

# Complete Agenda



Tuag at Ragoriaeth  
Towards Excellence



Meeting

**GWE JOINT COMMITTEE**

Date and Time

**2.00 pm, WEDNESDAY, 26TH SEPTEMBER, 2018**

Location

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

Contact Point

**Annes Sion**

**01286 679729490**

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

# **GWE JOINT COMMITTEE**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

Councillor Meirion Jones	Isle of Angelsey County Council
Councillor Garfield Lewis	Conwy County Borough Council
Councillor Huw Hilditch-Roberts	Denbighshire County Council
Councillor Ian Roberts	Flintshire County Council
Councillor Phil Wynn	Wrexham County Borough Council
Gareth Thomas	Gwynedd Council

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

Haf Williams	Primary Schools Representative
Peter Agnew	Secondary Schools Representative
Mair Herbet	Secondary Schools Representative
Jonathan Morgan	Special Schools Representative
Alison Fisher	Governor Representative

### **Non-voting Officers**

Arwyn Williams	Isle of Angelsey County Council
Dr Lowri Brown	Conwy County Borough Council
Karen Evans	Denbighshire County Council
Claire Homard	Denbighshire County Council
Ian Roberts	Wrexham County Council
Garem Jackson	Gwynedd Council

### **Officers in Attendance**

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

# **A G E N D A**

**1. APOLOGIES**

To receive any apologies for absence.

**2. DECLARATION OF PERSONAL INTEREST**

To receive any declaration of personal interest.

**3. URGENT ITEMS**

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

**4. MINUTES OF PREVIOUS MEETING**

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**5. THE JOINT COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018 AND RELEVANT AUDIT** 8 - 71

*Presented by Dafydd L Edwards*

**6. GWE BUDGET 2017/18 - QUARTER 1 REVIEW**

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*Presented by Dafydd L Edwards*

**7. 2018-19 RISK REGISTER - QUARTER 1 REVIEW**

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*Presented by Arwyn Thomas*

**8. 2018-19 BUSINESS PLAN - QUARTER 1 MONITORING**

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*Presented by Arwyn Thomas*

**9. INITIAL REPORT ON THE REGION'S PERFORMANCE**

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*Presented by Arwyn Thomas*

**10. SHIRLEY CLARKE PROJECT**

*Presentation by Stella Gruffydd*

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## GwE Joint Committee

04.07.2018

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### Present:

**Councillors:** Gareth Thomas - Chair (Gwynedd Council), Phil Wynn - Vice-chair (Wrexham County Borough Council), Garffild Lewis (Conwy County Borough Council), Ian Roberts (Flintshire County Council) and Meirion Jones (Anglesey County Council).

**Co-opted non-voting Members:** Haf Williams (Primary Schools Representative), Peter Agnew (Secondary Schools Representative) and Alison Fisher (Governors' Representative).

**Non-voting Officers:** Karen Evans (Denbighshire County Council), Ian Roberts (Wrexham County Borough Council)

**Officers present:** Arwyn Thomas (GwE Managing Director), Iwan G. Evans (Host Authority Head of Legal Service - Gwynedd Council), Dafydd Edwards (Host Authority Head of Finance - Gwynedd Council), Bethan Eleri Roberts (GwE Performance Management Manager), Euros Davies (GwE) and Annes Sion (Host Authority Members' Support Officer - Gwynedd Council).

### 1. APOLOGIES

Councillors Huw Hilditch-Roberts (Denbighshire County Council), Rosalind Williams (Church in Wales), Jonathan Morgan (Special Schools representative), Arwyn Williams (Anglesey Council), Dr Lowri Brown (Conwy County Borough Council), Claire Homard (Flintshire County Council), Garem Jackson (Gwynedd Council), Dr Gwynne Jones (Anglesey Council), Rhys Howard Hughes (GwE Assistant Director)

### 2. DECLARATION OF PERSONAL INTEREST

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

### 3. URGENT MATTERS

There were no urgent matters.

### 4. MINUTES OF PREVIOUS MEETING

The Chair signed the minutes of the meeting held on 23 May 2018 as correct.

### 5. GOVERNANCE STATEMENT

#### DECISION

Commend the Annual Governance Statement.

#### DISCUSSION

The report was presented, noting that The Accounts and Audit (Wales) (Amendment) Regulations 2018 place specific requirements on public bodies who are implementing partnership management arrangements via official joint committees. It was noted that the Joint Committee is required to accept and commend the Statement. It was stated that the Governance Statement is based on the one published last year and that there are not many

changes. Specifically, Principles were scrutinised, noting the main principles, which include being open, skills and creativity and effective relationships.

Details were given on when the Joint Committee met, as well as the User Group, which is an opportunity for schools to give feedback. It was noted that a report was generated following the Estyn visit, noting the progress made since the inspection in 2016. It was added that the report was presented to the joint committee in the November 2017 meeting. It was explained there are not many changes to the Statement commended last year, but that it needs to be adopted.

## **6. LEARNING INSPECTORATE: INDEPENDENT REVIEW OF ESTYN - PROFESSOR GRAHAM DONALDSON**

The report was presented, noting there had been a discussion on accountability in the previous meeting, and it was added that this report is aligned to the accountability framework.

The phases noted in the report were outlined, noting that the first phase redirects Estyn to support schools and that there will be no inspections during 2019/20. It was explained that statutory category schools will still have a second visit. There will be new self-evaluation arrangements, and a framework will be created to assist schools. It was noted that the framework will be piloted during September. It was noted that the second phase will be to start inspections again from 2020 onwards. The self-evaluation will be considered in more detail. It was explained that the third phase will be inspections operating on the basis of self-evaluation.

The need for clarity was noted regarding phase 2 and the role of the consortia.

Comments arising from the discussion.

- The need for clarity in terms of everyone's role was noted.
- What is the timetable? - it was noted that changes are due to start during 2019/20.
- The need for a clear communication plan was noted, once there will be further clarification on the report.

**DECISION** Accept the report.

## **7. GwE PROFESSIONAL OFFER**

The report was presented, noting that this is the second offer since November. It was added that the offer now includes 54 logic models focusing specifically on impact.

An example of the Logic Model was shown. It was noted that both GwE and national priorities are incorporated into the Logic Models. The Professional Offer was sent to schools in June.

It was stated that training is now available, and that schools can book a place for training online. To date, it was noted that feedback from schools is good, and that it had been released in time to feed into the SDP.

Comments arising from the discussion.

- It was asked whether it's difficult for teachers to attend training as a result of reduced budgets to release staff. It was noted that it can be difficult for teachers to attend training. However, schools working in clusters can support this.
- Financial cuts were discussed, and the need to discuss how schools are to make developments and transform their ways of working.
- It was added that releasing teachers from schools to attend professional training is a practical problem.

The Joint Committee thanked Euros Davies for his work.

**DECISION** Accept the report.

## **8. SCHOOLS AS LEARNING ORGANISATIONS**

A report was presented, noting there had been an announcement about what makes a school a learning organisation. It was stated that Welsh Government has noted a vision for Schools as Learning Organisations (SLOs).

