity of all these changes in schools. However, the work is still ongoing.

It was said that the model prioritises schools and has been created alongside schools. It was noted that the principles have been established with Heads, and that almost 300 heads have shown interest in assisting with the work.

Comments arising from the discussion

- It was conveyed that it is necessary to create this model. Allocating money to clusters will allow them opportunity to decide how to determine their priorities.
- It was noted that no Estyn inspections will be carried out in 2020/21. There will be a new inspection framework in 2021 based on peers and collaboration.

The meeting started at 1030a.m. and ended at 11:30a.m.

**CHAIR**



<b>MEETING</b>	GwE Joint Committee
<b>DATE</b>	11 September 2019
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2019 and relevant Audit
<b>PURPOSE</b>	To submit – <ul style="list-style-type: none"> <li>• The Statement of Accounts post-Audit;</li> <li>• The Wales Audit Office's report;</li> <li>• Letter of Representation.</li> </ul>
<b>RECOMMENDATION</b>	To receive, note and approve the information before authorising the Chairman to certify the letter.
<b>AUTHOR</b>	Dafydd L Edwards, Head of Finance, Gwynedd Council

## 1. FINANCIAL REPORTING REQUIREMENTS

Members will recall that it was reported as follows to the 8 July 2019 meeting of GwE's Joint Committee:

- 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) Regulations 2014 require all Joint Committees to prepare year-end accounts. Where the turnover exceeds £2.5million, a statement of accounts must be prepared in accordance with the CIPFA code for the Joint Committee.
- 1.6 GwE's Statement of Accounts were subject to an audit by Deloitte, external auditors appointed by the Auditor General for Wales.

## **2. ACCOUNTS FOR 2018/19**

The Revenue Income and Expenditure Account for 2017/18 was submitted to the 22 May 2019 meeting of GwE's Joint Committee in "outturn" format, and the Statement of Accounts for 2018/19 (subject to audit) in standard statutory format to the 8 July 2019 meeting.

## **3. AUDIT**

It was noted at the time that these accounts would be subject to audit by Deloitte, and the 'ISA 260' report is presented here by the Auditor General for Wales detailing Deloitte's main findings. Paragraph 8 of the report states that "It is the Auditor General's intention to issue an unqualified audit report on the financial statement".

## **4. FINAL ACCOUNTS FOR 2018/19**

The final version (post audit) of the Statement of Accounts for 2018/19 is also presented herewith. The issues raised as part of the audit have been outlined in Appendix 3 to the Auditor General for Wales' 'ISA260' report.

## **5. RECOMMENDATION**

**GwE's Joint Committee is asked to receive, note and approve the information in the appendices, i.e. –**

- 'ISA260' report by the Auditor General for Wales
- The Statement of Accounts for 2018/19 (post audit)

**6. LETTER OF REPRESENTATION**

**The Chairman of the meeting, together with Gwynedd Council's Head of Finance (as Statutory Finance Officer for GwE), are asked to certify the Letter of Representation (Appendix 1 to the Auditor General for Wales' report) after the Joint Committee has considered the above.**

**7. AUDITOR GENERAL FOR WALES CERTIFICATE**

After receiving the Letter of Representation duly certified by the Chairman and the Head of Finance, the Auditor General for Wales will issue the certificate on the accounts.

**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer :**

No comments from a propriety perspective.

**Statutory Finance Officer :**

Author of the report.

# INDEX

	<b>Page</b>
Narrative Report	2 – 5
Statement of Responsibilities	6
Expenditure and Funding Analysis	7
Comprehensive Income and Expenditure Statement	8
Movement in Reserves Statement	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12 - 34
Appendix A – Annual Governance Statement	35 - 43
Glossary	44 - 45
Auditor’s Report	46 - 47

# NARRATIVE REPORT

## 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 provide 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 2018/19 are presented here on pages 7 to 34. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2018/19*.

The Accounts consist of:-

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure is used and funded by authorities in accordance with generally accepted accounting practices.
- **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 2018/19 :

Conwy	15.39%
Denbighshire	15.22%
Flintshire	22.65%
Gwynedd	17.61%
Anglesey	10.21%
Wrexham	18.92%
<b>Total</b>	<b>100%</b>

- **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'.
- **The Balance Sheet** - Sets out the financial position of the Joint Committee on 31 March 2019.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2018/19 for revenue and capital purposes.

These accounts are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

## GwE's Vision and Priorities

GwE's vision states that they will have:

*“Outstanding schools naturally collaborating and jointly identifying direction for improvement which will deliver excellent standards and wellbeing for their pupils”.*

GwE's Business plan identifies objectives set to meet its priorities, and is available at:

<https://www.gwegogledd.cymru/wp-content/uploads/2018/02/Business-Plan-2017-20.pdf>

## Financial Strategy

The annual budget is established within the context of the medium-term financial strategy, in order to ensure that the budget is preparing for the future position, rather than addressing the requirements of one year only. This medium-term planning has proven to be very beneficial to the GwE, enabling it to plan necessary savings rationally, without having to take rushed/inappropriate decisions, and establishing a regime to identify budgetary savings and cuts.

GwE's Medium Term Financial plan sets out the foundation for its priorities, and is available at:

<https://democracy.cyngor.gwynedd.gov.uk/ielistdocuments.aspx?cid=243&mid=2494&ver=4>

## 2018/19 Performance

GwE reports quarterly on the performance of the service in delivering the service functions and key aims. The Annual Performance Report is available at:

<https://democracy.cyngor.gwynedd.gov.uk/ielistdocuments.aspx?cid=243&mid=2896&ver=4>

## 2018/19 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 8 shows that the Joint Committee's gross revenue expenditure on 'cost of services' level was £16,534k during 2018/19, with a net position of £469k.
- The financial out-turn position for 2018/19 was reported to the Joint Committee at its meeting on 22 May 2019. Joint Committee Members' approval was sought to transfer the (£19k) underspend to an earmarked reserve.
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 8 and 9 detail the analysis in movements for the year.

## TABLE I - Budget and Actual Comparison Summary (Net)

Table I provides a budgetary performance comparison at a summary level, which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	16,060	16,046	(14)
Income			
Council Contributions for the core service:			
Conwy	(633)	(633)	0
Denbighshire	(626)	(626)	0
Flintshire	(932)	(932)	0
Gwynedd	(725)	(725)	0
Anglesey	(420)	(420)	0
Wrexham	(778)	(778)	0
Other Income	(11,946)	(11,951)	(5)
<b>Net (Underspend)/Overspend</b>	<b>0</b>	<b>(19)</b>	<b>(19)</b>

**TABLE 2 –Transposition movement between ‘Budget and Actual Comparison Summary (Net)’ (Table 1) to the Income and Expenditure format**

	Performance Report (Out-turn) £'000	*Transposition Adjustment £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Expenditure	16,046	(174)	15,872	662	16,534
Income	(16,065)	0	(16,065)	0	(16,065)
<b>Net Cost of Services</b>	<b>(19)</b>	<b>(174)</b>	<b>(193)</b>	<b>662</b>	<b>469</b>

\* The adjustments in the transposition column relate to contributions to and from reserves, and the adjustments between Funding and Accounting Basis column relate to the required technical adjustments for pensions and accumulated absences.

- **Material Items of Income and Expenditure**

Related Items include :-

- £1,313k on pensions, being the annual remeasurement of the net defined benefit assets relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 16).
- £16,065k in grants and contributions and equivalent expenditure (Note 21). A decrease of £983k compared to 2017/18.

- **Other Issues**

- Problems in the global financial situation have continued in recent years. Because of this general situation, it has been necessary for the Joint Committee to take these circumstances into consideration in its financial plans, whilst maintaining a prudent level of reserves.
- Since the referendum on the UK’s membership of the European Union, there has been a degree of economic uncertainty. This is expected to last for some time and may affect some factors and financial decisions made by the Joint Committee.

### Provisions and Reserves

The Joint Committee has provisions of £3k and earmarked reserves of £341k. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Notes 9 and 14.

### Pension Fund

The Joint Committee has a net liability from its share of the assets and liabilities of the Gwynedd Pension Fund, which has been calculated in accordance with International Accounting Standard 19. The Balance Sheet contains an assessment by the Fund’s Actuary, Hymans Robertson, of the Joint Committee’s share of the Pension Fund liability. This net liability has increased by £2,156k to £8,904k in 2018/19. Refer to Note 25 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short term and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The triennial valuation will provide a more dependable picture of the situation by 31 March 2020.

## **Governance**

GwE is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

## **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 commencing on page 12.

## **Changes in Accounting Policies and to the Accounts**

The Joint Committee's existing accounting policies are amended only insofar as to reflect the changes required by proper accounting practices following revisions effective for the financial year 2018/19 to the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom in respect of accounting for financial instruments and income recognition.

The additional guidance regarding recognition of income from contracts with customers, IFRS 15 Revenue from Contracts with Customers had minimal or no impact, as the new requirements are broadly consistent with the Joint Committee's existing income recognition principles.

Similarly financial guidance on IFRS 9 Financial Instruments had minimal or no impact on GwE accounts.

## **FURTHER INFORMATION**

The Statement of Accounts is available on Gwynedd Council's website [www.gwynedd.llyw.cymru](http://www.gwynedd.llyw.cymru).

Further information relating to the accounts is available from:

Ffion Madog Evans  
Senior Finance Manager  
01286 679133

or

Hywyn Lewis Jones  
Senior Accountant  
01286 679145

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 on the Council's website 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 as host authority bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs.

Gwynedd Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Gwynedd Council, that "Section 151 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.

**11 September 2019**

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**Councillor Gareth Thomas**  
**GwE Joint Committee Chairman**

#### **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. 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 2019 and its income and expenditure for the year then ended.



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

**04 September 2019**

## EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/18				2018/19		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (see Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (see Note 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
4,008	226	4,234	Employees	4,264	662	4,926
181	0	181	Property	297	0	297
146	0	146	Transport	193	0	193
2,155	0	2,155	Supplies and Services	2,558	0	2,558
11,302	0	11,302	Third Parties	8,560	0	8,560
(17,045)	0	(17,045)	Income	(16,065)	0	(16,065)
<b>747</b>	<b>226</b>	<b>973</b>	<b>Cost of Services</b>	<b>(193)</b>	<b>662</b>	<b>469</b>
0	0	0	Other Operating Expenditure	0	0	0
0	183	183	Financing and Investment Income and Expenditure	0	191	191
0	0	0	Taxation and non-specific grant income	0	0	0
<b>747</b>	<b>409</b>	<b>1,156</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(193)</b>	<b>853</b>	<b>660</b>
(895)			Opening General Fund Balance	(148)		
747			(Surplus)/Deficit on General Fund in Year	(193)		
<b>(148)</b>			Closing General Fund Balance	<b>(341)</b>		

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing the Joint Committee service in accordance with generally accepted accounting practices.

2017/18			2018/19			
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
4,234	0	4,234	Employees	4,926	0	4,926
181	0	181	Property	297	0	297
146	0	146	Transport	193	0	193
2,155	0	2,155	Supplies and Services	2,558	0	2,558
11,302	0	11,302	Third Parties	8,560	0	8,560
0	(17,045)	(17,045)	Income	0	(16,065)	(16,065)
<b>18,018</b>	<b>(17,045)</b>	<b>973</b>	<b>Cost of Services</b>	<b>16,534</b>	<b>(16,065)</b>	<b>469</b>
0	0	0	Other Operating Expenditure	0	0	0
183	0	183	Financing and Investment Income and Expenditure	191	0	191
0	0	0	Taxation and non-specific grant income	0	0	0
<b>18,201</b>	<b>(17,045)</b>	<b>1,156</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>16,725</b>	<b>(16,065)</b>	<b>660</b>
		(601)	Remeasurements of the net defined benefit liability/(assets)			1,313
		<b>(601)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>1,313</b>
		<b>555</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>1,973</b>

## MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Joint Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (via the Councils' contributions). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	Note	Additional Information		Movement in Reserves Statement			
		Unearmarked General Fund Balance £'000	Earmarked General Fund Reserves £'000	General Fund Balance £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Joint Committee's Reserves £'000
<b>Balance 31 March 2017 carried forward</b>		0	(895)	(895)	(895)	7,019	6,124
<b>Movement in reserves during 2017/18</b>							
(Surplus)/Deficit on provision of services		1,156	0	1,156	1,156	0	1,156
Other Comprehensive Income and Expenditure		0	0	0	0	(601)	(601)
<b>Total Comprehensive Income and Expenditure</b>		1,156	0	1,156	1,156	(601)	555
Adjustments between accounting basis and funding basis under regulations	8	(409)	0	(409)	(409)	409	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		747	0	747	747	(192)	555
Transfers to/(from) Earmarked Reserves		(747)	747	0	0	0	0
<b>(Increase)/Decrease in 2017/18</b>		0	747	747	747	(192)	555
<b>Balance 31 March 2018 carried forward</b>	9	0	(148)	(148)	(148)	6,827	6,679
<b>Movement in reserves during 2018/19</b>							
(Surplus)/Deficit on provision of services		660	0	660	660	0	660
Other Comprehensive Income and Expenditure		0	0	0	0	1,313	1,313
<b>Total Comprehensive Income and Expenditure</b>		660	0	660	660	1,313	1,973
Adjustments between accounting basis and funding basis under regulations	8	(853)	0	(853)	(853)	853	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		(193)	0	(193)	(193)	2,166	1,973
Transfers to/(from) Earmarked Reserves	9	193	(193)	0	0	0	0
<b>(Increase)/Decrease in 2018/19</b>		0	(193)	(193)	(193)	(2,166)	1,973
<b>Balance 31 March 2019 carried forward</b>		0	(341)	(341)	(341)	8,993	8,652

## BALANCE SHEET

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. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category of reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2018 £'000	Note	31 March 2019 £'000
1	Long-term Debtors	0
<b>1</b>	<b>Long-term Assets</b>	<b>0</b>
4,310	Short-term Debtors	265
271	Cash and Cash Equivalents	2,872
<b>4,581</b>	<b>Current Assets</b>	<b>3,137</b>
(4,246)	Short-term Creditors	(2,421)
(3)	Short-term Provisions	(3)
(264)	Grants Receipts in Advance	(461)
<b>(4,513)</b>	<b>Current Liabilities</b>	<b>(2,885)</b>
(6,748)	Pension Liability	(8,904)
<b>(6,748)</b>	<b>Long-term Liabilities</b>	<b>(8,904)</b>
<b>(6,679)</b>	<b>Net Assets</b>	<b>(8,652)</b>
(148)	Usable Reserves	(341)
6,827	Unusable Reserves	8,993
<b>6,679</b>	<b>Total Reserves</b>	<b>8,652</b>

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating and investing. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of grant income or from the recipients of services provided by the Joint Committee. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committee's future service delivery.

2017/18		Note	2018/19
£'000			£'000
1,156	Net (Surplus) / Deficit on the Provision of Services		660
(882)	Adjustments to net surplus or deficit on the provision of services for non-cash movements ( <i>creditors, debtors and pension</i> )	17	(3,260)
274	Net cash flows from Operating Activities		(2,600)
(2)	Investing Activities		(1)
272	Net (Increase)/Decrease in cash and cash equivalents		(2,601)
(543)	Cash and cash equivalents at the beginning of the reporting period		(271)
<b>(271)</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(2,872)</b>

# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

### **I.1 General Principles**

The Statement of Accounts summarises the Joint Committee's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) (Amendment) Regulations 2018, in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2018/19* and the Service Reporting Code of Practice 2018/19, supported by International Financial Reporting Standards (IFRS).

The Joint Committee's practice is to operate on the basis that all items of expenditure are treated as revenue in the first instance. Should any items of a capital nature (e.g. IT equipment, furniture) prove to have a material significance on the true and fair presentation of the financial position then the items would be treated according to proper practices.

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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- 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 Employee Benefits**

#### **I.4.1 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 charged to the 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.