A template of the vision for SLOs was shown. It was noted that a group of schools will produce an animation of what are SLOs, noting that all schools are expected to be a SLO from October 2019. It was added that GwE will continue to work with specific schools, and that they will be able to share information within their area. The survey will be sent to schools before November 2018.

Comments arising from the discussion.

- It was discussed what GwE is doing with Universities so as to ensure the teachers of the future are equipped with the necessary skills for SLOs. It was noted there is a close partnership with Bangor University and Chester University, which is working on developing the teachers of the future.

**DECISION** Accept the report.

## **9. RISK REGISTER**

A report was presented, noting that it is a live document which is reviewed frequently. It was noted that 11 of the risks have been updated, and that risks 2, 5 and 14 are new risks as a result of combining various other risks.

It was noted there is an additional risk, namely, to acquire timely information from Welsh Government.

Comments arising from the discussion.

- The need to revisit the steps was noted.

**DECISION** Commend the report.

## **10. STATEMENT OF ACCOUNTS - FINANCIAL REPORT**

The report was presented, noting that these are March accounts and that the annexes are certified statements. It was noted that the statements will be returned in September, following further audit. The document was explained, and some figures emphasised.

The main problem noted was acquiring funding late in the financial year. Consequently, it is difficult to plan for the future and decide how to spend the money.

It was added that this is not expected to change any time soon, and that the situation is not unique to education. It was noted that it will be possible to use the budget in a different way in the current financial climate, but there is a need for more stability.

**DECISION** Accept the report.

# Agenda Item 5

<b>MEETING</b>	GwE Joint Committee
<b>DATE</b>	26 September 2018
<b>TITLE</b>	The Joint Committee's Final Accounts for the year ended 31 March 2018 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 4 July 2018 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) (Amendments) Regulations 2018 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 2017/18**

The Revenue Income and Expenditure Account for 2017/18 was submitted to the 23 May 2018 meeting of GwE's Joint Committee in "outturn" format, and the Statement of Accounts for 2017/18 (subject to audit) in standard statutory format to the 4 July 2018 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 2017/18**

The final version (post audit) of the Statement of Accounts for 2017/18 is also presented herewith. The amendments since the subject to audit version 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 2017/18 (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.



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

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

Audit year: 2017-18

Date issued: September 2018

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), Lauren Parsons (Engagement Manager) and Alex Watts (Team Leader)

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

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# 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 2018 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 £364,000. 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 2017-18, that require reporting under ISA 260.

## Status of the audit

- 6 We received the draft financial statements for the year ended 31 March 2018 on 18 June 2018, and have now substantially completed the audit work, however, at the date of our circulation of this report the following were outstanding:
  - Clearance of review notes;
  - Finalisation of related parties testing;
  - Review of second version of the accounts;
  - Clearance from independent quality reviewer;
  - 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 2017-18 financial audit work

- 14 The recommendations arising from our financial audit work are set out in [Appendix 3](#). Management has responded to them and we will follow up progress on them 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

26 September 2018

## Representations regarding the 2017-18 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 2018 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 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 26 September 2018.

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 Gareth Thomas  
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 2018 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 2017-18 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 2018 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 2017-18.

##### 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 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 2017-18;
- 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:

- adequate 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  
28 September 2018

24 Cathedral Road  
Cardiff  
CF11 9LJ

## Appendix 3

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

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

<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>Recommendation</b>	It is recommended that management work with the IT Manager to ensure these recommendations are implemented in a timely manner.
<b>Priority</b>	Low
<b>Benefit of Implementing Recommendation</b>	To improve the quality and robustness of the IT systems.
<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.

## Appendix 4

### Recommendations arising from our 2016-17 financial audit work

We set out all the recommendations arising from our 2016-17 audit with management's response to them. We have followed these up during the 2017-18 audit and have recorded the results below.

<b>Matter arising 1 – Timeliness of Raising Invoices</b>	
<b>Findings</b>	A payment of £75k relating to 2015/16 is recorded as being due from Gwynedd Council to GwE however, we identified that as at 19 July 2017 no invoice had been raised by GWE. As this debt is now over a year old, we have raised a finding to ensure the timeliness of raising sales invoices in the future.
<b>Priority</b>	Low
<b>Recommendation</b>	It is recommended that management ensure invoices are raised in a timely manner as there is a risk that appropriate accounting entries may not be made within the correct financial year. Given that Gwynedd and GWE share the same bank account, it minimises the risk of debt not being collected, however, if this matter spanned more widely there is a risk that debt may not be collected in a timely manner which may give rise to cash flow issues.
<b>Accepted in full by management</b>	Yes
<b>Management response</b>	We will comply with the above recommendation in the future
<b>Implementation date</b>	Immediate
<b>2017-18 findings</b>	No issues have been identified during the course of the audit in relation to the timeliness of raising invoices.
<b>Status</b>	Recommendation implemented
<b>Management response</b>	<b>N/a – recommendation implemented</b>

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

**STATEMENT OF**  
**ACCOUNTS**  
**2017/18**

Finance Department  
Gwynedd Council  
[www.gwynedd.llyw.cymru](http://www.gwynedd.llyw.cymru)

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# 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 2017/18 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 2017/18*.

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 2017/18 :

Conwy	15.39%
Denbighshire	15.24%
Flintshire	22.70%
Gwynedd	17.68%
Anglesey	10.15%
Wrexham	18.84%
<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 2018.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during 2017/18 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 is "to develop a world class system of education where every pupil within the region will be able to access consistently high quality teaching in all classrooms and where all schools, wherever their geographical location, will be led by excellent leaders".

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 prepared 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=2312&ver=4>

## 2017/18 Performance

GwE reports quarterly on the performance of the service in delivering the service functions and key aims. The Annual Performance Report 2017/18 is available at:  
<https://democracy.cyngor.gwynedd.gov.uk/ielistdocuments.aspx?cid=243&mid=2443&ver=4>

## 2017/18 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 £18,018k during 2017/18, with the net position as £973k.
- The financial out-turn position for 2017/18 was reported to the Joint Committee at its meeting on 23 May 2018. Joint Committee Members' approval was sought to finance the £67k overspend from 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	17,737	17,807	70
Income			
Council Contributions for the core service:			
Conwy	(629)	(629)	0
Denbighshire	(623)	(623)	0
Flintshire	(927)	(927)	0
Gwynedd	(722)	(722)	0
Anglesey	(414)	(414)	0
Wrexham	(770)	(770)	0
Other Income	(13,652)	(13,655)	(3)
<b>Net (Underspend)/Overspend</b>	<b>0</b>	<b>67</b>	<b>67</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	17,807	(15)	17,792	226	18,018
Income	(17,740)	695	(17,045)	0	(17,045)
<b>Net Cost of Services</b>	<b>67</b>	<b>680</b>	<b>747</b>	<b>226</b>	<b>973</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 :-

- £601k 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).
- £17,048k in grants and contributions and equivalent expenditure (Note 21). An increase of £960k compared to 2016/17.

- **Other Issues**

- There have been unprecedented problems in the worldwide financial situation 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 £148k. 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, of the Joint Committee’s share of the Pension Fund liability. This net liability has decreased by £197k to £6,748k in 2017/18. 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.