## **NOTE I – ACCOUNTING POLICIES (continued)**

### **1.4.2 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 redundancy voluntarily and are charged on an accruals basis to the service 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.

### **1.4.3 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' Pension in the year.

### **1.4.4 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 represent 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 earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 2.4% 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:

## NOTE I – ACCOUNTING POLICIES (continued)

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 on the net defined benefit liability/(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 General 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.

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.

### 1.4.5 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.

## **NOTE I – ACCOUNTING POLICIES (continued)**

### **1.5 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; and
- 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.

### **1.6 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.

### **1.7 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.

### **1.8 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.

### **1.9 Provisions**

The Joint Committee sets aside provisions for specific obligations which are likely or certain to be incurred but the amount of which cannot yet be determined accurately. These provisions are classified as long-term or short-term liabilities as appropriate according to the nature of each provision.

### **1.10 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.

Certain reserves, namely "unusable reserves", are kept for the technical purpose of managing the accounting processes for non-current assets, financial instruments and employee benefits. These do not represent the usable resources of the Joint Committee.

### **1.11 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.

## **NOTE 1 – ACCOUNTING POLICIES (continued)**

### **1.12 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.

An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years, and certain annual payments. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

### **1.13 Long-Term Contracts**

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

### **1.14 Joint Operations**

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

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

## **NOTE 2 – CHANGE IN ACCOUNTING POLICY**

The Joint Committee's existing accounting policies are amended only insofar as to reflect the changes required by proper accounting practices following revisions effective for the financial year 2018/19 to the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom in respect of accounting for financial instruments and income recognition.

The additional guidance regarding recognition of income from contracts with customers, IFRS 15 Revenue from Contracts with Customers had minimal or no impact, as the new requirements are broadly consistent with the Joint Committee's existing income recognition principles.

Similarly financial guidance on IFRS 9 Financial Instruments had minimal or no impact on GwE accounts.

## **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 requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. This applies to the following new or amended standards within the 2019/20 Code:-

*Amendments to IAS 40 Investment Property: Transfers of Investment Property.*

*Annual Improvements to IFRS Standards 2014-2016 Cycle.*

*IFRIC 22 Foreign Currency Transactions and Advance Consideration.*

*IFRIC 23 Uncertainty over Income Tax Treatments.*

*Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.*

The Code requires implementation from 1 April 2019 and there is therefore no impact on the 2018/19 Statement of Accounts, and none of the new or amended standards within the 2019/20 Code are expected to have a material impact on the information provided in the financial statements.

## **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 relating to complex transactions, those involving uncertainty about future events and also 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 current proper practices, historical experience and other factors, including historical, professional assessment, current trends, local factors and actual future projections and assumptions that are considered to be relevant.

In recent years there has been some uncertainty about future levels of funding from Welsh Government relating to grants. This issue forms an important part of the Joint Committee's continually revised financial strategy, and where all known and forecasted factors are given due consideration. The impact of the decision for Britain to leave the European Union also remains unclear. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as actuarial valuation of pension fund assets and liabilities, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, 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 2019 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

- **Pension Liability** – The Pension Liability position as contained within the accounts is based on a number of complex assessments and judgements and varying profiles such as discount rate used, projected salary levels, changes in retirement ages, mortality rates and expected returns on Pension Fund assets, as provided by Actuaries engaged by the Gwynedd Pension Fund. Further details are contained in Notes 24 and 25.

## **NOTE 6 – MATERIAL ITEMS OF INCOME AND EXPENSE**

Related items include:-

- £1,313k on pensions, being the remeasurements of the net defined benefit assets relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 16).
- £16,065k in grants and contributions and equivalent expenditure (Note 21). A decrease of £983k compared to 2017/18.

## NOTE 7 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
2018/19	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments (i) £'000	Other Differences (ii) £'000	Total Adjustments £'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Employees	0	652	10	662
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Income	0	0	0	0
<b>Cost of Services</b>	<b>0</b>	<b>652</b>	<b>10</b>	<b>662</b>
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	191	0	191
Taxation and non-specific grant income	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>843</b>	<b>10</b>	<b>853</b>

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
2017/18	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments (i) £'000	Other Differences (ii) £'000	Total Adjustments £'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Employees	0	221	5	226
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Income	0	0	0	0
<b>Cost of Services</b>	<b>0</b>	<b>221</b>	<b>5</b>	<b>226</b>
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	183	0	183
Taxation and non-specific grant income	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>404</b>	<b>5</b>	<b>409</b>

## NOTE 7 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

### (i) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension-related expenditure and income:

- For **Services** – this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

### (ii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services** – this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and investment income and expenditure** – the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

## 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 expenditure.

2018/19		
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>Usable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>Adjustments primarily involving the Pensions Reserve:</b>		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 25)	(1,437)	1,437
Employer's pensions contributions and direct payments to pensioners payable in the year	594	(594)
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
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	(10)	10
<b>Total Adjustments</b>	<b>(853)</b>	<b>853</b>

2017/18		
<b>ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS</b>	<b>Usable Reserve General Fund Balance</b>	<b>Movement in Unusable Reserves</b>
	<b>£'000</b>	<b>£'000</b>
<b>Adjustments primarily involving the Pensions Reserve:</b>		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 25)	(1,281)	1,281
Employer's pensions contributions and direct payments to pensioners payable in the year	877	(877)
<b>Adjustment primarily involving the Accumulated Absences Account</b>		
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	(5)	5
<b>Total Adjustments</b>	<b>(409)</b>	<b>409</b>

## 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

	<b>GwE Joint Committee Reserves</b>
	<b>£'000</b>
<b>Balance 31 March 2018</b>	<b>148</b>
<u>Transfers:</u>	
In	193
Out	0
<b>Balance 31 March 2019</b>	<b>341</b>

## NOTE 10 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2017/18		2018/19
£'000		£'000
183	Net interest on the net defined benefit liability/(asset)	191
<b>183</b>	<b>Total</b>	<b>191</b>

## NOTE 11 – SHORT-TERM DEBTORS

	31 March 2018	31 March 2019
	£'000	£'000
Trade Receivables	319	142
Prepayments	75	49
Other Receivable Amounts	3,916	74
<b>Total</b>	<b>4,310</b>	<b>265</b>

Following adjustments to the Code of Practice, the 2017/18 figures have been re-categorised within the total figures to comply with the new requirements.

## NOTE 12 – 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. The figure shown in the table each year is the net cash sum or bank overdraft held on behalf of the Joint Committee within the Gwynedd Council amounts.

	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Cash in Hand	271	2,872
<b>Cash and Cash Equivalents</b>	<b>271</b>	<b>2,872</b>
Bank Overdraft	0	0
<b>Total</b>	<b>271</b>	<b>2,872</b>

## NOTE 13 – SHORT-TERM CREDITORS

	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade Payables	473	417
Other Payables	3,773	2,004
<b>Total</b>	<b>4,246</b>	<b>2,421</b>

Following adjustments to the Code of Practice, the 2017/18 figures have been re-categorised within the total figures to comply with the new requirements.

## NOTE 14 – PROVISIONS

The Joint Committee sets aside provisions for specific obligations, the amount or timing of which cannot be determined accurately. It is not permitted, under accounting conventions, to make provisions for uneven patterns of expenditure. However, earmarked reserves may be established and are included in Note 9.

	<b>Balance at</b>	<b>(Addition) /</b>	<b>Used</b>	<b>Balance at</b>
	<b>31 March</b>	<b>Reduction /</b>	<b>during the</b>	<b>31 March</b>
	<b>2018</b>	<b>Transfer</b>	<b>year</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Short-term Provisions</u></b>				
Green Car Scheme Provision	(3)	0	0	(3)
	(3)	0	0	(3)

**Green Car Scheme Provision** – provision relating to staff leased car scheme requirements.

## NOTE 15 – USABLE RESERVES

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

## NOTE 16 – UNUSABLE RESERVES

<b>31 March 2018</b>		<b>31 March 2019</b>
<b>£'000</b>		<b>£'000</b>
(6,748)	Pensions Reserve	(8,904)
(79)	Accumulated Absences Account	(89)
<b>(6,827)</b>	<b>Total Unusable Reserves</b>	<b>(8,993)</b>

### 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.

<b>2017/18</b>		<b>2018/19</b>
<b>£000</b>		<b>£000</b>
<b>(6,945)</b>	<b>Balance 1 April</b>	<b>(6,748)</b>
601	Remeasurements of the net defined benefit (liabilities) / assets (Note 25)	(1,313)
(1,281)	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	(1,437)
877	Employer's pensions contributions and direct payments to pensioners payable in the year	594
<b>(6,748)</b>	<b>Balance 31 March</b>	<b>(8,904)</b>

## NOTE 16 – UNUSABLE RESERVES (continued)

### 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.

2017/18 £000	2018/19 £000
(74) Balance 1 April	(79)
(5) 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	(10)
(79) Balance 31 March	(89)

## NOTE 17 – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2017/18 £'000	2018/19 £'000
(947) (Increase)/Decrease in Creditors	1,825
377 Increase/(Decrease) in Debtors	(4,045)
(404) Pension Liability	(843)
92 Other non-cash items charged to net surplus/deficit on the provision of services	(197)
(882)	(3,260)

## NOTE 18 – EVENTS AFTER THE BALANCE SHEET DATE

There are no known post-balance sheet events.

## NOTE 19 – OFFICERS’ REMUNERATION

**19a.** The Accounts and Audit (Wales) (Amendment) Regulations 2018 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, employer’s pension contributions and other employer costs are included below (including termination benefits), but the employer’s national insurance contributions are excluded. The remuneration paid to the Joint Committee’s senior officers directly employed by GwE is as follows:

2017/18				Chief Officers		2018/19			
Employer’s		Other				Employer’s		Other	
Salary	Pension Contribution	Employer Costs	Total			Salary	Pension Contribution	Employer Costs	Total
£	£	£	£			£	£	£	£
77,708	17,562	0	95,270	Chief Officer <sup>1</sup>	100,333	22,675	0	123,008	

<sup>1</sup>)For the period 1 November 2016 to 31 May 2017, the post holder was the Head of Education for Gwynedd Council and operated as a temporary Managing Director for GwE on a part-time basis. GwE was recharged for 80% of the costs, £18k for 2017/18. Holder permanently in post from 1 June 2017.

**19b.** 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. Termination benefits are to be included in the figures; however, there were no cases in 2018/19 or 2017/18.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:			
Number in 2017-18		Number in 2018-19	
Total		Total	
4	£60,000 - 64,999	10	
3	£65,000 - 69,999	4	

## NOTE 20 – EXTERNAL AUDIT COSTS

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

2017/18		2018/19	
£'000		£'000	
11	Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	11	
3	Adjustment of fees payable to the auditor for previous year	0	
<b>14</b>	<b>Net Fees</b>	<b>11</b>	

Deloitte have been appointed by the Auditor General for Wales as Gwynedd Council’s, and subsequently GwE’s, external auditors.

## NOTE 21 – GRANT INCOME

21a. The Joint Committee credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2017/18		2018/19	
	£'000	£'000	£'000	£'000
<b>Grants and Contributions Credited to Services</b>				
Welsh Government -				
Schools Challenge Cymru (SCC)	26		0	
Raising Standards Grant	2,473		0	
Supporting the use of Informal Languages - Children and Young People	240		0	
NPQH - National Professional Qualification for Headship	147		0	
Pupil Deprivation Grant - Looked After Children *	844		874	
Pioneer Schools Network	1,891		0	
Learning in Digital Wales (LiDW)	114		0	
Other	144		263	
		<b>5,879</b>		<b>1,137</b>
Regional Consortia School Improvement Grant ** -				
Welsh Government (excluding the EIG)		<b>0</b>		<b>7,077</b>
Education Improvement Grant (EIG) *				
Match funding from Councils				
Conwy	67		51	
Denbighshire	343		343	
Flintshire	86		86	
Gwynedd	547		547	
Anglesey	291		205	
Wrexham	0		0	
Welsh Government	4,355		2,002	
		<b>5,689</b>		<b>3,234</b>
Other Government Grants and Contributions -				
Sports Council for Wales	48		10	
Education Workforce Council	339		309	
		<b>387</b>		<b>319</b>
Other Grants and Contributions -				
Councils' Contributions towards the Core Service				
Conwy	629		633	
Denbighshire	623		626	
Flintshire	927		932	
Gwynedd	722		725	
Anglesey	414		420	
Wrexham	770		778	
		<b>4,085</b>		<b>4,114</b>
Other		<b>1,008</b>		<b>184</b>
<b>Total Grants and Contributions Credited to Services</b>		<b>17,048</b>		<b>16,065</b>

\* Does not include grants or match funding distributed directly to schools.

\*\* The majority of grants GwE receives annually, including the Education Improvement Grant, have been amalgamated into one comprehensive grant 'Regional Consortia School Improvement Grant' in 2018/19.

## NOTE 21 – GRANT INCOME (continued)

**21b.** The Joint Committee has received grants that have yet to be recognised as income as they have conditions attached that could require the monies to be returned to the provider. The balance at the year-end is as follows:

	31 March 2018 £'000	31 March 2019 £'000
<b>Grants and Contributions Received in Advance</b>		
<b><u>Short-term</u></b>		
Newly Qualified Teachers Programme	264	344
Regional Consortia School Improvement Grant	0	117
<b>Total</b>	<b>264</b>	<b>461</b>

## NOTE 22 – 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. To conform to the requirements, this is done by completing a personal declaration by the Members and Senior Officer, as defined in the CIPFA Code of Practice.

### 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 in companies or businesses which may have dealings with the Joint Committee. A breakdown of the payments and balances at 31 March 2019 made to these companies under this heading during 2018/19 is as follows:

Payments made £'000	Amounts owed by the Joint Committee £'000	Amounts owed to the Joint Committee £'000
422	0	8

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

### Officers

The Joint Committee's Senior Officer has declared as required and where appropriate an interest or relationship in companies, voluntary, charitable, or public bodies which receive payments from the Joint Committee. During 2018/19 no payments were made or owed by the Joint Committee for the related bodies.

## **NOTE 23 – EXIT PACKAGES**

There were no exit packages in 2018/19 or 2017/18.

## **NOTE 24 – PENSION 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 the 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 2018/19 the Joint Committee paid £10k (2017/18: £10k) in respect of teachers' pension costs, which represented 16.48%, on average (2017/18: 16.48%) 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 2018/19 or 2017/18. These costs are accounted for on a defined benefits basis and are included in Note 25.

## NOTE 25 – 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 scheme based on final salary for service up to 31 March 2014 and based on a career average salary from 1 April 2014. The Joint Committee and the employees pay contributions into the 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. In the past the investment managers of the fund have been appointed by the Gwynedd Pension Fund Committee. As the investments are transferred to the Wales Pension Partnership (WPP) the managers will be appointed by the partnership.

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 Councils' 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.

## NOTE 25 – PENSION COSTS (continued)

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Period ended 31 March 2018			Period ended 31 March 2019		
	Assets	Liabilities	Net (liability) /asset	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	14,702	0	14,702	15,969	0	15,969
Present Value of Funded Liabilities	0	(21,647)	(21,647)	0	(22,717)	(22,717)
Present Value of Unfunded Liabilities	0	0	0	0	0	0
<b>Opening Position at 1 April</b>	<b>14,702</b>	<b>(21,647)</b>	<b>(6,945)</b>	<b>15,969</b>	<b>(22,717)</b>	<b>(6,748)</b>
Service Cost						
Current Service Cost*	0	(1,098)	(1,098)	0	(1,246)	(1,246)
Past Service Costs (including curtailments)	0	0	0	0	0	0
<b>Total Service Cost</b>	<b>0</b>	<b>(1,098)</b>	<b>(1,098)</b>	<b>0</b>	<b>(1,246)</b>	<b>(1,246)</b>
Net interest						
Interest Income on Plan Assets	392	0	392	437	0	437
Interest Cost on Defined Benefit Obligation	0	(575)	(575)	0	(628)	(628)
<b>Total Net Interest</b>	<b>392</b>	<b>(575)</b>	<b>(183)</b>	<b>437</b>	<b>(628)</b>	<b>(191)</b>
<b>Total Defined Benefit Cost Recognised in Profit/(Loss)</b>	<b>392</b>	<b>(1,673)</b>	<b>(1,281)</b>	<b>437</b>	<b>(1,874)</b>	<b>(1,437)</b>
Cash flows						
Plan participants' contributions	224	(224)	0	260	(260)	0
Employer contributions	878	0	878	568	0	568
Contributions in respect of unfunded benefits	0	0	0	0	0	0
Benefits Paid	(348)	348	0	(345)	345	0
Unfunded Benefits Paid	0	0	0	0	0	0
<b>Expected Closing Position</b>	<b>15,848</b>	<b>(23,196)</b>	<b>(7,348)</b>	<b>16,889</b>	<b>(24,506)</b>	<b>(7,617)</b>
Remeasurements						
Change in demographic assumptions	0	0	0	0	0	0
Change in financial assumptions	0	479	479	0	(2,181)	(2,181)
Other experience	0	0	0	0	0	0
Return on Assets excluding amounts included in net interest	121	0	121	894	0	894
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>121</b>	<b>479</b>	<b>600</b>	<b>894</b>	<b>(2,181)</b>	<b>(1,287)</b>
Fair Value of Employer Assets	15,969	0	15,969	17,783	0	17,783
Present Value of Funded Liabilities	0	(22,717)	(22,717)	0	(26,687)	(26,687)
Present Value of Unfunded Liabilities**	0	0	0	0	0	0
<b>Closing Position at 31 March</b>	<b>15,969</b>	<b>(22,717)</b>	<b>(6,748)</b>	<b>17,783</b>	<b>(26,687)</b>	<b>(8,904)</b>

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

\*\* For unfunded liabilities as at 31 March 2019, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension at the date of the member's death.

## NOTE 25 – PENSION COSTS (continued)

### 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 are not quoted. The asset split for GwE is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2018. The split is shown in the table above. The Actuary estimates the bid value of the Fund's assets as at 31 March 2019 to be £2,090m based on information provided by the Administering Authority and allowing for index returns where necessary. Only a portion of the Fund is relevant to the GwE.

### Fair Value of Employer Assets

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

Asset Category	At 31 March 2018				At 31 March 2019			
	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	%
<b>Equity Securities</b>								
Consumer	474	0	474	3	443	0	443	2
Manufacturing	524	0	524	3	532	0	532	3
Energy and Utilities	50	0	50	0	0	0	0	0
Financial Institutions	283	0	283	2	208	0	208	1
Health and Care	811	0	811	5	1,137	0	1,137	6
Information Technology	607	0	607	4	311	0	311	2
Other	55	0	55	0	604	0	604	3
<b>Debt Securities</b>								
Other	0	2,321	2,321	14	0	2,584	2,584	15
<b>Private Equity</b>								
All	0	621	621	4	0	965	965	5
<b>Real Estate</b>								
UK Property	373	846	1,219	8	565	1,061	1,626	9
Overseas Property	0	15	15	0	0	9	9	0
<b>Investment Funds and Unit Trusts</b>								
Equities	3,242	4,867	8,109	51	3,460	5,097	8,557	48
Infrastructure	0	279	279	2	0	350	350	2
<b>Cash and Cash Equivalents</b>								
All	601	0	601	4	457	0	457	3
<b>Total</b>	<b>7,020</b>	<b>8,949</b>	<b>15,969</b>	<b>100</b>	<b>7,717</b>	<b>10,066</b>	<b>17,783</b>	<b>100</b>

## NOTE 25 – PENSION COSTS (continued)

### 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 were based on the latest full valuation of the scheme as at 31 March 2016. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:-

	31 March 2018	31 March 2019
<b>Financial Assumptions</b>	<b>% p.a.</b>	<b>% p.a.</b>
Pensions Increase Rate	2.4	2.5
Salary Increase Rate*	2.4	2.5
Inflation Rate	2.4	2.5
Discount Rate	2.7	2.4
Long-term expected rate of return on all categories of assets	2.7	2.4
<b>Take-up option to convert annual pension into retirement lump sum</b>		
for pre-April 2008 service	50	50
for post-April 2008 service	75	75
<b>Mortality assumptions</b>	<b>Years</b>	<b>Years</b>
Longevity at 65 for current pensioners		
Men	22.0	22.0
Women	24.2	24.2
Longevity at 65 for future pensioners		
Men	24.0	24.0
Women	26.4	26.4

\*For unfunded liabilities as at 31 March 2019, it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension at the date of the member's death.

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 2019 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 3-5%. In practice the actual cost of a 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).

## NOTE 25 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Joint Committee as at 31 March 2016, 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	Approximate monetary amount
	31 March 2019	31 March 2019
	%	£'000
0.5% decrease in real discount rate	11	3,018
0.5% increase in the salary increase rate	2	665
0.5% increase in the pension increase rate	9	2,290

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a 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).

### 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 2016), or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2020 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 2016 actuarial report dated 31 March 2017.

### Information about the Defined Benefit Obligation

	Liability Split 31 March 2019		Duration
	£'000	%	
Active Members	19,665	73.7	23.1
Deferred Members	565	2.1	32.9
Pensioner Members	6,457	24.2	14.0
<b>Total</b>	<b>26,687</b>	<b>100.0</b>	<b>20.0</b>

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 2016.

## **NOTE 25 – PENSION COSTS (continued)**

### **Impact in Future Years**

The total contribution expected to be made to the Local Government Pensions Scheme by the Joint Committee in the year to 31 March 2020 is £568k.

In April 2017, the Joint Committee made a payment of £394k to the Gwynedd Pension Fund to cover the fixed element of the employer contributions for the period 2017/18 to 2019/20. By making this payment, the Joint Committee benefited from a lower contribution rate than would have otherwise been calculated.

As the Actuary's report is based on estimates and due to timing issues, an adjustment of £25,800 has been made in 2018/19 (£259,309 in 2017/18) to bring 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.

### **McCloud Legal Judgement**

When the Local Government Pension Scheme (LGPS) benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The 'underpin' ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. On 27 June 2019 the Supreme Court denied the UK Government permission to appeal. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) which means benefits accrued from 2014 may need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation.

Our Actuary has advised that since Gwynedd Fund's salary growth assumption at the 2016 valuation were equal to the Consumer Price Index (CPI), the final salary and Career Average Revalued Earnings (CARE) benefits are in line, therefore the results of the McCloud case have no impact on the stated liabilities in GwE's 2018/19 accounts.

## **ANNUAL GOVERNANCE STATEMENT**

This statement meets the requirement to produce a Statement of Internal Control pursuant to Section 5 of the Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2108.

### **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, 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 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 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 GwE for the year ended 31 March 2019 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 currently 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.

Following the review conducted by Wales Audit Office & Estyn in January 2015, Welsh Government asked Estyn to follow up their review by inspecting and reporting on each consortium individually. The Estyn Regional Inspection took place during the two weeks commencing 18 April 2016. The report on the quality of school improvement services provided by the North Wales Consortium was produced on 30 June 2016.

[https://www.estyn.gov.wales/sites/default/files/documents/GwE\\_1.pdf](https://www.estyn.gov.wales/sites/default/files/documents/GwE_1.pdf)

The report was presented to the Joint Committee on the 6<sup>th</sup> of July 2016 with further discussions along with the presentation of the Regional Business Plan & Post Inspection Action Plan to the Joint Committee on the 22<sup>nd</sup> of September 2016.

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/360c646b-bb14-49c2-b26a-0328fc69fe.pdf>

In October 2017 (w/c 16 October 2017), Estyn visited GwE to review the progress made against recommendations noted in the inspection. The report following the monitoring visit was produced by Estyn on the 16<sup>th</sup> of November 2017.

<https://www.estyn.gov.wales/sites/default/files/documents/GwE%20Consortium%20en.pdf>

The report was presented to the Joint Committee on the 22<sup>nd</sup> of November 2017.

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/59e92e08-bd75-43bd-af30-1a07e981736c.pdf>

GwE's progress was endorsed by Estyn following their re-visit. The Estyn report concluded that since the core inspection, GwE has conducted an intensive and comprehensive review of its work and its effect on standards, provision and leadership across the region. The report also comments that stakeholders at all levels have increasing confidence in GwE's ability to provide an effective school improvement service and that significant changes have been made to management structures to distribute leadership and ensure clear lines of accountability.

Progress against four of the recommendations were judged to be very good, with strong progress noted for the other two recommendations. Estyn also commented on the significant pace of improvement and acknowledged that much had taken place over a very short period of time. GwE has a clear three-year plan that sets out how, in close collaboration with key stakeholders, it will strengthen leadership, improve teaching and learning and increase aspiration to impact on standards and accelerate the pace of improvement in regional secondary schools.

The focus is now on support and on capacity-building for a self-improving system. Challenge Advisers have become 'Supporting Improvement Advisers' (SIA) and this is more than a name change – it signals a determination to build trust with key stakeholders and to move away from a top-down approach to school improvement, developing a more long-term, supportive and sustainable strategy.

There is strong focus on accountability, continuous review and constant emphasis on achieving progress in accordance with the regions priorities. The evaluation processes in place are cyclical and

ongoing and there are clearly defined lines of accountability. Agreed priorities and areas for improvement for 2019-20 are based firmly on the findings of the self-evaluation processes.

GwE is held accountable through various forums throughout the year namely Welsh Government, National Assembly for Wales Children Young People and Education Committee, Estyn link meetings and Local Authority inspections, Local Authority Scrutiny Committees, Local Authority County Quality Boards, GwE Management Board and the Joint Committee, in accordance with the Accountability Framework.

In the Denbighshire inspection report (February 2018), Estyn concluded that:

*The roles and responsibilities of the authority and its regional school improvement consortium (GwE) are defined clearly and understood well by authority officers, the consortium's staff and school leaders. Through senior officers, elected members and GwE staff, schools in Denbighshire are challenged robustly about their performance, including the outcomes for pupils, the quality of teaching, the care they provide, and the quality of leadership. Schools are often supported well and in proportion to their needs following appropriate school categorisation.*

*Schools that are identified as causing concern receive considerable support and, where necessary, intervention. In most cases, this results in schools improving at an appropriate pace.*

*Schools are supported well in aspects of national priorities, for example in improving pupils' literacy and numeracy skills and in preparing for curriculum reform. Aspiring and serving senior and middle leaders in schools have access to good quality professional learning opportunities to develop their leadership skills.*

The Welsh Government annual autumn Challenge and Review meetings are chaired by the Cabinet Secretary for Education focusing on performance, progress, planning and budgets in the context of national priorities. The last meeting was very positive and it was expressed that it had set a high bar, demonstrating the political maturity of the Joint Committee.

In September 2018, Steve Munby – an education consultant on leadership and system reform - reviewed GwE's current practice and direction of travel and the following were identified as areas of strength:

1. The team has built credibility with schools. Increasingly at secondary level GwE has serving head teachers (either on a secondment basis or as part-time associates). Primary advisers usually have head teacher experience.
2. Relationships with local authorities, including those with the six education portfolio leads are very strong.
3. The professional learning programme is based on need rather than on the interest and specialism of the advisers.
4. The new G6 instrument has the potential to save schools time and to integrate the various scrutiny and monitoring requirements whilst at the same time supporting school self-evaluation. It has very significant potential.
5. Internal business plans are robust and are monitored systematically – they connect activity with impact and with budget monitoring. This is impressive.
6. Some of the clusters are working very well and demonstrating outcome-focused collaboration and collective responsibility; though this is still a minority.
7. GwE is doing impressive work to enable pioneer schools to provide some strong collaborative leadership across their clusters for the new Welsh Curriculum, though this is still patchy.
8. The new proposed system for analysing the expected progress of pupils, linked to value-added and contextual factors, is highly impressive and could help to shift the culture away from

competition with other schools and away from focusing on borderline pupils towards focusing on every child and his or her progress.

9. It is very early days but the new emphasis on using small data for school improvement has great potential to increase the confidence of schools towards school-based approaches to improvement and can empower teachers to take greater responsibility for improving teaching and learning and support for children in their classrooms/schools.
10. There is a new approach to creating a directory of successful practice which can be shared electronically. This has the potential to support the dissemination of good practice in a practical way.
11. Very significant progress is being made on leadership development – linked to impressive leadership development programmes and the new direction provided by the NAEL. This is a huge step forward and has great potential to improve the quality of school leadership.

In his report, Steve Munby concludes that:

*The direction of travel that GwE has adopted is exactly the right one. Much is now in place to move things forward strongly – leadership, clear direction, culture, mission and focus, relationships, credibility with schools and local authorities, systems, quality assurance, data. Above all GwE should hold its nerve and keep doing what it is doing.*

*I am coming away from these two days feeling positive about the prospects for success in North Wales, in spite of the numerous challenges. The quality of the GwE team is high and the strategies are impressive. The direction of travel is the right one and the team are open to external challenge whilst determined to do the right things for the schools and the children in North Wales.*

## **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.

A 3 Year Business Plan is in place for the service which has been approved by the Joint Committee & Welsh Government. The Business Plan ensures an appropriate work programme (annual business plan) is in place & monitoring reports are presented to the Joint Committee at their meetings.

Robust and detailed business plans, based firmly on the findings of self-evaluation processes, contribute significantly to the effective management and development of individuals and teams. GwE's improved planning and performance management model articulates clearly the vision, values, priorities and objectives of the service. The clarity of its strategic direction and robust accountability framework are key strengths in moving forward. This strong focus on accountability, continuous review and a constant emphasis on achieving progress in accordance with priorities is leading to significant improvement in performance of GwE staff, individual schools and regional outcomes. GwE priorities are also clearly aligned to the national priorities as outlined in *Education in Wales: Our National mission*.

## **Structure, Roles and Responsibilities**

The Joint Committee has been established, with appropriate membership.

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.

As a result of the adoption of the National Model For Regional Joint Working the governance structure of GwE was reviewed. This involved creating an Advisory Board and a Management Board and a review of the structure of the Joint Committee. The review of the agreement is in the process of being completed.

### **Leadership**

The Joint Committee met on the following dates:

- 23/05/2018
- 04/07/2018
- 26/09/2018
- 28/11/2018
- 20/02/2019

### **Risk Management**

There are rigorous and comprehensive arrangements in place to accurately identify and manage risks on a local, regional and national level. The risk register is a live document, which is updated on a regular basis in order to identify increasing risks or risks which are no longer deemed as high level. It is reviewed every month in a senior leadership meeting and the Management Board and the Joint Committee review the register on a quarterly basis.

Through effective management of risks to the region, GwE is able to support the region's objectives, make effective use of resources and meet the outcomes as intended.

### **Performance Management Systems**

Under the agreement, the Service's Managing Director 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.

The Annual Report for 2017/18 was presented to the Joint Committee at their meeting on 23/05/2018.

The clear and robust accountability framework is a key strength in GwE. Detailed business plans on all levels of planning address all aspects of the work of GwE, and clearly note the contribution of the service to the transformation agenda. Plans are fully costed, with clear success criteria and milestones for delivering objectives.

There are detailed self-evaluation arrangements. Plans are reviewed on a quarterly basis, evaluating progress and impact. Staff on all levels fully understand their responsibility for continued improvement and accountability.

Each Local Authority has a detailed business plan agreed upon by the head of service and the core lead adviser. Progress towards agreed outcomes on a local authority level is reviewed regularly in meetings between the lead adviser and Local Authority. Ongoing issues are referred to GwE Senior leaders in a timely manner.

Self-evaluation is a strong feature in GwE and the self-evaluation process is cyclical and ongoing. Great emphasis is placed on accountability and continuous review, and there is consistent emphasis on progress in line with priorities. Consequently, GwE leaders accurately identify areas of good performance and areas for development, or areas where there is an element of risk in terms of improving experiences and educational outcomes for learners.