## **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 in Appendix A.

## **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 1 of the Accounts commencing on page 12.

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

There are no changes in the accounting policies during the 2017/18 financial year.

## **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  
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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.

26 September 2018

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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 2018 and its income and expenditure for the year then ended.



---

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

18 September 2018

## 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.

2016/17			2017/18			
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
3,448	(53)	3,395	Employees	4,008	226	4,234
204	0	204	Property	181	0	181
139	0	139	Transport	146	0	146
1,593	0	1,593	Supplies and Services	2,155	0	2,155
10,389	0	10,389	Third Party	11,302	0	11,302
(16,126)	0	(16,126)	Income	(17,045)	0	(17,045)
<b>(353)</b>	<b>(53)</b>	<b>(406)</b>	<b>Cost of Services</b>	<b>747</b>	<b>226</b>	<b>973</b>
0	0	0	Other Operating Expenditure	0	0	0
0	113	113	Financing and Investment Income and Expenditure	0	183	183
0	0	0	Taxation and non-specific grant income	0	0	0
<b>(353)</b>	<b>60</b>	<b>(293)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>747</b>	<b>409</b>	<b>1,156</b>
(542)			Opening General Fund Balance	(895)		
(353)			(Surplus)/Deficit on General Fund in Year	747		
<b>(895)</b>			Closing General Fund Balance	<b>(148)</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.

2016/17				2017/18		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
3,395	0	3,395	Employees	4,234	0	4,234
204	0	204	Property	181	0	181
139	0	139	Transport	146	0	146
1,593	0	1,593	Supplies and Services	2,155	0	2,155
10,389	0	10,389	Third Party	11,302	0	11,302
0	(16,126)	(16,126)	Income	0	(17,045)	(17,045)
<b>15,720</b>	<b>(16,126)</b>	<b>(406)</b>	<b>Cost of Services</b>	<b>18,018</b>	<b>(17,045)</b>	<b>973</b>
0	0	0	Other Operating Expenditure	0	0	0
113	0	113	Financing and Investment Income and Expenditure	183	0	183
0	0	0	Taxation and non-specific grant income	0	0	0
<b>15,833</b>	<b>(16,126)</b>	<b>(293)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>18,201</b>	<b>(17,045)</b>	<b>1,156</b>
		3,666	Remeasurements of the net defined benefit liability/(assets)			(601)
		<b>3,666</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(601)</b>
		<b>3,373</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>555</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 2016 carried forward</b>		0	(542)	(542)	(542)	3,293	2,751
<b>Movement in reserves during 2016/17</b>							
(Surplus)/Deficit on provision of services		(293)	0	(293)	(293)	0	(293)
Other Comprehensive Income and Expenditure		0	0	0	0	3,666	3,666
<b>Total Comprehensive Income and Expenditure</b>		(293)	0	(293)	(293)	3,666	3,373
Adjustments between accounting basis and funding basis under regulations	8	(60)	0	(60)	(60)	60	0
<b>Net (Increase)/Decrease before Transfers to Earmarked Reserves</b>		(353)	0	(353)	(353)	3,726	3,373
Transfers to/(from) Earmarked Reserves		353	(353)	0	0	0	0
<b>(Increase)/Decrease in 2016/17</b>		0	(353)	(353)	(353)	3,726	3,373
<b>Balance 31 March 2017 carried forward</b>	9	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	9	(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>		0	(148)	(148)	(148)	6,827	6,679

## 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.

31 March 2017 £'000		Note	31 March 2018 £'000
3	Long-term Debtors		1
<b>3</b>	<b>Long-term Assets</b>		<b>1</b>
3,933	Short-term Debtors	11	4,310
543	Cash and Cash Equivalents	12	271
<b>4,476</b>	<b>Current Assets</b>		<b>4,581</b>
(3,299)	Short-term Creditors	13	(4,246)
(3)	Short-term Provisions	14	(3)
(356)	Grants Receipts in Advance	21	(264)
<b>(3,658)</b>	<b>Current Liabilities</b>		<b>(4,513)</b>
(6,945)	Pension Liability	25	(6,748)
<b>(6,945)</b>	<b>Long-term Liabilities</b>		<b>(6,748)</b>
<b>(6,124)</b>	<b>Net Assets</b>		<b>(6,679)</b>
(895)	Usable Reserves	15	(148)
7,019	Unusable Reserves	16	6,827
<b>6,124</b>	<b>Total Reserves</b>		<b>6,679</b>

## CASH FLOW STATEMENT

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

<b>2016/17</b>		<b>Note</b>	<b>2017/18</b>
<b>£'000</b>			<b>£'000</b>
(293)	Net (Surplus) / Deficit on the Provision of Services		1,156
1,314	Adjustments to net surplus or deficit on the provision of services for non-cash movements ( <i>creditors, debtors and pension</i> )	17	(882)
1,021	Net cash flows from Operating Activities		274
(3)	Investing Activities		(2)
1,018	Net (Increase)/Decrease in cash and cash equivalents		272
(1,561)	Cash and cash equivalents at the beginning of the reporting period ( <i>Surplus</i> ) / <i>Overdraft</i>		(543)
<b>(543)</b>	<b>Cash and cash equivalents at the end of the reporting period (<i>Surplus</i>) / <i>Overdraft</i></b>		<b>(271)</b>

Cash Flow position in line with Accounting Policy 1.3.

# **NOTES TO THE ACCOUNTS**

## **NOTE I – ACCOUNTING POLICIES**

### **1.1 General Principles**

The Statement of Accounts summarises the Joint Committee's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018. 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 2017/18* and the Service Reporting Code of Practice 2017/18, 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.

### **1.2 Accruals of Expenditure and Income**

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

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- 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.

### **1.3 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.

### **1.4 Employee Benefits**

#### **1.4.1 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 made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

## **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 2.7% 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 Joint Operations**

Jointly controlled operations are activities undertaken in conjunction with other venturers that involve the use of 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**

There are no changes in the accounting policies during the 2017/18 financial year.

## **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 2018/19 Code:-

*IFRS 9 Financial Instruments.*

*IFRS 15 Revenue from Contracts with Customers* including amendments to *IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers.*

*Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses.*

*Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.*

The Code requires implementation from 1 April 2018 and there is therefore no impact on the 2017/18 Statement of Accounts, and none of the new or amended standards within the 2018/19 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.

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 2018 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:-

- £601k 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).
- £17,048k in grants and contributions and equivalent expenditure (Note 21). An increase of £960k compared to 2016/17.

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

2017/18				
ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
	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>

2016/17				
ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS				
	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	(65)	12	(53)
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>(65)</b>	<b>12</b>	<b>(53)</b>
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	113	0	113
Taxation and non-specific grant income	0	0	0	0
<b>(Surplus) / Deficit on Provision of Services</b>	<b>0</b>	<b>48</b>	<b>12</b>	<b>60</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.