### **Budget**

We like everybody else are living in a very difficult financial climate and have to make some difficult decisions. We are grateful for the support of the Chief Executives across the Region and our Elected Members in the Joint Committee for their advice and support in making the best decisions to support our learners and schools.

## Value for Money

The consortium has effective financial management processes in place. Communication and consultation on financial arrangements is effective, and GwE staff, the host local authority and Joint Committee all review the core funding and grant expenditure on a regular basis.

A robust financial analysis supports the work of delivering the business plan. A medium term financial plan and workforce plan are both aligned with the business plan. Through increasingly effective use of data to identify key priorities, the link between the business planning process and decisions regarding financial planning is strengthened as the work streams that underpin the business plan clearly note the resources to be used.

A formal framework was produced to assess the wider value for money provided by GwE. The judgement is now consistent across all stakeholders on how to measure the value for money of GwE activities within the structure and objectives of the business plan.

## User Needs and Complaints

The Service follows Gwynedd Council complaints procedure. During 2018/19 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 met on the following dates:
  - 04/05/18 (secondary)
  - 08/05/18 (primary)
  - 28/06/18 (primary)
  - 18/10/18 (secondary)
  - 24/10/18 (primary)
  - 28/11/18 (primary)
- 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, GwE function under the corporate policies of the host authority.

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.

The overall conclusion has been based upon:

- An open approach to engaging with stakeholders, planning and delivering services, and reporting and scrutiny of GwE's performance;
- Clear arrangements for decision making that were supported by robust service management and financial management arrangements;
- The reporting of understandable priorities and ambition, as set out in GwE's Business Plan, with progress reports demonstrating improvement in outcomes and performance at the same time as maintaining financial stability;
- Sound arrangements to support elected Members and Officers in the effective discharge of their responsibilities and also in maintaining high standards of conduct when undertaking business on behalf of GwE;
- Developing medium term financial planning arrangements that can be built upon further in 2019/20.

Notwithstanding this overall position, the assessment has identified areas where improvements are deemed necessary to further reinforce the effectiveness of GwE's current arrangements. These are detailed in our Business Plan for 2019/20 & Risk Register and in particularly Strategic Objective 6, i.e. ensure that GwE has strong governance and effective business and operational support that provides value for money. Plans are reviewed on a quarterly basis, evaluating progress and impact; the Joint Committee will receive reports on progress at their meetings.

#### Part 6: OPINION

Following changes to the National Model, the review of the agreement is in the process of being completed.

The strategic objectives within the GwE Business Plan 2019/20 have been approved via the GwE Governance & Accountability structure; approval by the GwE Joint Committee was given at their meeting on 22 May 2019.

  
\_\_\_\_\_

**GwE Lead Officer**

Date: 08/07/19.

ARWYN LLOYD THOMAS

GwE MANAGING DIRECTOR

  
\_\_\_\_\_

**GwE Chairman**

Date: 8.7.19

COUNCILLOR PHIL WYNN

## Glossary

**Actuarial Gains and Losses** – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

**Asset** – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Council and to the services it provides for a period of more than one year.

**Balances (or Reserves)** – These represent accumulated funds available to the Council. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

**Capital Expenditure** – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

**CIPFA (Chartered Institute of Public Finance and Accounting)** – The Professional Institute for accountants working in the public services.

**Creditors** – Amounts owed by the Council for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

**Current Service Cost** – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

**Debtors** – Amount owed to the Council for works done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

**Defined Benefit Scheme** – A pension or other retirement benefit scheme other than a defined contribution scheme.

**Defined Contribution Scheme** – A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

**Fair Value** – The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Financial Instruments** – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

**General Fund** – This is the main revenue fund of the Council and it includes the net cost of all services financed by local taxpayers and Government grants.

**International Financial Reporting Standards (IFRS)** – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial positions, and a standardised method of comparison with financial statements of the other entities.

**Inventories** – Amounts of unused or unconsumed stocks held in expectation of future use. They are categorised as goods or other assets purchased for resale, consumable stores, raw materials and Components, Products and Services in intermediate stages of completion and finished goods.

**Investment Property** – Property that is held solely to earn rentals or for capital appreciation, or both.

**Liability** – Amounts due to individuals or organisations which will have to be paid at some time in the future.

**Provision** – A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

**Related Parties** – Parties are considered to be related if one party has the ability to Control the other party or exercise significant influence over the other party in making financial or operating decisions.

**Reserves** – An amount set aside for a specific purpose in one year and carried forward to meet future obligations.

## **The independent auditor's report of the Auditor General for Wales to the members of GwE Joint Committee.**

### **Report on the audit of the financial statements**

#### **Opinion**

I have audited the financial statements of GwE Joint Committee for the year ended 31 March 2019 under the Public Audit (Wales) Act 2004.

GwE Joint Committee's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of GwE Joint Committee as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

#### **Report on other requirements**

##### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report

has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19;

- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of GwE Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

### **Responsibilities**

#### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 6, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

#### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

Anthony Barrett  
For and on behalf of the Auditor General for Wales  
13 September 2019

24 Cathedral Road  
Cardiff  
CF11 9LJ



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Audit of Financial Statements Report – **GwE Joint Committee**

Audit year: 2018-19

Date issued: September 2019

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

[infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

The team who delivered the work comprised Ian Howse (Engagement Partner), Clare Skivens (Engagement Manager) and Jonathan Saunders (Team Leader)

# Contents

The Auditor General intends to issue an **unqualified audit report** on your financial statements.

## Summary report

Introduction	4
Status of the audit	4
Proposed audit report	4
Audit outcomes	5
Recommendations arising from our 2018-19 financial audit work	7
Independence and objectivity	7
Appendices	
Appendix 1 – Draft Letter of Representation	8
Appendix 2 – Proposed audit report of the Auditor General to the Audit Committee	11
Appendix 3 – Recommendations arising from our 2018-19 financial audit work	14
Appendix 4 – Recommendations arising from our 2017-18 financial audit work	15

# Summary report

## Introduction

- 1 The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of GwE Joint Committee at 31 March 2019 and its income and expenditure for the year then ended.
- 2 We do not try to obtain absolute assurance that the financial statements are correctly stated, but adopt the concept of materiality. In planning and conducting the audit, we seek to identify material misstatements in your financial statements, namely, those that might result in a reader of the accounts being misled.
- 3 The quantitative levels at which we judge such misstatements to be material for GwE Joint Committee are £334,000. Whether an item is judged to be material can also be affected by certain qualitative issues such as legal and regulatory requirements and political sensitivity.
- 4 International Standard on Auditing (ISA) 260 requires us to report certain matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 5 This report sets out for consideration the matters arising from the audit of the financial statements of GwE Joint Committee, for 2018-19, that require reporting under ISA 260.

## Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2019 on 30 May 2019, and have now substantially completed the audit work, however, at the date of our circulation of this report the following were outstanding:
  - Clearance of audit review notes;
  - Final review of second version of the accounts;
  - Clearance from quality reviewer; and
  - Receipt of letter of representation.
- 7 We are reporting to you the more significant issues arising from the audit, which we believe you must consider prior to approval of the financial statements. The audit team has already discussed these issues with management.

## Proposed audit report

- 8 It is the Auditor General's intention to issue an unqualified audit report on the financial statements once you have provided us with a Letter of Representation based on that set out in [Appendix 1](#).
- 9 The proposed audit report is set out in [Appendix 2](#).

## Audit outcomes

### Uncorrected misstatements

10 There are no uncorrected misstatements.

### Corrected misstatements

11 There are no corrected misstatements which we consider should be drawn to your attention.

### Significant Risks

12 In our Financial Audit Plan, we set out information regarding the significant audit risks that were identified during our planning process. The table below sets out the outcome of our audit procedures in respect of those risks. We have conducted our audit in line with the Financial Audit Plan.

Financial audit risk	Proposed audit response
<p><b>Grant income and expenditure</b></p> <p>The committee receives significant grant funding, most of which is distributed to local authorities and schools. There is a risk that the financial statements inappropriately include or exclude this grant funding as the Committee will need to make an assessment of whether it is acting as an agent or principal body.</p>	<p>My audit team understood the Committee's recognition policy for grant income and expenditure which included a review of whether the Committee is acting as principal or agent. We performed tests of detail to confirm whether recognition criteria have been met.</p> <p><b>No issues were identified.</b></p>
<p><b>Management override of controls</b></p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>My audit team:</p> <ul style="list-style-type: none"><li>• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements using enhanced data analytics to analyse the whole journal population for characteristics of interest;</li><li>• performed design and implementation testing of controls over journal entries to the financial ledger;</li><li>• reviewed accounting estimates for biases; and</li><li>• evaluated the rationale for any significant transactions outside the normal course of</li></ul>

Financial audit risk	Proposed audit response
	business including those with related parties. <b>No issues were identified.</b>

## Other significant issues arising from the audit

13 In the course of the audit, we consider a number of matters both qualitative and quantitative relating to the accounts and report any significant issues arising to you. There were no issues arising in these areas this year:

- **We have no concerns about the qualitative aspects of your accounting practices and financial reporting.** We found the information provided to be relevant, reliable, comparable, material and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear.
- **We did not encounter any significant difficulties during the audit.**
- **There were no significant matters discussed and corresponded upon with management which we need to report to you.**
- **There are no other matters significant to the oversight of the financial reporting process that we need to report to you.**
- **We did not identify any material weaknesses in your internal controls.**
- **There are not any other matters specifically required by auditing standards to be communicated to those charged with governance.**

## Recommendations arising from our 2018-19 financial audit work

- 14 The recommendation arising from our financial audit work is set out in [Appendix 3](#). Management has responded to the recommendation and we will follow up progress on it during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

## Independence and objectivity

- 15 As part of the finalisation process, we are required to provide you with representations concerning our independence.
- 16 We have complied with ethical standards and in our professional judgment, we are independent and our objectivity is not compromised. There are no relationships between the Wales Audit Office and GwE Joint Committee that we consider to bear on our objectivity and independence.

# Appendix 1

## Draft Letter of Representation

Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

11 September 2019

## Representations regarding the 2018-19 financial statements

This letter is provided in connection with your audit of the financial statements of GwE Joint Committee for the year ended 31 March 2019 the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

## Management representations

### Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith.
- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

### Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects GwE Joint Committee and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

## Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The basis for distributing Education Improvement Grant between GwE's constituent local authorities is appropriate.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

## Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by GwE Joint Committee on 11 September 2019.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Dafydd L Edwards  
Head of Finance  
Gwynedd Council

Date:

Signed by:

Councillor Phil Wynn  
Chairman  
GwE Joint Committee

Date:

# Appendix 2

## Proposed audit report of the Auditor General to the GwE Joint Committee

### The independent auditor's report of the Auditor General for Wales to the members of GwE Joint Committee

#### Report on the audit of the financial statements

##### Opinion

I have audited the financial statements of GwE Joint Committee for the year ended 31 March 2019 under the Public Audit (Wales) Act 2004.

GwE Joint Committee's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of GwE Joint Committee as at 31 March 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about joint committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The responsible financial officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## **Report on other requirements**

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018-19;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement:

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of GwE Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

## **Responsibilities**

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 6, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report

Anthony Barrett  
For and on behalf of the Auditor General for Wales  
13 September 2019

24 Cathedral Road  
Cardiff  
CF11 9LJ

# Appendix 3

## Recommendation arising from our 2018-19 financial audit work

We set out the recommendation arising from our audit with management's response to the recommendation. We will follow up this next year and include any outstanding issues in next year's audit report:

<b>Matter arising 1 – Regional Consortia School Improvement Grant - Education Improvement Grant element</b>	
<b>Findings</b>	<p>GwE are the administering body for the new Regional Consortia School Improvement Grant, an element of which is be distributed by Gwynedd Council (acting as host authority) amongst the other North Wales Councils (GwE's constituent local authorities). The 2018-19 award amount was £35,844k of which £26,638k relating to the Education Improvement Grant is redistributed. £24,636k was redistributed to the other local authorities in North Wales and £2,002k was retained by GwE. The basis of redistribution is agreed annually by the GwE Management Committee adjusting the prior years allocation by any cuts to the grant income from the Welsh Government. The figures are then confirmed as accurate by the finance department of each authority (we have evidenced this via review of email returns to GwE)</p> <p>Formal grant offer letters are not sent out to each authority confirming the EIG amount, however we have evidenced that annual EIG grant compliance returns are certified by each authority.</p> <p>We have agreed the fund transfers to bank statements and remittance advice and we are satisfied that the distribution is scrutinised by the GwE Management Committee, which includes representatives from each local authority, who would identify a material misstatement were there to be one. However, we have not been able to evidence the specific Management Meeting Committee meeting agenda item or meeting minutes explicitly confirming the approval of this allocation.</p>
<b>Recommendation</b>	It is recommended that the GwE Management Board meetings include an agenda item to explicitly agree the annual EIG distribution.
<b>Priority</b>	Low.
<b>Benefit of Implementing Recommendation</b>	To ensure that EIG redistribution is formally approved by the GwE Management Committee confirming the allocation is appropriate and in accordance with the GwE and the EIG priorities.
<b>Accepted in full by management</b>	Yes.
<b>Management response</b>	Agreed.
<b>Implementation date</b>	During 2019-20.

## Appendix 4

### Recommendations arising from our 2017-18 financial audit work

We set out all the recommendations arising from our 2017-18 audit with management's response to them. We have followed these up during the 2018-19 audit and have recorded the results below.

<b>Matter arising 1 – IT findings</b>	
<b>Findings</b>	As part of our financial audit we engaged IT specialists to assist the audit team with testing the appropriateness of the Council's IT systems which have a direct impact on the production of the financial statements. The IT specialists identified a number of recommendations which have been communicated to management.
<b>Priority</b>	Low.
<b>Recommendation</b>	It is recommended that management work with the IT Manager to ensure these recommendations are implemented in a timely manner.
<b>Accepted in full by management</b>	Yes.
<b>Management response</b>	Agreed and some aspects already actioned.
<b>Implementation date</b>	During 2018-19.
<b>2018-19 findings</b>	During the 2018-19 financial audit our IT specialists identified that one recommendation remains outstanding from previous years and that four new recommendations have been identified.
<b>Status</b>	In progress.
<b>Management response</b>	A number of the recommendations have already been implemented or in the process of being implemented.

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## REPORT TO THE JOINT COMMITTEE

11 SEPTEMBER 2019

**Report by:** GwE Managing Director

**Subject:** Efficiency Savings Target

### 1.0 Purpose of the Report

1.1 To request approval from the Joint Committee to confirm the efficiency savings target implementation plan.

### 2.0 Background

2.1 The 2019/20 budget reflected the decision of the North Wales Leadership Board on the 13 November 2018 to include a savings target which corresponds to a cash decrease of 1%, in the core contributions of the 6 constituent authorities, after adding inflation. This is equivalent to a 3.19% real terms cut when considering an increase in costs.

2.3 The efficiency savings target of £116,468 is included in the baseline budget for 2019/20 under 'savings to be found'.

2.4 With the above and the need for a permanent plan to finance the 2018/19 'savings to be found', as well as the budget deficits noted below, there is a need to find a cumulative total savings of £206,485 in 2019/20.