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>

2016/17		
<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)	(734)	734
Employer's pensions contributions and direct payments to pensioners payable in the year	686	(686)
<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	(12)	12
<b>Total Adjustments</b>	<b>(60)</b>	<b>60</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 2017</b>	<b>895</b>
<u>Transfers:</u>	
In	15
Out	(762)
<b>Balance 31 March 2018</b>	<b>148</b>

## NOTE 10 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

<b>2016/17</b>	<b>2017/18</b>
<b>£'000</b>	<b>£'000</b>
113 Net interest on the net defined benefit liability/(asset)	183
<b>113 Total</b>	<b>183</b>

## NOTE 11 – SHORT-TERM DEBTORS

	<b>31 March 2017</b>	<b>31 March 2018</b>
	<b>£'000</b>	<b>£'000</b>
Welsh Government	2,697	2,427
Central Government Bodies	67	89
Local Authorities	1,081	1,730
Other Entities and Individuals	88	64
<b>Total</b>	<b>3,933</b>	<b>4,310</b>

## 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.

	31 March 2017 £'000	31 March 2018 £'000
Cash in Hand	543	271
<b>Cash and Cash Equivalents</b>	<b>543</b>	<b>271</b>
Bank Overdraft	0	0
<b>Total</b>	<b>543</b>	<b>271</b>

## NOTE 13 – SHORT-TERM CREDITORS

	31 March 2017 £'000	31 March 2018 £'000
Welsh Government	113	47
Other Central Government Bodies	76	92
Local Authorities	2,563	3,477
Other Entities and Individuals	547	630
<b>Total</b>	<b>3,299</b>	<b>4,246</b>

## 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.

	Balance at 31 March 2017 £'000	(Addition) / Reduction / Transfer £'000	Used during the year £'000	Balance at 31 March 2018 £'000
<b>Short-term Provisions</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 2017</b>		<b>31 March 2018</b>
<b>£'000</b>		<b>£'000</b>
(6,945)	Pensions Reserve	(6,748)
(74)	Accumulated Absences Account	(79)
<b>(7,019)</b>	<b>Total Unusable Reserves</b>	<b>(6,827)</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>2016/17</b>		<b>2017/18</b>
<b>£000</b>		<b>£000</b>
<b>(3,231)</b>	<b>Balance 1 April</b>	<b>(6,945)</b>
(3,666)	Remeasurements of the net defined benefit (liabilities) / assets (Note 25)	601
(734)	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	(1,281)
686	Employer's pensions contributions and direct payments to pensioners payable in the year	877
<b>(6,945)</b>	<b>Balance 31 March</b>	<b>(6,748)</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.

2016/17 £000		2017/18 £000
(62)	Balance 1 April	(74)
(12)	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)
(74)	Balance 31 March	(79)

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

2016/17 £'000		2017/18 £'000
(893)	(Increase)/Decrease in Creditors	(947)
2,485	Increase/(Decrease) in Debtors	377
(48)	Pension Liability	(404)
(230)	Other non-cash items charged to net surplus/deficit on the provision of services	92
1,314		(882)

## 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:

2016/17				Chief Officers		2017/18			
Employer’s		Other				Employer’s		Other	
Salary	Pension Contribution	Employer Costs	Total			Salary	Pension Contribution	Employer Costs	Total
£	£	£	£			£	£	£	£
0	0	0	0	Chief Officer <sup>1</sup>	77,708	17,562	0	95,270	
50,118	12,937	0	63,055	Chief Officer <sup>2</sup>	0	0	0	0	

1) 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 (£39k in 2016/17). Holder permanently in post from 1 June 2017.

2) Holder in post to end of October 2016.

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 2017/18 or 2016/17.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:			
Number in 2016-17		Number in 2017-18	
Total		Total	
2	£60,000 - 64,999	4	
2	£65,000 - 69,999	3	

## NOTE 20 – EXTERNAL AUDIT COSTS

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

2016/17		2017/18	
£'000		£'000	
8	Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	11	
0	Adjustment of fees payable to the auditor for previous year	3	
8	<b>Net Fees</b>	14	

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:

	2016/17		2017/18	
	£'000	£'000	£'000	£'000
<b>Grants and Contributions Credited to Services</b>				
Welsh Government -				
Schools Challenge Cymru (SCC)	2,108		26	
GCSE, PISA and Science Literacy	1,058		0	
Raising Standards Grant	0		2,473	
Supporting the use of Informal Languages - Children and Young People	0		240	
NPQH - National Professional Qualification for Headship	129		147	
Pupil Deprivation Grant - Looked After Children *	672		844	
Pioneer Schools Network	1,608		1,891	
Supporting Literacy & Numeracy and Modern Foreign Languages	23		0	
Modern Foreign Language (MFL) Centres of Excellence	120		0	
Learning in Digital Wales (LiDW)	113		114	
Other	114		144	
		<b>5,945</b>		<b>5,879</b>
Other Government Grants and Contributions -				
Sports Council for Wales	181		48	
Education Workforce Council	76		339	
		<b>257</b>		<b>387</b>
Other Grants and Contributions -				
Councils' Contributions towards the Core Service				
Conwy	631		629	
Denbighshire	622		623	
Flintshire	929		927	
Gwynedd	728		722	
Anglesey	415		414	
Wrexham	772		770	
		<b>4,097</b>		<b>4,085</b>
Education Improvement Grant (EIG) * :				
Match funding from Councils				
Conwy	67		67	
Denbighshire	346		343	
Flintshire	87		86	
Gwynedd	551		547	
Anglesey	293		291	
Wrexham	0		0	
Welsh Government	4,120		4,355	
		<b>5,464</b>		<b>5,689</b>
Other		<b>325</b>		<b>1,008</b>
<b>Total Grants and Contributions Credited to Services</b>		<b>16,088</b>		<b>17,048</b>

\* Does not include grants distributed directly to schools

## 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 2017 £'000	31 March 2018 £'000
<b>Grants and Contributions Received in Advance</b>		
<b>Short-term</b>		
Sports Council for Wales	46	0
Pioneer Schools Network	112	0
Newly Qualified Teachers Programme	198	264
<b>Total</b>	<u>356</u>	<u>264</u>

## 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 2018 made to these companies under this heading during 2017/18 is as follows:

Payments made £'000	Amounts owed by the Joint Committee £'000	Amounts owed to the Joint Committee £'000
350	0	0

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. No payments have been made to these companies during 2017/18, and no amount is owed by the Joint Committee or to the Joint Committee from the companies named.

## NOTE 23 – EXIT PACKAGES

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

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17 £'000	2017/18 £'000
£								
0 – 20,000	3	0	0	0	3	0	4	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>

## 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 2017/18 the Joint Committee paid £10k (2016/17: £11k) in respect of teachers' pension costs, which represented 16.48%, on average (2016/17: 15.65%) 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 2017/18 or 2016/17. 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. The investment managers of the fund are appointed by the Committee.