Savings to be found - 2018/19	£37,617
Rent budget deficit	£11,220
Supplies and Services budget deficit	£41,180
Savings to be found - 2019/20	£116,468
<b>Total</b>	<b>£206,485</b>

### 3.0 Implementation Plan

- 3.1 As reported in the Joint Committee meeting, 8 July 2019, one of GwE Assistant Directors has been appointed to a new role within a local authority & has consequently left his post at the end of August 2019. It is proposed that a replacement is not appointed & that the role be removed from the GwE permanent staffing structure. This will provide an annual efficiency saving of £98,212 to the service.
- 3.2 At the end of August, there has been a reduction in Supporting Improvement Advisers, due to retirement & the reduction in fte. It is proposed that replacement appointments are not made & the equivalent of 1.4 fte permanent Supporting Improvement Advisers be removed from the GwE permanent staffing structure. This will provide an annual efficiency saving of £108,273 to the service.
- 3.3 The table below summarises the efficiency savings by implementing the above:

Role	FTE	Efficiency saving (annual) £
Assistant Director	1	98,212
Supporting Improvement Advisers - Primary	1.4	108,273
Total		206,485

### 4.0 Rationale

- 4.1 As previously reported to the Joint Committee, the focus is now on support and capacity building for a self-improving system. Challenge Advisers have become 'Supporting Improvement Advisers' (SIA) and this is more than a name change – it signals a determination to build trust with key stakeholders and to move away from a top-down approach to school improvement, developing a more long-term, supportive and sustainable strategy.
- 4.2 The Joint Committee approved the development of a Peer Engagement Model for North Wales at their meeting in July 2019. The regional peer engagement model fully reflects the principles and values that have been identified by Head teachers and also learns from good practice nationally and beyond. Peer engagement will underpin a rigorous cycle of continuous development and improvement, and should be an integral part of school improvement in moving to a self-improving system whilst also supporting those schools that are causing concern. Supporting Improvement Advisers will facilitate and fully support schools in developing their peer engagement models. The model will be developed in partnership with headteachers & the service. As Munby and Fullen (2016) have eluded, a commitment to and capacity for effective peer review form the engine that drives improvement.

### 5.0 Recommendation

- 5.1 The Joint Committee confirms the changes to the permanent staffing structure thus enabling the service to meet the savings target of £206,485.

### 6.0 Financial Implications / Risks

- 6.1 The plan delivers the Efficiency Savings target.

## **7.0 Equalities Impact**

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

## **8.0 Personnel Implications**

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

## **9.0 Consultation Undertaken**

9.1 The reduction in permanent staff has been discussed with the GwE Management Board, who support the recommendation.

9.2 This report was prepared in consultation with the host authority's statutory finance officer, who supports the recommendation.

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## **OPINION OF THE STATUTORY OFFICERS**

### **Monitoring Officer:**

Nothing to add from a propriety perspective

### **Statutory Finance Officer:**

I have collaborated with the Managing Director of GwE in the preparation of this report, and I support the content.

# Agenda Item 8

GwE Joint Committee 11/09/19

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<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	11 September 2019
<b>TITLE</b>	<b>GwE Budget 2019/20 - 1st Quarter Review</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"><li>• To update Joint Committee members on the latest financial review of GwE's budget for the 2019/20 financial year.</li><li>• The report focuses on the significant financial variances, with Appendix 1 containing the full financial information.</li></ul>
<b>RECOMMENDATION</b>	To accept the report.
<b>AUTHOR</b>	GwE Managing Director and Gwynedd Council Head of Finance.

## 1. CONCLUSION

- 1.1 This initial review estimates a net overspend of £39,229 against the budget (likely acceptable, semi-neutral position in the context of total gross expenditure of over £13m), mainly due to the savings identified by the service during the year.
- 1.2 This report has been produced in line with the '*Efficiency Savings Target*' report, which presents a permanent savings implementation plan.
- 1.3 The subsequent part of the report explains the reasons to account for the main variances.

## 2. FINANCIAL VARIANCES

### 2.1 Employees:

#### Quarter 1: underspend (£161,351).

Staff turnover, mainly secondment / resignation of Assistant Director has led to underspend. There is no intention to appoint a successor, partly financing the savings to be found (see 2.3).

Furthermore, in line with the 'Efficiency Savings Target' report, the number of core Supporting Improvement Advisers will be reduced by 1.4 FTE as of from 1 September 2019.

### 2.2 Travel:

#### Quarter 1: underspend (£5,905).

The trend in historic travelling expenses suggests that the actual annual cost is likely to be slightly below that established in the budget. It is anticipated that this will be the case in 2019/20.

### 2.3 Savings to be found

#### Quarter 1: £206,485 overspend

Overspend, at the time of preparing this report, before the Joint Committee has decided on a strategy to implement the savings target. The staff turnover saving identified (see 2.1) will be used to offset the savings target in the short term, with the 'Efficiency Savings Target' report, offering long term funding approach.

### 2.4 Regional Consortia School Improvement Grant (RCSIG)

#### Quarter 1: Neutral.

The RCSIG includes a specific heading for Assistant Director Secondment (see 2.1) for one year. As the secondment came to an end on 31 August 2019, and Welsh Government conditions note that funding is specifically for this purpose, it is expected that the remaining balance is reclaimed.

#### Analysis of full grant below:

Delegated*	£26,064,004
Non-delegated	£ 7,977,648
Total	<b>£34,041,652</b>
Grant	£31,555,372
Match Funding	£ 2,486,280
Total	<b>£34,041,652</b>

\* GwE accounts do not include grants distributed directly to schools.

### **3. UNDERSPEND FUND**

- 3.1 At the beginning of the 2019/20 financial year, the fund totalled £278,201.
- 3.2 The fund total (GwE 'general balances') at the end of 2019/20 is estimated at £238,972, having taken into account the net overspend anticipated above.

### **APPENDICES**

Appendix 1: GwE Budget 2019/20 - 1st Quarter Review

### **OPINION OF STATUTORY OFFICERS**

#### **Monitoring Officer:**

No Comments from a propriety perspective.

#### **Statutory Finance Officer:**

Co-author of report.

## GwE JOINT COMMITTEE - NORTH WALES COUNCILS - Budget Review 2019/20 : First Quarter April - June 2019

	Opening Budget £	Adjustments £	Revised Budget £	Estimated Expenditure £	Over / (Under) Spend Net £
<b>Expenditure</b>					
Employees					
Salaries					
- Management, Brokerage, Standards and Administration	975,901		975,901	877,689	(98,212)
- System Leader	3,776,051		3,776,051	3,712,912	(63,139)
- Staff on Secondment	122,020	(61,132)	60,888	60,888	0
- Transferred against 'Specific Projects'	(1,688,385)		(1,688,385)	(1,688,385)	0
Training, advertising and other employee costs	40,897		40,897	40,897	0
Building					
Rent (includes services)	166,363		166,363	166,363	0
'Specific Projects' usage of offices recharge	(56,496)		(56,496)	(56,496)	0
Travel					
Travel Costs	131,811		131,811	125,906	(5,905)
Supplies and Services					
Furniture, equipment, printing, postage, telephone, room hire etc	70,080		70,080	70,080	0
Information Technology (contribution to renewal fund)	15,841		15,841	15,841	0
Audit Fees	11,000		11,000	11,000	0
Brokerage	277,230		277,230	277,230	0
Gwynedd Council Host Authority Support Service Costs					
Legal	5,498		5,498	5,498	0
Human Resources	9,428		9,428	9,428	0
Finance	40,770		40,770	40,770	0
Information Technology	45,092		45,092	45,092	0
Savings to be found - 2018/19	(37,617)		(37,617)	0	37,617
Savings to be found - Rent Budget	(11,220)		(11,220)	0	11,220
Savings to be found - Supplies and Services deficiency	(41,180)		(41,180)	0	41,180
Savings to be found - 2019/20	(116,468)		(116,468)	0	116,468
National Model Commitments	469,948		469,948	469,948	0
Specific Projects					
Regional Consortia School Improvement Grant	9,198,005	(1,220,357)	7,977,648	7,977,648	0
Pupil Deprivation Grant - Looked After Children	874,000		874,000	874,000	0
Pupil Deprivation Grant - Strategic Advisor	100,000		100,000	100,000	0
<b>Cyfanswm Gwariant</b>	<b>14,378,569</b>	<b>(1,281,489)</b>	<b>13,097,080</b>	<b>13,136,309</b>	<b>39,229</b>

	Opening Budget £	Adjustments £	Revised Budget £	Estimated Expenditure £	Over / (Under) Spend Net £
<b>Income</b>					
Core Service Contributions					
- Anglesey Council (10.20%)	(416,697)		(416,697)	(416,697)	0
- Gwynedd Council (17.64%)	(720,531)		(720,531)	(720,531)	0
- Conwy Council (15.30%)	(624,919)		(624,919)	(624,919)	0
- Denbighshire Council (15.26%)	(623,132)		(623,132)	(623,132)	0
- Flintshire Council (22.71%)	(927,504)		(927,504)	(927,504)	0
- Wrexham Council (18.89%)	(771,761)		(771,761)	(771,761)	0
Income from Secondments	(122,020)	61,132	(60,888)	(60,888)	0
Specific Projects					
Regional Consortia School Improvement Grant	(9,198,005)	1,220,357	(7,977,648)	(7,977,648)	0
Pupil Deprivation Grant - Looked After Children	(874,000)		(874,000)	(874,000)	0
Pupil Deprivation Grant - Strategic Advisor	(100,000)		(100,000)	(100,000)	0
<b>Total Income</b>	<b>(14,378,569)</b>	<b>1,281,489</b>	<b>(13,097,080)</b>	<b>(13,097,080)</b>	<b>0</b>
<b>Total Income over Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,229</b>	<b>39,229</b>
<b>Memorandum -</b>					
<b>The GwE Surplus Fund</b>					
			<b>Fund balance as at 1 April 2019</b>		<b>(278,201)</b>
			<b>Add/Less - (Under)/Overspend 2019/20</b>		<b>39,229</b>
			<b>Less - Use of the Fund</b>		<b>0</b>
			<b>Fund balance as at 31 March 2020</b>		<b>(238,972)</b>
<b>Information Technology Renewal Fund</b>					
			<b>Fund balance as at 1 April 2019</b>		<b>(55,479)</b>
			<b>Add - Contribution 2019/20</b>		<b>(15,841)</b>
			<b>Less - Use of the Fund</b>		<b>0</b>
			<b>Fund balance as at 31 March 2020</b>		<b>(71,320)</b>



## REPORT TO THE JOINT COMMITTEE

11 September 2019

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**Report by:** GwE Managing Director

**Subject:** 2019-20 Business Plan – Monitoring Quarter 1 Report

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### 1.0 Purpose of the Report

1.1 To present the Level 1 Business Plan – Monitoring Quarter 1 Report to the Joint Committee.

### 2.0 Background

2.1 The regional business plan sets out the priority areas for improvement across the region. The Management Board and the GwE Joint Committee have approved the strategic objectives and priorities for improvement for 2019-20.

2.2 Strategic Objectives: The business plan aligns with *Education in Wales: Our National Mission* (Welsh Government), and reflects the current regional and national priorities:

1. Developing a high-quality education profession
  2. Inspirational leaders working collaboratively to raise standards
  3. Strong and inclusive schools committed to excellence, equity and well-being
  4. Robust assessment, evaluation and accountability arrangements supporting a self-improving system
  5. Transformational Curriculum
  6. Business
-

2.3 The priorities and areas for improvement for 2019-20 are based firmly on the findings of the self-evaluation processes and through consultation with headteachers and the local authorities.

2.4 The GwE Business Planning Framework that's in place ensures clarity and strategic coordination in the delivery of the priorities on a local, regional and national level.

2.5 Progress against the Business Plan will be reported upon quarterly to the Joint Committee.

### **3.0 Considerations**

3.1 The regional business plan set out the priorities across the region. These priorities are those at Level 1 and are the responsibility of the Managing Director. The Joint Committee are ultimately accountable for the delivery against the priorities.

3.2 Level 2 and 3 plans sit below the Level 1 plan and give more detailed information with regard to national, regional and local priorities. The Level 2 and 3 plans provide detail with regard to the actions to be delivered and the outputs and success criteria to be achieved. The 3 level business planning framework developed ensures accountability for delivery and provides the structure for monitoring progress effectively.

3.3. Enclosed is the Quarter 1 Monitoring Report of the Level 1 Business Plan which provides a progress report on the actions, progress measures / targets and expenditure profile.

### **4.0 Recommendations**

4.1 The Joint Committee is asked to approve the monitoring report for quarter 1.

4.2 Determine if there are any aspects of the plan that they wish to discuss further at future meetings.

### **5.0 Financial Implications**

5.1 There are no financial implications arising from this report. GwE will operate within the current financial resources.

**6.0 Equalities Impact**

6.1 There are no new equalities implications 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 GwE User Groups, County Quality Boards, Headteachers Strategic Forums, GwE Management Board and Joint Committee have been consulted during the development of the Level 1 Business Plan.

**9.0 Appendices**

9.1 Monitoring quarter 1 report.

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**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer:**

No comments to add from a propriety perspective.

**Statutory Finance Officer:**

I appreciate the Business Plan, which sets out a clear responsibility for the proper operation of business, risk, and value for money, inter alia. Paragraph 5 of the covering report states that GwE will fund any financial implications arising from the Business Plan within its current budget. I note that another item on this agenda explains a review of GwE's staff structure which will realise the savings target, and the service must address all the business needs in the context of the unavoidable financial constraints.

# GwE Business Plan 2019-20

## Quarter 1 Monitoring Report





**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

PRIORITY 1.2 - CYMRAEG 2050 – A MILLION WELSH SPEAKERS								
Actions	Progress - Quarter 1 (Actions)	RAG Q1	Progress Measures / Targets 2019-2020	Impact - Quarter 1 (Progress Measures / Targets)	RAG Q1	Responsible	Target Date	Expenditure profile Q1
<p>Ensure effective strategic planning for the growth of Welsh in Education through the Regional Welsh Strategic Board.</p> <p>Develop and deliver a programme of professional learning to ensure that staff have the Welsh language skills and expertise in Welsh language and Welsh-medium teaching, based on evidence and best practice.</p> <p>Deliver opportunities for children and young people to use their Welsh in various contexts and to enhance their sense of Welsh identity by promoting enrichment and experiences through the Welsh Charter / new National Framework.</p>	<p>Regional Welsh Strategic Board last met early May. GwE Management and Joint Committee discussions have taken place, and a review of Welsh language provision is taking place.</p> <p>With LA cooperation a Training Directory has been created.</p> <p>We have facilitated the promotion of the Sabbatical courses through the GwE bulletin and the LAs. The new cluster model will ensure that funding (if needed) will be available for every cluster to access Welsh language skills training.</p> <p>3 Siarter Iaith coordinators working across LAs.</p> <p>Work on Cluster model has taken place.</p>		<p>Effective strategic plan for the growth of Welsh in Education in place and operational.</p> <p>Improved provision of Welsh and engagement with high-quality professional learning will improve the quality of Welsh Language pedagogy.</p> <p>Increased numbers of school staff receiving training at the appropriate level to improve their Welsh Language skills.</p> <p>Increased enrichment opportunities for children and young people to use their Welsh in various contexts and to enhance their sense of Welsh identity.</p> <p>Schools are effectively collaborating and working in clusters to improve Welsh Language provision and share effective practice and resources in preparation for the delivery of the new curriculum.</p>	<p>“Developing Welsh in Education across the North Wales region 2019-22” has been completed – awaiting approval of Management Board.</p> <p>38 teachers/ TA have completed advance or entry level sabbatical courses April – July 2019. 14 teachers (English medium primary) have completed Welsh in a year sabbatical course, and 11 teachers have completed a follow up course since completing the Welsh in a year course 2018-19. In the process of mapping all of those that have had access to sabbatical training over the last 6 years.</p> <p>The Cluster model will ensure that every school will have access to funding by providing a Cluster Plan e.g.in order to promote the Welsh language through Siarter / Cymraeg Campus. This should promote progression and continuation between primary and secondary schools. Welsh language will have a page similar to ALN Wales on G6 with milestones and an opportunity to share successful practice.</p>		Regional Welsh Strategic Board	<p>July 2019</p> <p>April 2019 onwards</p> <p>Sept. 2019</p>	<p>Welsh – Professional Development</p> <p>Welsh Language Use Framework</p>