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

### Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against Council Tax (via the 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 2017			Period ended 31 March 2018		
	Assets	Liabilities	Net (liability) /asset	Assets	Liabilities	Net (liability) /asset
	£'000	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	13,529	0	13,529	14,702	0	14,702
Present Value of Funded Liabilities	0	(16,760)	(16,760)	0	(21,647)	(21,647)
Present Value of Unfunded Liabilities	0	0	0	0	0	0
<b>Opening Position at 1 April</b>	<b>13,529</b>	<b>(16,760)</b>	<b>(3,231)</b>	<b>14,702</b>	<b>(21,647)</b>	<b>(6,945)</b>
Service Cost						
Current Service Cost*	0	(621)	(621)	0	(1,098)	(1,098)
Past Service Costs (including curtailments)	0	0	0	0	0	0
<b>Total Service Cost</b>	<b>0</b>	<b>(621)</b>	<b>(621)</b>	<b>0</b>	<b>(1,098)</b>	<b>(1,098)</b>
Net interest						
Interest Income on Plan Assets	482	0	482	392	0	392
Interest Cost on Defined Benefit Obligation	0	(595)	(595)	0	(575)	(575)
<b>Total Net Interest</b>	<b>482</b>	<b>(595)</b>	<b>(113)</b>	<b>392</b>	<b>(575)</b>	<b>(183)</b>
<b>Total Defined Benefit Cost Recognised in Profit/(Loss)</b>	<b>482</b>	<b>(1,216)</b>	<b>(734)</b>	<b>392</b>	<b>(1,673)</b>	<b>(1,281)</b>
Cash flows						
Plan participants' contributions	195	(195)	0	224	(224)	0
Employer contributions	624	0	624	878	0	878
Contributions in respect of unfunded benefits	0	0	0	0	0	0
Benefits Paid	(334)	334	0	(348)	348	0
Unfunded Benefits Paid	0	0	0	0	0	0
<b>Expected Closing Position</b>	<b>14,496</b>	<b>(17,837)</b>	<b>(3,341)</b>	<b>15,848</b>	<b>(23,196)</b>	<b>(7,348)</b>
Remeasurements						
Change in demographic assumptions	0	50	50	0	0	0
Change in financial assumptions	0	(2,295)	(2,295)	0	479	479
Other experience	0	(1,565)	(1,565)	0	0	0
Return on Assets excluding amounts included in net interest	206	0	206	121	0	121
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>206</b>	<b>(3,810)</b>	<b>(3,604)</b>	<b>121</b>	<b>479</b>	<b>600</b>
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>Closing Position at 31 March</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>

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

\*\* For unfunded liabilities as at 31 March 2018, 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 2017. The split is shown in the table above. The Actuary estimates the bid value of the Fund's assets as at 31 March 2018 to be £1,939m 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 2017				At 31 March 2018			
	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%
<b>Equity Securities</b>								
Consumer	504	0	504	3	474	0	474	3
Manufacturing	455	0	455	3	524	0	524	3
Energy and Utilities	82	0	82	1	50	0	50	0
Financial Institutions	282	0	282	2	283	0	283	2
Health and Care	726	0	726	5	811	0	811	5
Information Technology	591	0	591	4	607	0	607	4
Other	40	0	40	0	55	0	55	0
<b>Debt Securities</b>								
Other	0	1,837	1,837	12	0	2,321	2,321	14
<b>Private Equity</b>								
All	0	664	664	5	0	621	621	4
<b>Real Estate</b>								
UK Property	323	803	1,126	8	373	846	1,219	8
Overseas Property	0	30	30	0	0	15	15	0
<b>Investment Funds and Unit Trusts</b>								
Equities	3,143	4,472	7,615	52	3,242	4,867	8,109	51
Infrastructure	0	197	197	1	0	279	279	2
<b>Cash and Cash Equivalents</b>								
All	553	0	553	4	601	0	601	4
<b>Total</b>	<b>6,699</b>	<b>8,003</b>	<b>14,702</b>	<b>100</b>	<b>7,020</b>	<b>8,949</b>	<b>15,969</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 2017	31 March 2018
<b>Financial Assumptions</b>	<b>% p.a.</b>	<b>% p.a.</b>
Pensions Increase Rate	2.4	2.4
Salary Increase Rate*	2.4	2.4
Inflation Rate	2.4	2.4
Discount Rate	2.6	2.7
Long-term expected rate of return on all categories of assets	2.6	2.7
<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 2018, 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 2018 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 2018	31 March 2018
	%	£'000
0.5% decrease in real discount rate	11	2,498
0.5% increase in the salary increase rate	3	598
0.5% increase in the pension increase rate	8	1,855

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		Duration
	31 March 2018		
	£'000	%	
Active Members	15,988	70.4	23.1
Deferred Members	483	2.1	32.9
Pensioner Members	6,246	27.5	14.0
<b>Total</b>	<b>22,717</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 2019 is £484k.

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 £259,309 has been made in 2017/18 (£61,892 in 2016/17) 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.

# **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 2018 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 2017-18 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 2018 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 2017-18.

### **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 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 2017-18;

- 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:

- adequate 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  
28 September 2018

24 Cathedral Road  
Cardiff  
CF11 9LJ

**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) (Amendment) Regulations 2018.

**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 the GwE to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

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

The governance framework described above has been in place at GwE for the year ended 31 March 2018 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>

### **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 is in place & monitoring reports are presented to the Joint Committee at their meetings.

### **Structure, Roles and Responsibilities**

The Joint Committee has been established, with appropriate membership.

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

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

As a result of the adoption of the National Model For Regional Joint Working the governance structure of GwE has been the subject of a review. This has involved creating an Advisory Board and a Management Board and review of the structure of the Joint Committee. Elements of the structure are already functioning, and have already been adopted once approved by the Executives of all Partners, and will lead to a revised Inter Authority Agreement.

The agreement is in the process of being reviewed following changes due to the National Model. Further changes to the Model and GwE duties are matters that are subject to a governance review to be approved by the Authorities as required.

### **Leadership**

The Joint Committee met on the following dates:

- 01/02/2017
- 20/07/2017
- 04/10/2017
- 22/11/2017
- 21/02/2018
- 23/05/2018

### **Risk Management**

GwE's risk register is regularly updated. The relevance of the risk register will be kept under review.

### **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 2016/17 was presented to the Joint Committee at their meeting on 20/07/2017.

### **User Needs and Complaints**

The Service follows Gwynedd Council complaints procedure. During 2017/18 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:
  - 04/07/2017
  - 22/09/2017
  - 16/11/2017
  - 18/01/2018 (Secondary)
  - 07/02/2018
  - 13/03/2018
  - 04/05/2018 (Secondary)
  - 08/05/2018
  - 28/06/2018
- 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.

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

Following the Estyn Regional Inspection in April 2016, the report on the quality of school improvement services provided by the North Wales Consortium was presented to the Joint Committee on 6 July 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 Regional Business Plan & Post Inspection Action Plan was presented 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-0328fcfb69fe.pdf>

Reports detailing the progress made against the business plan and post inspection action plan were presented to the Joint Committee on the 25<sup>th</sup> of November 2016, 8<sup>th</sup> of March 2017, 20<sup>th</sup> of July 2017 and the 22<sup>nd</sup> of September 2017, .

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/dd449e4e-0d42-4c85-a8e4-15319310bf18.pdf>

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/4672dd05-d500-4987-9245-622d24d3848c.pdf>

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/32ac45a3-8b47-4b4e-8b09-66d1aeac8105.pdf>

<http://www.gwegogledd.cymru/Content/Uploaded/Downloads/GWE/fd578f2f-9e99-46e8-af14-4d94cd3bd545.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>

**Part 6: OPINION**

The agreement is in the process of being reviewed following changes due to the National Model.

Over the coming year GwE will be preparing to respond to the next review of the National Model & will implement changes as required.



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**GwE Lead Officer**

Date: 4/7/18

**ARWYN LLOYD THOMAS**

**GwE MANAGING DIRECTOR**

**GwE Chairman**

Date: 4/7/18

# Agenda Item 6

GwE: Joint Committee 26/09/18

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<b>MEETING</b>	<b>GwE Joint Committee</b>
<b>DATE</b>	26 September 2018
<b>TITLE</b>	<b>GwE Budget 2018/19 – 1<sup>st</sup> 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 2018/19 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 underspend of (£6,585) against the budget, with the main reason being staff turnover.
- 1.2 We intend to submit an implementation plan to the Joint Committee, to resolve the financial deficit identified in section 2.3 and 2.4.
- 1.3 The subsequent part of the report explains the reasons accounting for the main variances.

## 2. FINANCIAL VARIANCES

### 2.1 **Employees - Management, Brokerage, Standards and Administration: Quarter 1: underspend (£77,700).**

Staff turnover, mainly a secondment of an Assistant Director from the 1<sup>st</sup> of June has led to a temporary underspend and financing, in the short term, savings to be found (see 2.4).

### 2.2 **Transport - Travelling Expenses: Quarter 1: underspend (£4,932).**

The trend in historic travelling expenses suggests that the actual annual cost is likely to be slightly below what has been established in the budget. It is anticipated that this will be the case in 2018/19.

### 2.3 **Supplies and Services: Quarter 1: overspend £28,168.**

This heading overspends yearly for a number of reasons. This is expected to continue in 2018/19. Specifically in 2018/19, difficulties in appointing a temporary translator, and an increase for this service on specific projects, is increasing the use of external translators.

### 2.4 **Savings to be found Quarter 1 : overspend £47,879.**

An overspend is expected as there is no permanent strategy identified to implement the savings target. Savings from staff turnover (see 2.1) is to be used to finance the savings to be found in the short term.

### 2.5 **Regional Consortia School Improvement Grant Quarter 1 : Neutral.**

In 2018/19 all grants received by GwE, other than the Pupil Development Grant, has been amalgamated into one comprehensive grant. The budget has been adjusted to reflect these changes. No over/under spend is expected.

A breakdown of the total grant can be seen below:

Delegated*	£25,908,641
Non-delegated	£ 9,198,005
Total	<b>£35,106,646</b>
Grant	£32,620,366
Match Funding	£ 2,486,280
Total	<b>£35,106,646</b>

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

### **3. UNDERSPEND FUND**

3.1 At the beginning of the 2018/19 financial year, the fund totalled (£271,616).

#### **APPENDICES**

Appendix 1: GwE Budget 2018/19 - 1st Quarter Review 2018/19.

#### **VIEW OF THE STATUTORY OFFICERS**

##### **Monitoring Officer:**

No Comments from a propriety perspective.

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

Co-author of report.

## GwE JOINT COMMITTEE

## Budget Review 2018/19 : First Quarter April - June 2018

	Opening Budget £	Adjustments £	Revised Budget £	Estimated Expenditure £	Over / (Under) Spend Net £
<b>Expenditure</b>					
Employees					
Salaries					
- Management, Brokerage, Standards and Administration	957,615		957,615	879,915	(77,700)
- System Leader	3,696,935		3,696,935	3,696,935	0
- Staff on Secondment	115,670	143,300	258,970	258,970	0
- Transferred against 'Specific Projects'	(1,652,930)		(1,652,930)	(1,652,930)	0
Training, advertising and other employee costs	39,814		39,814	39,814	0
Building					
Rent (includes services)	161,958		161,958	161,958	0
'Specific Projects' usage of offices recharge	(55,000)		(55,000)	(55,000)	0
Travel					
Travel Costs	128,321		128,321	123,389	(4,932)
Supplies and Services					
Furniture, equipment, printing, postage, telephone, room hire etc	31,012		31,012	56,012	25,000
Information Technology	15,422		15,422	15,422	0
Audit Fees	7,832		7,832	11,000	3,168
Brokerage	269,889		269,889	269,889	0
Gwynedd Council Host Authority Support Service Costs					
Legal	5,352		5,352	5,352	0
Human Resources	9,178		9,178	9,178	0
Finance	39,690		39,690	39,690	0
Information Technology	43,898		43,898	43,898	0
Savings to be found - 2018/19	(36,879)		(36,879)	0	36,879
Savings to be found - Rent Budget	(11,000)		(11,000)	0	11,000
National Model Commitments	463,003		463,003	463,003	0
Use of GwE Surplus Fund	0		0	0	0
Specific Projects					
Regional Consortia School Improvement Grant	0	9,198,005	9,198,005	9,198,005	0
Education Improvement Grant : Commission the Authorities	1,968,287	(1,968,287)	0	0	0
Education Improvement Grant : Direct Schemes	1,215,682	(1,215,682)	0	0	0
Raising Standards Grant	2,077,846	(2,077,846)	0	0	0
Literacy and Numeracy - WG	130,000	(130,000)	0	0	0
Pupil Deprivation Grant - Looked After Children	844,100	29,900	874,000	874,000	0
Schools Challenge Cymru (SCC)	0	0	0	0	0
Supporting the use of Informal Languages - Children and Young People	241,400	(241,400)	0	0	0
Qualification Reform Support	0	0	0	0	0
Learning in Digital Wales (LiDW)	101,215	(101,215)	0	0	0
Physical Literacy Programme in Schools (PLPS)	0	0	0	0	0
Pioneer Schools	1,140,000	(1,140,000)	0	0	0
NPQH	150,000	(150,000)	0	0	0
Business Plan - Additional	0	0	0	0	0
Pupil Deprivation Grant - Strategic Advisor	100,000		100,000	100,000	0
Design and Development of the New Curriculum	556,250	(556,250)	0	0	0
GCSE Support Programme	236,245	(236,245)	0	0	0
Modern Foreign Languages	108,000	(108,000)	0	0	0
Support Professional Networks	14,175	(14,175)	0	0	0
Mentoring and Network Support	22,500	(22,500)	0	0	0
<b>Total Expenditure</b>	<b>13,135,480</b>	<b>1,409,605</b>	<b>14,545,085</b>	<b>14,538,500</b>	<b>(6,585)</b>