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**PRIORITY 1.3 - WORK WITH BANGOR AND CHESTER UNIVERSITY TO DEVELOP HIGH QUALITY ITE PROVISION THROUGH THE CABAN PARTNERSHIP**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Prepare thoroughly to meet the requirements of the EWC Accreditation Visit</p> <p>Support module development and Mentor Programme.</p> <p>Ensure GwE staff are trained to support quality assurance of partnership schools.</p> <p>Ensure GwE contribution to programme delivery and quality assurance.</p>	<p>GwE has supported the successful Accreditation of BA / PGCE programmes and has worked with CaBan and regional schools to co-construct modules.</p> <p>GwE ITE lead attends regular SEG group meetings, updating SIAs and SLT on CaBan programme structure and expectations from Lead and Network Schools.</p> <p>GwE ITE lead to attend and contribute to network mentor training and support on-going CaBan QA processes.</p>		<p>EWC recognises progress made towards accreditation conditions (November 2018).</p> <p>All modules in place and shared with partner schools.</p> <p>CaBan partner schools to include ITE as school priority in G6. GwE /CaBan to ensure quality of all partner schools.</p> <p>CaBan partnership schools work with HEIs and GwE to provide high quality provision and up to date training for new Associate Teachers (ATs).</p>	<p>Successful Accreditation of programmes with EWC (April 2019).</p> <p>Course Modules developed and now in place.</p> <p>Lead Schools identified and successfully trained on module delivery, 'school based days' and programme structure.</p> <p>Network schools identified and action plan for mentor training submitted.</p>		GwE ITE Lead	<p>March 2019</p> <p>July 2019</p> <p>May 2019</p> <p>Sept 2019 – ongoing</p>	ITE

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**STRATEGIC OBJECTIVE 2: INSPIRATIONAL LEADERS WORKING COLLABORATIVELY TO RAISE STANDARDS**

**PRIORITY 2.1 - PROVIDE DEVELOPMENT PROGRAMMES ACROSS THE WORK FORCE TO ENSURE HIGH QUALITY LEADERSHIP**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Continue to develop and deliver the Middle Leadership Development Programme (MLDP) in order to establish a national MLDP to be presented to NAEL for endorsement.</p> <p>Continue to develop and deliver the regional Aspiring Headteacher Development Programme (AHDP) in order to:</p> <p>1) ensure quality professional learning opportunities for future leaders across the region;</p> <p>2) establish a national AHDP / NPQH Development Programme to be presented to NAEL for endorsement.</p>	<p>The Middle Leadership Programme has continued as planned. The Presentation Day will be held at Conwy Business Centre on 02/10/19 for the next cohort. Two GwE representatives has participated in the co-construction of a National Programme, which will commence in the autumn term (delivered regionally). There will be two cohorts (1 Welsh medium and 1 English medium).</p> <p>The Aspiring Headteacher Programme 2018-19 cohort continued as planned. Presentation Day to be held at Conwy Business Centre on 03/10/19.</p>		<p>A wider range of Professional Learning opportunities available to a range of leaders in order to develop present and future leaders.</p> <p>Improvement in the number of high-quality applicants for leadership posts across schools and settings:</p> <ul style="list-style-type: none"> <li>60 individuals successfully applying to / and attending the new National Middle Leadership Development Programme (30 Welsh cohort / 30 English cohort)</li> <li>60 individuals successfully applying to / and attending cohort 5 of the programme (30 Welsh cohort / 30 English cohort)</li> </ul>	<p>GwE provides consistent, equitable and high-quality development programmes at each stage of the leadership professional learning development pathway, from middle leadership through to experienced Headteachers. The programmes secure professional leadership development at each career stage of educational leadership to ensure sustained highly effective practice set against the formal leadership standards.</p> <p>The establishment of the Regional Leadership Group, which includes representatives from GwE and the six local authorities, ensures that needs are identified and that programmes meet the needs of the profession.</p> <p>Details of the number of successful participants will be confirmed following the Presentation Day in October.</p>		Leadership Programmes Lead	<p>April 2019 onwards</p> <p>Design June 2019. Start date – Sept 2019</p> <p>June 2019</p>	Future Leadership / New and Acting Heads

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>Evaluate and review the current NPQH Development Programme. Key findings to influence the development of a new national NPQH Development Programme to be presented to NAEL for endorsement</p>	<p>Information sessions for the prospective NPQH candidates and their Headteachers have been delivered across the region. Applications for the 2019-20 cohort are invited by 16/09/19.</p>		<ul style="list-style-type: none"> <li>• 50 individuals successfully applying to / and attending the new National NPQH Development Programme</li> <li>• 80% of candidates successful in achieving the NPQH status</li> <li>• Number of individuals that attend the programme will depend on appointments in the Local Authorities</li> <li>• 25 individuals successfully applying to / and attending the new National Experienced Headteacher Development Programme</li> </ul>	<p>The NPQH programme for 2019-20 has been well-publicised across the region. Three awareness raising sessions for prospective candidates to be held across the Region</p> <p>The criteria for NPQH candidates have been thoroughly discussed with members of the regional leadership group.</p> <p>National Experienced Headteacher Development Programme - the National Programme has been endorsed by NAEL and will commence during the autumn term.</p>		<p>Leadership Programmes Lead</p>	<p>Nov. 2019</p> <p>May 2019</p> <p>Ongoing</p> <p>Sept. 2019 onwards</p>	<p>Future Leadership / New and Acting Heads</p>
<p>Continue to provide the professional learning offered through the national New / Acting Headteacher Development Programme that has been endorsed by NAEL and accredited by Yr Athrofa and Bangor University.</p>	<p>New and Acting Headteacher Development Programme - The National Programme has been executed as planned. Regional meetings of LA Leads have aimed at ensuring less county to county variance. The current position indicates that this will be improved in the year Sept 2019-20.</p>		<p>2019</p>					
<p>Deliver the professional learning offered through the national Experienced Headteacher Development Programme that has been endorsed by NAEL and accredited by 'Yr Athrofa' and Bangor University.</p>	<p>Experienced Head teachers- two GwE colleagues have represented the region during the co-construction of a National Development Programme for experienced Headteachers. Headteacher groups have been updated by Core Leads during regional Headteacher Federation Meetings.</p>							

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**PRIORITY 2.2 - SUPPORT SECONDARY SCHOOLS TO IMPROVE MIDDLE LEADERSHIP PERFORMANCE**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Target individuals specifically to attend these programmes.</p> <p>Support Plans in all schools identify which aspects of middle leadership need specific attention leading to reduce variance within their departments, particularly teaching and learning quality.</p>	<p>Initial discussions with schools regarding the level of support.</p> <p>The support schemes will be finalised early in the autumn.</p> <p>Schools have been identified to participate in the Peer Engagement programme. Written correspondence and information shared with schools. Training to take place in the autumn.</p>		<p>Individuals successfully targeted and engaging fully with the programmes.</p> <p>Leadership skills of individuals are strengthened.</p> <p>Quality of actions taken leads to improvements in teaching and learning.</p>	<p>Too soon to measure impact.</p> <p>Some leaders have already been targeted to attend specific development programmes.</p>		Middle Leadership Lead	<p>Sept. 2019 onwards</p> <p>April 2019 onwards</p>	Future Leadership

**PRIORITY 2.3 - DEVELOP PEER ENGAGEMENT MODEL AND PROCESSES WITH SCHOOLS TO ENSURE ROBUST SELF-EVALUATION AND IMPROVEMENT PLANNING AT ALL LEVELS**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Develop and implement peer engagement models across the region.</p> <p>Work with stakeholders to revise improvement and accountability arrangements and procedures to ensure that they:</p>	<p>GwE and the six regional local authorities are working in partnership with schools to establish a regional peer engagement model which fully reflects the principles and values that have been identified by Head teachers, and also learn from good practice nationally and beyond.</p>		<p>A regional pathfinder project is in place with a minimum of 100 schools contributing to the work.</p> <p>Local improvement and accountability procedures meet national requirements and expectations.</p>	<p>Expressions of interest received from 290 regional schools [working as 41 clusters].</p> <p>60 schools [working as 10 clusters] will pilot a regional SPP programme whilst 175 schools [working as 28 clusters] will develop a local model.</p>		<p>Assistant Director / Primary Regional Lead / Secondary Regional Lead</p>	May 2019 onwards	Collaborative working

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<ul style="list-style-type: none"> <li>• Meet national requirements and expectations.</li> <li>• Support the new curriculum developments.</li> <li>• Are robust, fair, cohesive and transparent.</li> <li>• Encourage leaders to shoulder more accountability for improvement in their own schools and in peer engagement schools</li> </ul> <p>Support leaders to ensure that all members of staff are enabled to contribute effectively and purposefully to evaluation and improvement arrangements.</p> <p>Ensure that improvement planning and evaluation procedures in all schools:</p> <ul style="list-style-type: none"> <li>• Include peer engagement</li> <li>• Prioritise learning and teaching quality improvement for a range of learner abilities</li> </ul>	<p>Developing multi-level and multi-tiered peer-engagement, forged and owned by the schools themselves, will also allow establishments to adopt an integrated approach to the national reform journey. The integrated approach will be effectively supported by the local authorities and GwE.</p> <p>The model will be used to underpin a rigorous cycle of continuous development and improvement, and will be an integral part of school improvement in moving to a self-improving system, whilst also supporting those schools that are causing concern.</p>		<p>Evaluation procedures are more consistent and robust across and within schools.</p> <p>Leaders at all levels take ownership of accountability for improvement within their own schools and in peer schools.</p> <p>Improvement planning and evaluation procedures in all schools:</p> <ul style="list-style-type: none"> <li>• Include peer engagement activities;</li> <li>• Focus specifically on the quality of learning and teaching experiences for a range of learners.</li> </ul> <p>Robust monitoring programme in place to evaluate the impact of the pathfinder project.</p>	<p>A full evaluation will be undertaken at the end of the pilot phase.</p>			
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**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

Ensure that leaders at all levels are able to work confidently and explicitly when planning and leading teaching and learning improvements and that effective use is made of peers to support the improvement journey.							
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**STRATEGIC OBJECTIVE 3: STRONG AND INCLUSIVE SCHOOLS COMMITTED TO EXCELLENCE, EQUITY AND WELL-BEING**

Page 94

**PRIORITY 3.1 - SUPPORTING VULNERABLE LEARNER'S STRATEGY**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Refine the decision making and lines of accountability in regard to evaluation and audit of PDG between schools, LA and Consortia.</p> <p>Strengthen the role of the SIA in supporting schools in evaluating progress of vulnerable learners and use of PDG.</p> <p>Develop person centre approach to capture the voice of all groups of learners.</p>	<p>There are clearly defined lines of accountability within the consortia. There is a stronger focus on the monitoring and evaluating the overall performance of e FSM learners across key portfolio areas both secondary and primary.</p> <p>Supporting Improvement Advisers now challenge schools on their use of grant funding with a clear set of criteria to assess the use of</p>		<p>Performance of eFSM learners across the region has increased in line/or by more than the national average increase in the main indicators.</p> <p>Regional Strategic Group to meet on a termly basis with clear terms of reference.</p> <p>Yearly audit of all PDG plans available across the region with impact and successful practice shared through G6.</p>	<p>Awaiting 2019 results.</p> <p>GwE will monitor and evaluate the effectiveness and impact of PDG of schools across the consortia in Autumn term.</p> <p>Data, target setting and tracking are effectively and consistently applied to challenge and support schools via the SIA's and are used more effectively within our evaluative processes to</p>		Wellbeing Regional Adviser	<p>May 2019</p> <p>Sept 2019</p> <p>Dec 2019</p>	PDG

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

	<p>this funding and this has reduced the inconsistencies between schools about identifying the impact of the use of grant funding on pupil outcomes.</p> <p>Work in progress in regard to the learner voice project with sessions facilitated in 3 LA areas.</p>		<p>Effective use of summative and formative data to target improvement.</p> <p>70% of regional cluster / school to school collaboration engaged in roll out evidence based practise.</p>	<p>ensure we target the right schools.</p>			<p>April – June 2019</p>	
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**PRIORITY 3.2 - FURTHER DEVELOP LAC STRATEGY**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Implement the LAC PDG strategy measuring impact &amp; evaluation guidance across the region.</p> <p>Implement a consistent data source for sharing of information in regard to the LA sharing data on LAC with the consortia.</p> <p>Regularly assess and track the progress of LAC across the region</p>	<p>GwE's business plan model and strategy is fully implemented across the region. The eFSM element of the LAC PDG is incorporated into the regional, LA and key portfolio Business Plans.</p> <p>A revised framework for PDG-LAC, co-produced by representatives of ADEW and the regional PDG-LAC co-ordinators, was issued to Directors of Education in March for implementation from April. The revised framework includes a set of</p>		<p>Performance of LAC across the region has increased in line/or by more than the national average increase in the main indicators.</p> <p>Clear and robust LAC PDG Support Plan in place and approved by Welsh Government.</p> <p>Framework model implemented across the region via the grant guidance with robust evaluation guidance / system in place.</p> <p>Clear School / Cluster one page profile in place showing evidence of impact of LAC PDG.</p>	<p>Awaiting 2019 results.</p> <p>We have adopted and implemented Welsh Government's new LAC PDG terms &amp; conditions for the grant funding into our regional PDG LAC terms and conditions, whilst also ensuring regional and local objectives and priorities are meet.</p> <p>Our focus is to increase the cluster approach and ensure targeted schools/clusters are getting access to the regional funds. We are also working</p>		<p>Wellbeing Regional Adviser</p>	<p>April 2019 – March 2020</p> <p>April 2019</p> <p>April 2019 – March 2020</p> <p>April 2019</p>	<p>LAC</p>

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

core purposes for the regional PDG-LAC lead coordinators role and will enable national consistency to ensure the best educational outcomes for looked after children across Wales.

Monitoring systems are in place in relation to children who are looked after – both via the SIA's and the LACE's and LA's. We are working closely with all the Consortia LAC leads to develop a proposed model of tracking, monitoring current data/key indicators of each LAC.

Work is also in progress with LAs and GwE in terms of sharing data on key indicators such as attendance/ Exclusions / ALN / in regards to the achievements of LAC.

closely with the 6 LAs to ensure clear communication and collaboration in regards to additional support and intervention to show evidence of impact of LAC PDG.

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**PRIORITY 3.3 - WORK WITH LA AND SCHOOLS TO BEST PREPARE FOR ADDITIONAL LEARNING NEEDS TRANSFORMATION**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
<p>Professional Learning Offer in place delivered by LA and GwE.</p> <p>Share practice that is effective across the region to reduce duplication and workload.</p> <p>Cluster and ALN transformation networks established and supported through SIA support.</p> <p>Clusters all have a supporting action plan that identifies next steps in the reform journey.</p> <p>All local authorities, GwE and linked agencies endorse the regional transformation plan and funding priorities</p>	<p>Professional Learning Offer completed, accepted and in place.</p> <p>Cluster leads and ALN SIA's share practice that is effective across the region through G6.</p> <p>ALN transformation cluster work has been established across North Wales, providing a consistent approach to supporting school readiness to implement the ALN reform. As a result, all schools have an awareness of the reform, have worked with their cluster to identify joint priorities and submitted a cluster action plan. The model ensures that all schools across the region receive accurate, timely and consistent advice and support as we move towards the end of the transformation journey to implementation.</p>		<p>Professional learning offer supports the understanding and delivery of ALN Transformation.</p> <p>Case studies of practice that is successful available on G6 based on work of clusters and LAs.</p> <p>Professional networks in place for Welsh medium, Specialist centres and cluster based model.</p> <p>All schools engaged in the local cluster model and supported financially through the transformation grant.</p> <p>Transformation plan in place and endorsed by elected members.</p>	<p>Schools will have access to the training throughout the forthcoming academic year. All senior leaders and clusters have identified their own professional learning needs to support the implementation which have fed into the 2019-2020 professional learning offer for ALN transformation.</p> <p>Some studies and resources already shared on G6.</p> <p>All clusters and majority of schools are engaged. Innovative work at cluster level has been successful including defining universal provision, defining high quality teaching and implementing strategies to communicate with parents and carers.</p> <p>Information shared with elected members.</p>		<p>Additional Learning Needs Transformation Lead North Wales region</p>	<p>Summer 2019</p> <p>Autumn 2019</p> <p>Summer 2019</p> <p>Autumn 2019</p> <p>June 2019</p>	<p>ALN Transformation grant allocation</p>

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**STRATEGIC OBJECTIVE 4: ROBUST ASSESSMENT, EVALUATION AND ACCOUNTABILITY ARRANGEMENTS SUPPORTING A SELF-IMPROVING SYSTEM**

<b>PRIORITY 4.1 - DEVELOP TRACKING AND ASSESSMENT SYSTEMS</b>								
<b>Actions</b>	<b>Progress - Quarter 1 (Actions)</b>	<b>RAG Q1</b>	<b>Progress Measures / Targets 2019-2020</b>	<b>Impact - Quarter 1 (Progress Measures / Targets)</b>	<b>RAG Q1</b>	<b>Responsible</b>	<b>Target Date</b>	<b>Expenditure profile Q1</b>
<p>Ensure that all secondary schools have robust strategies and tracking systems in place to measure the impact of with in-school variance.</p> <p>Implement pathfinder project with 27 secondary schools to pilot software that assesses in school variation and share successful practice from findings of action research project.</p> <p>Increase schools' use of the primary tracker and further develop to an on-line system:</p> <ul style="list-style-type: none"> <li>• Tender bid for development</li> <li>• Training for schools and SIAs on the effective use of the system.</li> </ul>	<p>Twenty seven secondary schools are piloting a data management system that focuses on highlighting in-school variance. As in-school variance is four times more significant than school-to-school variance, effectively addressing this issue is central to improving performance across the region. Another smaller pilot programme is running to review and develop schools' awareness and tracking of question level analysis.</p> <p>In primary schools, there is clear focus on tracking pupil progress.</p> <ul style="list-style-type: none"> <li>• Whole School Tracker - Primary Whole School Tracker has been created from the previous Foundation Phase version.</li> <li>• Data Summary Spreadsheet: Year 2 and Year 6 pupil data summary has been provided</li> </ul>		<p>Improvement in 2020 regional performance in Capped 9 indicator at KS4 that is greater than the national average increase.</p> <p>Leaders at all levels have access to richer range of data to track progress and successfully target intervention</p> <p>All school have access to training on the effective use of and analysis of individual pupil progress data using the tracker</p> <p>Most schools are using the system well to provide them with accurate progress measures for individuals and groups of learners</p>	<p>The impact of the data summary and tracking schools can be seen in many schools. This includes:</p> <ul style="list-style-type: none"> <li>• Schools focusing on individual pupil progress from baseline to end of primary education, by both teachers and school leaders.</li> <li>• Schools focusing on progress of groups of learners.</li> <li>• Better consistency throughout schools in teacher assessment and target setting which leads to a more robust self-evaluation and improvement planning.</li> <li>• Using a variety of ways to interrogate pupil data and present the findings e.g. through graphs and charts</li> </ul> <p>Many schools who have adopted the tool as their main progress tracker have been identified by ESTYN as effectively tracking learner progress and used as good practice case studies.</p>		<p>Secondary Assessment and Tracking Lead</p> <p>Primary Assessment and Tracking Lead</p>	<p>Sept. 2020</p> <p>July 2019</p> <p>January 2020</p>	<p>Collaborative working</p>

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

	<ul style="list-style-type: none"> <li>KS2 and 3 moderation: and science meetings. Throughout the region, there was an agreement on the best-fit levels of most schools.</li> </ul> <p>Training has been offered to all schools across the region during June 2019.</p> <p>Training given to nearly all primary SIAs during a team meeting.</p>		All SIAs are confident to support schools on how to use the tracker effectively with schools.				
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Page 99

**PRIORITY 4.2 - DEVELOP ACCOUNTABILITY AND MANAGEMENT SYSTEMS**

<b>Actions</b>	<b>Progress - Quarter 1 (Actions)</b>	<b>RAG Q1</b>	<b>Progress Measures / Targets 2019-2020</b>	<b>Impact - Quarter 1 (Progress Measures / Targets)</b>	<b>RAG Q1</b>	<b>Responsible</b>	<b>Target Date</b>	<b>Expenditure profile Q1</b>
<p>Develop and test the application of iCAM within the GwE G6 user interface and data output system for schools (based on entry of individual child variables at secondary school entry).</p> <p>Develop user guidance for schools, pilot sites and robust evaluation, development of additional aspects of iCAM. Liaise with G6 to assess the</p>	<p>GwE is working closely with experts from Warwick and Bangor Universities to develop an individual child attainment model (iCAM) to predict attainment and inform child-driven priorities for secondary schools in Wales. The model will be based on historical data from across Wales and, if successful, would dispense with need for arbitrary between-school comparisons for cohorts of children and instead model</p>		<p>iCAM characteristics established and backed by appropriate academic research evidence.</p> <p>Phase 2 simulation run to model output data</p> <p>System adjusted to assess adjustments necessary for interim and proposed performance measures.</p>	Too early to measure impact.		Secondary Assessment and Tracking Lead	Sept. 2020	Collaborative working / Research and Evaluation

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

Page 100	implications of platform integration.	expectations about individual children's attainment at KS4.						
	Further support schools and GwE staff to develop effective use of G6 as a self-improvement tool.	<p>Schools and GwE staff are making improved use of the G6 system. The system provides a structure to capture school improvement processes and priorities and collates quantitative evidence of a schools improvement journey.</p> <p>Through regular concise communication between schools and GwE, the system focuses on the transfer of live data to support the progress of current pupils. With increased professional dialogue between the SIA and School, it allows for a quicker response from SIAs to assist Schools with areas that need support.</p>	<p>All GwE staff make effective use of G6 to share successful practice with peers. Robust quality assurance arrangements in place.</p> <p>Almost all schools fully engage with G6 and make effective use of self-improvement to monitor progress against reform journey milestones.</p>	<p>A programme of Peer Quality Assurance meetings were developed in the Spring term 2019. This has led to enhanced understanding of consistency of practice and also crucially an opportunity for GwE users to share best practice.</p> <p>Schools make effective use of the milestones provided in the Curriculum for Wales and Additional Learning needs modules. This allows schools to reflect on their current position with regards to the reform journey and provides clear next steps for their consideration. The system also captures and shares best practice within and between schools.</p>		G6 Lead	March 2020	

**PRIORITY 4.3 - FURTHER DEVELOP ACCOUNTABILITY ARRANGEMENTS AND PROCESSES FOR ROBUST SELF-EVALUATION AND IMPROVEMENT PLANNING**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
Support Welsh Government to develop new evaluation and improvement arrangements to replace	As part of the national arrangements to develop a revised evaluation and improvement accountability arrangement, Estyn and the		Culture and behaviour of key stakeholders in line with expectation of new national accountability framework.	Too early to measure impact.		Assistant Director	April 2019 onwards	Core

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>parts of the current accountability system.</p> <p>Promote and foster the culture and behaviours required to support the implementation of the new curriculum and the wider agenda of the 'reform journey'.</p> <p>Contribute to the development of a national self-evaluation and improvement 'toolkit' led by Estyn and the OECD.</p>	<p>OECD have been working with key stakeholders to develop a 'toolkit' with the aim of increasing rigour and consistency in self-evaluation and improvement planning processes whilst promoting and fostering the culture and behaviours required to support the implementation of the new curriculum and the wider agenda of the 'reform journey'.</p> <p>Key stakeholders, including GwE representation, have been contributing to the discussions and the work programmes of both the stakeholder group and the working group.</p>		<p>Most schools on track with curriculum developments and preparation for the wider reform journey.</p> <p>Increased rigour and consistency in self-evaluation and improvement planning processes.</p>				
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Page 101

**STRATEGIC OBJECTIVE 5: TRANSFORMATIONAL CURRICULUM**

<b>PRIORITY 5.1 - PREPARING A TRANSFORMATIONAL CURRICULUM</b>								
<b>Actions</b>	<b>Progress - Quarter 1 (Actions)</b>	<b>RAG Q1</b>	<b>Progress Measures / Targets 2019-2020</b>	<b>Impact - Quarter 1 (Progress Measures / Targets)</b>	<b>RAG Q1</b>	<b>Responsible</b>	<b>Target Date</b>	<b>Expenditure profile Q1</b>
<p>Continue to support the development of the draft curriculum through involvement of schools and GwE staff:</p>	<p>Curriculum for Wales reform work continues with pace across the region, using the structures of cluster networks. All 53 cluster networks continue to meet and Curriculum for</p>		<p>Full engagement from practitioners across GwE region in informing and contributing to next phase of curriculum development.</p>	<p>Engagement is strong across the region.</p> <p>Feedback is clear that at this point, schools feel they are on track with their staff awareness of the</p>		<p>CfW Lead</p>	<p>Ongoing from April 2019 onwards</p>	<p>Support for Design and Development of the new curriculum</p>

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>- Quality Improvement  - Innovation  - Professional Learning</p> <p>Support Welsh Government consultation period and facilitate all schools and practitioners to attend engagements sessions to develop understanding of Curriculum 2022 and offer informed feedback</p> <p>To continue integrated approach to education reform and support development of curriculum across all aspects to include:</p> <ul style="list-style-type: none"> <li>- Curriculum models to include curriculum design and planning skills</li> <li>- teaching and learning e.g. 12 pedagogical principles, assessment</li> <li>- ALN e.g. strong and inclusive schools / differentiation</li> <li>- Welsh in Education</li> <li>- How schools evaluate progress</li> <li>- Professional learning implications</li> </ul>	<p>Wales reform is a regular agenda item for updates. Supporting Improvement Advisers are in regular attendance in these meetings and are key in allowing clear channels of two-way communication to share and feedback consistent messages.</p> <p>GwE has supported Welsh Government consultation Curriculum for Wales Events. Engagement programme:</p> <ul style="list-style-type: none"> <li>• Series of workshops aimed at offering as many practitioners as possible to have opportunity to hear firsthand from Pioneers about the new Curriculum.</li> <li>• Sessions aimed at supporting understanding of the Curriculum and ensuring all are aware of how they are able to feedback during this term.</li> <li>• Week beginning 13<sup>th</sup> May – 6 sessions, lasting 2 hours (one in every Local Authority) aimed at all Headteachers. Messages shared based on commonly developed resources.</li> </ul>		<p>All schools with access to information on curriculum developments.</p> <p>Schools offering feedback to WG in order to gain better understanding of the new curriculum as part of their preparations.</p> <p>Clear strategies developed across region, clusters and individual schools of supporting curriculum development that focuses on all teaching and learning experiences</p> <p>Increasing understanding of the curriculum and increased number of worked examples and models of curriculum which includes high quality teaching and learning experiences.</p> <p>A high quality professional learning offer that has common core support across reform and flexibility to meet needs of individual schools and clusters.</p>	<p>information currently available on the curriculum developments, in particular 4 purposes and 12 pedagogical principles.</p> <p>All schools have access to information on curriculum developments.</p> <p>All 53 clusters proposals for next steps to develop the curriculum awareness have been agreed in principle and success criteria include: Transparent shared objectives to improve learner outcomes; Increased number of staff aware of the new curriculum developments; Increased number of all schools staff working collaboratively; Increased number of opportunities to plan and prepare for the continuum of learning from 3-16; Provide opportunities for teachers to reflect and to be innovative with pedagogical approaches. Supporting Improvement Advisers will support this work as the schools work through these plans.</p> <p>GwE's professional offer is broad and comprehensive, offering professional learning opportunities for all school staff. It has been planned with the development of</p>		<p>Whole team to include</p> <ul style="list-style-type: none"> <li>- Foundation Phase</li> <li>- Teaching and Learning</li> <li>- Core subject leads</li> <li>- Welsh</li> <li>- Assessment</li> <li>- Peer to peer evaluation</li> </ul>	<p>April – July 2019</p> <p>Ongoing April 2019</p>	<p>WG funded events</p> <p>Support for Design and Development of the new curriculum</p>
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**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>- Change management</p> <p>Continue to support and develop the 3-16 continuum cluster work through ongoing CFW focused work following bid process. SIAs to continue to discuss progress of CFW focused work as part of cluster meetings</p> <p>Across all 6 AOEs, build on existing and develop regional forums for working and discussing AOLE specifics for models of curriculum within planning for learning within each AOLE</p> <ul style="list-style-type: none"> <li>- Languages, Literacy and Communication</li> <li>- Maths &amp; Numeracy</li> <li>- Science &amp; Technology</li> <li>- Humanities</li> <li>- Health &amp; Wellbeing</li> <li>- Expressive Arts</li> </ul> <p>Within each AOLE, consider</p> <ul style="list-style-type: none"> <li>- Leadership and develop PL opportunities for AOLE leadership</li> <li>- Collaboration and partnership working</li> </ul>	<ul style="list-style-type: none"> <li>• Weeks beginning 3<sup>rd</sup> June/10<sup>th</sup> June / 17<sup>th</sup> June – 27 sessions running in 3 locations across the region, 3 sessions per day focusing on 2 AOEs at a time. Timings for these 2 hour sessions are am, pm and after school for those unable to be released during school day.</li> <li>• Audience registered for events – Headteachers; Senior Leaders; Curriculum leaders; Teachers; Teaching Assistants; Supporting Improvement Advisers; Local Authority colleagues</li> <li>• 2 x 0.5 day sessions for teachers and leaders of small schools, i.e. those teaching one keystage in same class.</li> <li>• Working with LA colleagues to present locally to Governors and Local Members .</li> </ul>		<p>Continued full engagement of all clusters at all levels with consortia curriculum developments in order that all schools are developing the curriculum across the continuum of 3-16.</p> <p>Increased number of schools reporting progress against agreed success criteria to include improved learner outcomes</p> <p>A series of developing and maturing regional forums across all 6 AOEs in place to support schools and partners in preparing for the new curriculum.</p> <p>Series of guidance and examples of AOLE models available for discussion in schools as part of their preparations and considerations for the new curriculum.</p> <p>Further developed and increased collaborative and partnership working across the region</p>	<p>individuals on the classroom floor in mind; whilst also accommodating whole school aspects; supporting clusters of schools, and responding to LA needs.</p> <p>The provision is based on the sound knowledge held by Supporting Improvement Advisers of their respective schools, of the needs of specific clusters, the LA's aspirations and national priorities.</p> <p>The principles of Successful Futures are embedded in all training and the four curriculum purposes are always at the forefront of presenters' minds, as they set about planning relevant, up-to-date and engaging training.</p>		<p>Whole team</p> <p>Whole team</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Support for Design and Development of the new curriculum</p> <p>Support for Design and Development of the new curriculum</p>
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**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>- Engage with Qualifications Wales for consultation on the future qualifications of the new curriculum</p> <p>Continue to provide support to all schools through:</p> <ul style="list-style-type: none"> <li>- Termly G6 milestones</li> <li>- Regular updates and series of models and guidance to all schools</li> </ul> <p>Facilitate formal and informal opportunities for Pioneer schools to share their work and experiences through variety of mediums.</p>	<p>The development of G6 has helped support schools to reflect on their preparation for the ongoing transformation agenda. It also gives clear direction on how GwE will implement a clear and systematic approach to support all schools across the LA in reflecting on their readiness for a new curriculum and supporting schools with their preparation for reform journey.</p>		<p>Nearly all schools reporting to be 'on track' within CFW G6 module.</p> <p>Increased number of schools reporting to be 'on track' within CFW module</p> <p>Planned and purposeful guidance and resources developed to include practical use for school staff</p>	<p>Region wide figures for engagement with G6 in June 2019 showed that:</p> <ul style="list-style-type: none"> <li>• 99% of all Primary Schools had set their priorities in G6.</li> <li>• 92% of all Secondary Schools had set their priorities in G6.</li> </ul> <p>All resources developed commonly by Pioneers and delivered as part of the engagement events are shared through our G6 system available to all schools in the region.</p>		<p>Whole team to include comms</p>	<p>Ongoing work from April 2019</p>	<p>Support for Design and Development of the new curriculum</p>
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**PRIORITY 5.2 - IMPROVE THE QUALITY OF TEACHING, TAKING ACCOUNT OF THE 12 PEDAGOGICAL PRINCIPLES (SUCCESSFUL FUTURES)**