	Opening Budget £	Adjustments £	Revised Budget £	Estimated Expenditure £	Over / (Under) Spend Net £
<b>Income</b>					
Core Service Contributions					
- Anglesey Council (10.21%)	(420,135)		(420,135)	(420,135)	0
- Gwynedd Council (17.61%)	(724,584)		(724,584)	(724,584)	0
- Conwy Council (15.39%)	(633,098)		(633,098)	(633,098)	0
- Denbighshire Council (15.22%)	(626,196)		(626,196)	(626,196)	0
- Flintshire Council (22.65%)	(931,676)		(931,676)	(931,676)	0
- Wrexham Council (18.92%)	(778,420)		(778,420)	(778,420)	0
Income from Secondments	(115,670)	(143,300)	(258,970)	(258,970)	0
Use of GwE Surplus Fund	0		0	0	0
Specific Projects					
Regional Consortia School Improvement Grant	0	(9,198,005)	(9,198,005)	(9,198,005)	0
Education Improvement Grant : Commission the Authorities	(1,968,287)	1,968,287	0	0	0
Education Improvement Grant : Direct Schemes	(1,215,682)	1,215,682	0	0	0
Raising Standards Grant	(2,077,846)	2,077,846	0	0	0
Literacy and Numeracy - WG	(130,000)	130,000	0	0	0
Pupil Deprivation Grant - Looked After Children	(844,100)	(29,900)	(874,000)	(874,000)	0
Schools Challenge Cymru (SCC)	0	0	0	0	0
Supporting the use of Informal Languages - Children and Young People	(241,400)	241,400	0	0	0
Qualification Reform Support	0	0	0	0	0
Learning in Digital Wales (LiDW)	(101,215)	101,215	0	0	0
Physical Literacy Programme in Schools (PLPS)	0	0	0	0	0
Pioneer Schools	(1,140,000)	1,140,000	0	0	0
NPQH	(150,000)	150,000	0	0	0
Business Plan - Additional	0	0	0	0	0
Pupil Deprivation Grant - Strategic Advisor	(100,000)	0	(100,000)	(100,000)	0
Design and Development of the New Curriculum	(556,250)	556,250	0	0	0
GCSE Support Programme	(236,245)	236,245	0	0	0
Modern Foreign Languages	(108,000)	108,000	0	0	0
Support Professional Networks	(14,175)	14,175	0	0	0
Mentoring and Network Support	(22,500)	22,500	0	0	0
<b>Total Income</b>	<b>(13,135,480)</b>	<b>(1,409,605)</b>	<b>(14,545,085)</b>	<b>(14,545,085)</b>	<b>0</b>
<b>Total Income over Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,585)</b>	<b>(6,585)</b>
<b>Memorandum -</b>					
<b>The GwE Surplus Fund</b>					
				<b>Fund balance as at 1 April 2017</b>	<b>(271,616)</b>
				<b>Add/Less - (Under)/Overspend 2018/19</b>	<b>(6,585)</b>
				<b>Less - Use of the Fund</b>	<b>0</b>
				<b>Fund balance as at 31 March 2019</b>	<b>(278,201)</b>
<b>Information Technology Renewal Fund</b>					
				<b>Fund balance as at 1 April 2017</b>	<b>(40,057)</b>
				<b>Add - Contribution 2018/19</b>	<b>(15,422)</b>
				<b>Less - Use of the Fund</b>	<b>0</b>
				<b>Fund balance as at 31 March 2019</b>	<b>(55,479)</b>



## REPORT TO THE JOINT COMMITTEE

26 SEPTEMBER 2018

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**Report by:** GwE Managing Director

**Subject:** GwE Risk Register

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### **1.0 Purpose of the Report**

1.1 To present the latest GwE Risk Register to the Joint Committee.

### **2.0 Background**

2.1 The purpose of the risk register is to formalise the process of identifying risks and consequently taking action to mitigate the risk.

2.2 Effective management of the region's risks will enable GwE to support the region's objectives, make effective use of resources and deliver outcomes as intended.

### **3.0 Considerations**

3.1 The GwE Risk Register is a live document which is kept under regular review. It is presented to the Joint Committee on an annual basis & also when new risks are identified where the Joint Committee needs to be made aware.

3.2 All of the risks have been reviewed & updated; with a total of 3 risks being updated (Risks 5, 11 and 17).

3.3 It is therefore suggested that the risks noted in 3.2 be amended as follows:

Risk Number	Current Activities / Mitigation
5	Senior Lead & Curriculum for Wales team now in post. Portfolio leads also in place. Significant engagement activity taken place & underway. Working closely with stakeholders. All clusters of schools across the region have appointed a cluster lead for Curriculum for Wales. Training has taken place on Curriculum for Wales and change management. Team worked to develop suite of resources to support schools with audit of 4 Purposes. All planning within GwE has cross reference of the 4 purposes with Curriculum for Wales. Project Manager with regard to the Reform Agenda has been appointed.
5	To change the risk level to Orange.
11	Regional Wellbeing Adviser in post. Review of PDG completed & action plan in place. Regional PDG LAC Coordinator has been appointed .
17	<ul style="list-style-type: none"><li>• 6 secondary schools (12.95%) in a statutory category [one came out of last year's category and one school that we had identified as a 'high risk school' had slipped into the category.</li><li>• Of the 6 currently in a category, there is a strong increase in 2 of them and some increase in 1. There is an expectation that at least 2 of these schools will be removed from a category during the current season.</li><li>• An increase in the other 3 schools is limited [one gone into category during the summer term] and there is further significant work to be done to ensure the occasional improvements</li><li>• In addition to the 'statutory category' schools, 8 regional secondary schools have been identified as 'high risk'. Very strong possibility of a statutory category should an inspection be held there during the next 2 seasons. Very intense intervention and support programs are active in these schools and progress is monitored by YCG contact. Where concerns are increased, the information is shared with LA officers through the Quality Assurance Boards.</li></ul>

The following risk matrix has been followed in determining the residual risk status.

Risk Matrix					
Probability	Almost Certain	Low (4)	Medium (8)	High (12)	High (16)
	Likely	Low (3)	Medium (6)	Medium (9)	High (12)
	Possible	Low (2)	Low (4)	Medium (6)	Medium (8)
	Unlikely	Low (1)	Low (2)	Low (3)	Low (4)
		Low	Medium	High	Extreme
Impact					

#### 4.0 Recommendations

- 4.1 The Joint Committee is asked to review the content of the register.
- 4.2 Determine whether there are any risks that the Joint Committee wish to bring to the attention of their respective Cabinet's etc.

#### 5.0 Financial Implications

- 5.1 Effective management of risks and financial controls help to monitor costs and enable value for money.

#### 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 GwE Senior Leadership Team and the GwE Management Board have discussed the content of the register & have amended risks as appropriate.

**9.0 Appendices**

9.1 GwE Risk Register

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**OPINION OF THE STATUTORY OFFICERS**

**Monitoring Officer:**

A risk monitoring system is an essential part of effective governance. By considering the risk profile outlined in the table it is important that the Joint Committee gives detailed attention to the assessment and the response.

**Statutory Finance Officer:**

I believe that the GwE risk register is on a Standard format and includes appropriate information. Gwynedd's Finance Section will provide support to the GwE Managing Director regarding Financial risks. Further comments on specific risks, as appropriate, will be reported orally at the meeting of the Joint Committee on the 26th September.