<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
Implement and complete Formative Assessment	The Formative Assessment Action Research project (GwE and Shirley Clarke) has been		All teachers in the project are effectively equipped with research skills and expertise as	Teachers' feedback is very positive, with the project demonstrating a positive impact, not only on the		Teaching and Learning Lead		Assessment for Learning

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

<p>Regional Action Research Project Tier 2:</p> <ul style="list-style-type: none"> <li>Two teachers from 194 schools in the region collaborating as action research teams of 6-8 schools on formative assessment led by GwE and Tier 1 schools (27 schools)</li> </ul> <p>Begin to implement Tier 3 (Sept 2019) with the remaining schools in the region. Collaborate as action research teams led by GwE and Tier 1 and 2 schools.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">PSR105</p> <p>Implement OTP OLEVI (<i>Outstanding Teacher Programme</i>) programmes with specific secondary schools. Support lead school to provide and implement the above programme with up to 12 schools at a time.</p>	<p>operational in the region since October 2017. The project is developing effectively and is implemented in a pattern of tiers, putting pedagogical principles in action in classrooms on the basis of robust evidence.</p> <ul style="list-style-type: none"> <li>Tier 2 review meetings and training held.</li> <li>220 teachers have registered for Tier 3.</li> <li>Tier 1 final report ready.</li> <li>Training for GwE SIAs organised for September 2019.</li> </ul> <p>Summer Term training completed. Feedback to the training was positive.</p>		<p>teaching leaders with a strong awareness of pedagogy.</p> <p>The 12 pedagogy principles are consistently and effectively applied across participating schools in the region. Firm foundations in place for planning and implementing the Welsh Curriculum.</p> <p>Tier 1 and 2 teachers work effectively as learning leaders within and outside their own schools. Tier 2 and 3 schools are undertaking action research confidently in their schools to ensure the quality of the teaching is improved and more consistent.</p> <p>Project measures and questionnaires demonstrate progress and positive impact.</p> <p>Another 12 secondary schools are successfully developing and implementing OTP programme.</p>	<p>quality of teaching in classrooms but on standards in wellbeing and pupils' attitudes to learning.</p> <p>Tier 1 - 27 schools / 54 teachers.  Tier 2 - 193 schools / 386 teachers.  Total - 220 schools / 440 teachers.  The impact of the project activity therefore reaching at least 11,000 pupils across the region (based on each teacher teaching an average of 25 pupils).</p> <p>Report on implementation and impact of Tier 2 to be published - full details regarding impact will be available then. However, early findings of review meetings point to very positive impact and progress in Tier 2 schools.</p> <p>The programme aims to develop individuals to be able to lead on developing teaching in their schools, and thus:</p> <ul style="list-style-type: none"> <li>Raise standards in teaching from good to excellent</li> <li>Teaching standards in participating schools are good, at least, with excellent features</li> <li>Schools are disseminating training successfully, further raising teaching standards in their own schools and in the schools they are training.</li> </ul>			<p>Tier 2 Sept 2019</p> <p>Tier 3 Sept. 2020</p> <p>Sept. 2019</p>	
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**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

				<ul style="list-style-type: none"> <li>Increased ability and capacity in schools/classroom to further improve and sustain progress</li> <li>Increased capacity across the region in terms of support and school-to-school collaboration</li> </ul>			
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**STRATEGIC OBJECTIVE 6: BUSINESS**

<b>PRIORITY 6.1 - UNDERTAKE A BUDGET AND WORKFORCE REVIEW</b>								
<i>Actions</i>	<i>Progress - Quarter 1 (Actions)</i>	<i>RAG Q1</i>	<i>Progress Measures / Targets 2019-2020</i>	<i>Impact - Quarter 1 (Progress Measures / Targets)</i>	<i>RAG Q1</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Expenditure profile Q1</i>
Review mid-term financial plan ensuring that high levels of delegation to schools is maintained.  Undertake an audit of present staff portfolio of responsibilities. Review present staffing structure.  Undertake a review of the value for money of support from the host authority.	To be implemented Autumn 2019 / Spring 2020.		Mid-term financial plan addresses the challenges that the service will need to address.  New staffing structure will be better placed to deliver the service within the financial constraints Ensure host authority role is agreed and supports the revised direction of the service.	To be implemented Autumn 2019 / Spring 2020.		Managing Director	Sept 2020	

Page 106

**GwE Level 1 Business Plan 2019-20**  
**Quarter 1 Monitoring Report (1 April 2019 – 30 June 2019)**

**Appendix 1**

**Judgements on progress:**

At the end of each quarter, the named owner who is responsible for ensuring the actions and timescales contained within are implemented, are required to provide a quarterly monitoring report for:

- i. the actions
- ii. progress measures / targets
- iii. the expenditure profile.

**RAG status for the monitoring reports:**

Each identified Action and Progress Measure / Target must provide a RAG status as noted below:

<b>GREEN: On track</b>	Action / target has been met or performance is on track to be met.
<b>AMBER: Partly on track</b>	Action / target is in danger of being missed and performance needs to be closely monitored throughout the next quarter.
<b>RED: Off track</b>	Action / target has been or will be missed.
<b>GREY: Pending</b>	Action not scheduled to start.

**RAG status for tracking expenditure profile:**

<b>GREEN</b>	Expenditure on track.
<b>AMBER</b>	Underspend between 10-15% / Overspend between 10-15%
<b>RED</b>	Underspend over 15% / Overspend over 15%



## REPORT TO THE JOINT COMMITTEE

11 September 2019

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**Report by:** GwE Managing Director

**Subject:** Discussion paper – Reporting on performance from September 2019 onwards

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### 1.0 Purpose of the Report

1.1 The paper outlines the national changes in the reporting of teacher assessments, and the new interim KS4 measures that have been introduced for 2019 as part of the significant education reform programme in Wales.

1.2 This paper describes the issues raised in the joint statement between Welsh Government, the WLGA and Estyn and how we will be potentially reporting on performance across North Wales from September onwards whilst adhering to the WG guidance.

### 2.0 Background

2.1 The WG alongside several partners and experts has undertaken a fundamental review of the accountability system for schools in Wales.

2.2 Findings highlighted that the existing system and its use of performance measures has many negative unintended consequences, such as:

- narrowing curriculum choice;
- disproportionate focus on particular groups of learners;
- the way in which benchmarking is used driving competition between schools rather than encouraging collaboration;

- an increased and unnecessary workload for teachers and others in the system, without the necessary impact or benefit for learners; and
- an aggregation of data for *accountability* purposes where it was designed for *improvement* purposes.

### **3.0 Considerations**

- 3.1** A joint communication from Welsh Government, the WLGA and Estyn to Chairs of Scrutiny, Cabinet Members, Directors of Education, Chief Executive Officers, and Managing Directors of Regional Education Consortia, published on 16 July 2019 stated that:

*“It is counter-productive for schools to be placed under disproportionate pressure on the basis of individual measures. It is not in the interest of school improvement and risks undermining the ongoing change in culture that we are working together to achieve. We expect local authorities and regional consortia to support schools to make appropriate decisions about their curriculum to avoid narrowing choice for learners.*

*Collectively, we have agreed that this is the right approach to take and strongly advise you to use a broad range of un-aggregated data and information to enable you to discharge your duties when reporting on school performance. Evaluating the performance of individual schools rather than generating aggregated data at local authority level will be more helpful to supporting and challenging individual schools with their improvement.”*

- 3.2** In this context, the data should be analysed on a local level and as a starting point to question local priorities.
- 3.3** Although 2019 data is currently available on historical performance measures (L1, L2, L2+ and 5A\*-A), comparison with previous years is not valid because of the first entry counting rather than best outcome.

### **4.0 Recommendations**

- 4.1** The Joint Committee is asked to accept the principles noted in the paper.
- 4.2** Await for further guidance from Welsh Government, WLGA and Estyn on how performance data and information can be best used to improve learner and school performance.

### **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 implications 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 The development of a new evaluation and improvement arrangements have been co-constructed with colleagues in schools, Estyn, local government, regional consortia, and taken international research into consideration.

**9.0 Appendices**

9.1 Appendix 1 - Reporting on performance from September 2019 onwards.

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**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer:**

Nothing to add from a propriety perspective.

**Statutory Finance Officer:**

Nothing to add to the report from a financial propriety perspective.

## Reporting on performance September 2019 onwards

The WG alongside several partners and experts has undertaken a fundamental review of the accountability system for schools in Wales.

Findings highlighted that the existing system and its use of performance measures has many negative unintended consequences, such as:

- narrowing curriculum choice;
- disproportionate focus on particular groups of learners;
- the way in which benchmarking is used driving competition between schools rather than encouraging collaboration;
- an increased and unnecessary workload for teachers and others in the system, without the necessary impact or benefit for learners; and
- an aggregation of data for *accountability* purposes where it was designed for *improvement* purposes.

As a result, schools have heard conflicting messages from the various parts of the system about what matters. This has often diverted effort from learning and teaching and moved us towards a culture of compliance and bureaucracy.

A joint communication from **Welsh Government, the WLGA and Estyn** to Chairs of Scrutiny, Cabinet Members, Directors of Education, Chief Executive Officers, and Managing Directors of Regional Education Consortia, published on **16 July 2019** stated that:

*"It is counter-productive for schools to be placed under disproportionate pressure on the basis of individual measures. It is not in the interest of school improvement and risks undermining the ongoing change in culture that we are working together to achieve. We expect local authorities and regional consortia to support schools to make appropriate decisions about their curriculum to avoid narrowing choice for learners.*

*Collectively, we have agreed that this is the right approach to take and strongly advise you to use a broad range of un-aggregated data and information to enable you to discharge your duties when reporting on school performance. Evaluating the performance of individual schools rather than generating aggregated data at local authority level will be more helpful to supporting and challenging individual schools with their improvement."*

This paper describes the issues raised in the joint statement between Welsh Government, the WLGA and Estyn and how we will be potentially reporting on performance across North Wales from September onwards whilst adhering to the WG guidance.

## Teacher Assessments (Foundation Phase to Key Stage 3)

National changes in the reporting of teacher assessments has been introduced over the past two years. It supports the key objectives of the Welsh Government document: 'Our National Mission,' in delivering robust assessment, evaluation and accountability arrangements to support a self-improving system.

International evidence suggests that for all learners to achieve their full potential, there should be a coherent assessment and accountability system. The primary purpose of assessment is to provide information that guides decisions about how best to progress pupils' learning.

There is now a greater focus on the use of data in school self-evaluation. In the reformed system, schools are evaluated according to the difference they make to the progress of every child.

Data and information that is available to schools to measure this progress includes: end of key stage data, baseline entry data, pupil progress data over time, value added data between baseline and key stages, reading and numeracy diagnostic test data, action research and specific testing data as well as ESTYN inspection outcomes.

Data that has traditionally been aggregated upwards for comparison has been removed. All benchmarking, comparisons with other establishments, reading and numeracy test data, placing schools and Local Authorities in rank order is no longer acceptable or possible. As of last year, the only comparative data available to Local Authorities in these key stages are the National averages for end of these key stages.

In addition, the Minister for Education published a statement on school performance targets in June 2019. She stated:

*' ..... , I want to be absolutely clear that school targets should only be used to support self-evaluation and should not be aggregated up to a local authority measure of performance to hold schools to account.'*

These recent changes in assessment reporting requirements will strengthen the accuracy of assessment. It will reduce inflated levels and gaming and will ensure that every school looks closely at every learner and not just borderline learners who influence whether a school achieves a narrow measure or not.

National arrangements will have a renewed emphasis on Assessment for Learning as an essential and integral feature of learning and teaching; it is a significant move away from gathering information about young people's performance on a school-by-school basis for accountability purposes.

Teacher assessment data and National Reading and Numeracy Test data at a school, local authority and consortia level will no longer be published. This applies to the Foundation Phase, Key Stage 2 and Key Stage 3 in all maintained primary and secondary schools.

Arrangements that will remain:

- National Reading and Numeracy Tests and Teacher Assessments for individual learners, however no national school level benchmark information will be published.
- Headteachers are required to report school performance to parents and adult learners each school year.
- Governing bodies are required to produce annual reports to parents, school prospectuses, school development plans, and set performance and absence targets.
- Schools, governing bodies and local authorities still have access to their own data (alongside national level data) for self-evaluation purposes.
- The Welsh Government continue to collect individual learner level data to ensure transparency at a national performance level and to inform policy.

Arrangements that will change:

- No comparative information about teacher assessments and tests, in relation to other schools within a local authority or 'family of schools', will be published.
- The Welsh Government no longer produce or publish School Comparative Reports and All Wales Core Data Sets for schools and local authorities in respect of teacher assessment data.
- The My Local School website no longer includes teacher assessment data below the national level (from 2018).

**KS4 results 2019**

New interim KS4 measures have been introduced for 2019 as part of the significant education reform programme in Wales.

National data capture for individual schools will be based on first entry results. The data provided regionally for individual school and LAs will also be based on first entry results.

JCQ/WJEC have published their data and press release based on the 'best outcome' obtained by 16 year olds across both the November and summer series. There will be differences between first entry and best outcome data.

As a result, across several indicators, it will not be possible to compare 2019 figures with previous performance.

The table below shows the new interim measures and the methodology used for calculating. It also demonstrates the key differences with previous years.

Interim Measure	How it is calculated	Differences from previous years, and why comparisons cannot be made
Capped 9	<p>The Capped 9 Points Score is a performance measure calculating the average of the scores for the best awards for all individual pupils in the cohort, capped at a specified volume of GCSEs or equivalent qualifications.</p> <p>Three of the nine slots require the awards of specific subjects and qualifications in order to contribute any points towards the measure. These slots are each one GCSE in size, specifying requirements in literacy, numeracy and science GCSEs only.</p> <p>The best grade from any of the literature or first language Welsh or English GCSEs can contribute towards the literacy slot.</p> <p>The best grade from either of the mathematics or mathematics – numeracy GCSEs can contribute towards the numeracy slot.</p> <p>The best grade from a science GCSE can contribute towards the science slot (currently this is limited to awards in the WJEC suite of science GCSE qualifications currently available to learners: biology, chemistry, physics, science (double award) applied science (double award) and applied science (single award).</p> <p>The remaining six qualifications will include the pupil's best performance in either GCSE and/or vocational equivalent.</p>	<ul style="list-style-type: none"> <li>✓ Only a pupil's first entry will count</li> <li>✓ WJEC Science GCSE only</li> </ul>

Literacy measure	Calculating the average of the scores for all individual pupils in the cohort, taking the best grade from any of the literature or first language Welsh or English GCSEs awarded to a pupil.	New 2019 measure, first entry only will count, with Literature also accepted within this measure
Numeracy measure	Calculating the average of the scores for all individual pupils in the cohort, taking the best grade from either of the mathematics or mathematics – numeracy GCSEs awarded to a pupil	New 2019 measure, first entry only will count
Science measure	Calculating the average of the scores for all individual pupils in the cohort, taking the best grade from a science GCSE awarded to a learner (currently this is limited to awards in the WJEC suite of science GCSE qualifications available to learners: biology, chemistry, physics, science (double award) applied science (double award) and applied science (single award) - these are identified as being able to contribute towards science measures.	New 2019 measure, first entry only will count
The Welsh Baccalaureate Skills Challenge Certificate measure	Calculates the average of the scores for the Welsh Baccalaureate Skills Challenge Certificate awards for all individual learners in the cohort, whether it is the Foundation (Level 1) or the National (Level 2) award.	Reported separately as a main indicator for the first time in 2019

In this context, the data should be analysed on a local level and as a starting point to question local priorities.

Although 2019 data is currently available on historical performance measures (L1, L2, L2+ and 5A\*-A), comparison with previous years is not valid because of the first entry counting rather than best outcome.