RISK NUMBER	REGIONAL or LOCAL	SUMMARY	GwE PRIORITY	RISK IDENTIFIED	LIKELIHOOD OF RISK	IMPACT OF RISK	LIKELIHOOD X IMPACT	CURRENT ACTIVITIES / MITIGATION	RESIDUAL RISK / OVERALL RISK	LIKELIHOOD X IMPACT	RISK OWNER	FUTURE ACTIONS
1	R	Financial	ALL	Cuts in funding to the GwE Core Budget affects strategic long term planning.	H	H	2A	Medium Term Financial Plan & VFM Policy & Framework in place. Plans were developed in conjunction with the Local Authority's Section 151 Officer. The Medium Term Financial Plan includes details regarding the financial pressure on GwE and models scenarios. Assumptions are made regarding the future financial position. A number are appointed on secondment to ensure flexibility within the service to react quickly to any changes.	H	2B	MD / BM	Work with Section 151 Officer to review Medium Term Financial Plan & Value for Money Policy & Framework to be reviewed periodically. Consult with chief officers of constituent authorities regarding the impact of any potential funding cuts.
2	R	Financial	ALL	Uncertainty regarding grant funding arrangements from WG hampers strategic long term planning. Significant changes and cuts to the EIG in 2018/19 and 2019/20 could affect the implementation of the Strategic Business Plan and the schools' budgets.	H	H	2A	Assumptions made regarding future funding situation. Working closely with WG to inform funding situation for next 3 years. A number of appointments made on secondment basis to ensure flexibility within the service to respond quickly to any changes. Medium Term Financial Plan in place. The plan was developed in conjunction with the Section 151 Officer. The medium term financial plan includes the financial pressures on GwE and models various situations. Financial modelling work being implemented to steer decisions	H	2C	MD / BM / Management Board	Work with Section 151 Officer to review Medium Term Financial Plan & Value for Money Policy & Framework to be reviewed periodically. Liaise with WG officials, constituent authorities' education Cabinet members and heads of education, to seek greater transparency and certainty regarding specific grant funding. Discussions to be held in the GwE Management Board
4	R	Standards	P1/P2	The difficulties in the recruitment of high quality trained teaching workforce within schools in the region which impacts on standards in all subjects such as English & Maths	H	H	2A	Subject specific Challenge Advisers in post with corresponding Level 3 Business Plans for implementation. #DiscoverTeaching recruitment campaign underway. Current work under development regarding improving the ITE provision across the region - North Wales Partnership for Teacher Education	M	2C	MD / AD	North Wales Partnership for Teacher Education (CaBan) to ensure an effective professional learning programme for ITE providers across the region.
5	R	Standards	P1/P2	That the significant scope of Education reform underway to include accountability, professional learning, digital, Welsh language, curriculum development, assessment, leadership and ALN, is not fully embraced & implemented successfully. Schools awareness of the four purposes within Curriculum for Wales and development of the Areas of Learning and Experience as part of curriculum reform is limited & creates uncertainty in schools. Changes in Curriculum and qualifications causing uncertainty in schools.	H	H	2A	Senior Lead & Curriculum for Wales team now in post. Portfolio leads also in place. Significant engagement activity taken place & underway. Working closely with stakeholders. All clusters of schools across the region have appointed a cluster lead for Curriculum for Wales. Training has taken place on Curriculum for Wales and change management. Team worked to develop suite of resources to support schools with audit of 4 Purposes. All planning within GwE has cross reference of the 4 purposes with Curriculum for Wales. Project Manager with regard to the Reform Agenda has been appointed.	M	2B	SL - SF	Curriculum for Wales Cluster Leads will be closely supported according to their cluster plan, to ensure all schools within their clusters have good knowledge and engagement. GwE continue to have 5 members of staff involved in development of AOLE lead work for regular input and feedback. Build in Curriculum for Wales awareness resource as part of all leadership development programmes. Continue to engage further with WG to look at role of change management nationally. Continue to develop change management plan to support schools to assess their readiness for the new curriculum as reform develops - with support of dashboard/Ysgol GwE for all schools to be able to plot their readiness against agreed milestones
6	R	Standards	P3	Difficulties in the recruitment of Headteachers across the region / Recruitment of Quality of leadership at all levels	M	M	2C	Delivery of the NPQH and Leadership Development Programmes to include programmes for aspiring leaders & headteachers. #DiscoverTeaching campaign underway. Aspiring Headteacher programme to be delivered from autumn term onwards. NPQH application process complete, endorsement process to be completed.	M	2D	MD / AD	Collaboration with the Welsh Leadership Academy and consortia leadership subgroup regarding ensuring effective professional learning for leadership at all levels.
7	R	Standards	ALL	Cuts in school budgets are affecting schools ability to continue to raise standards.	H	H	2A	Finance Subgroup working with schools to reduce impact.	M/H	2B/2C	LA's	
8	R	Buisness	ALL	Use of the Education Improvement Grant not fully embedded into regional approach - reduce speed & impact of the delivery of the Strategic Business Plan	H	H	2A	Accountability structure & performance management processes reviewed. A review into the use of the EIG included as part of the Finance Level 3 Business Plan.	H	2B	Management Board	Review to be undertaken & report to be presented to the GwE Management Board (Summer / Autumn 2018)
9	R	Governance / Standards	P6	Uncertainty regarding future direction of elements within the National Model.	M	M	3A	Awaiting impending review from Welsh Government. Revised accountability & performance management structure in place. Restructured service with distributed leadership model in place - ensures service is more adaptable to change.	M	3B	Management Board	Fully implement and manage change.
10	R	Governance	P6	Changes in leadership of authorities can affect political or corporate buy in	M	M	3A	Clear understanding of the responsibilities of all authorities & GwE over the strategic direction of the region. New members provided with briefing sessions & information sharing meetings held regularly (in addition to the formal Joint Committee meetings)	M	3B	LD / MD	Continue to ensure that communication channels are clear & transparent.
11	R	Standards	P1/P4	That the Pupil Development Grant is not used effectively / Performance of FSM pupils.	M	M	3A	Regional Wellbeing Adviser in post. Review of PDG completed & action plan in place. Regional PDG LAC Coordinator has been appointed.	M	3B	RWA	Implement actions within the business plan & monitor progress via the new performance management structure.
12	R	Business	P1/P3	Governors do not possess the necessary knowledge & skills to act in a critical friend capacity.	H	H	2B	Accountability structure & roles of the regional networks reviewed. Level 3 Business Plan in place. GwE portfolio lead for Governors now in place. Governors online Self Evaluation tool in place & being rolled out.	M	2C	Management Board	Two conferences have been arranged for members of governing bodies on "how to be a critical friend" as well as presentations to schools

13	R	ALL	ALL	The strategic direction does not reflect the views of the Children & Young People in the region.	M	L	4D	Providing opportunities for Pioneer & Partner schools to showcase identified Pupil Voice practice - 15% of Pioneer schools have showcased work where Pupil voice has been a feature.	L	4E	MD	Implement actions within the CFW Business Plan with regard to Pupil Voice.
14	R	Standards	P1	Variation in the performance of individual local authorities at KS4. The performance of MAT pupils in individual authorities across the region varies significantly.	H	M/H	2A	Key roles have been restructured within GwE and Senior Secondary Lead appointed to lead a regional secondary team and implement new support and challenge model. Accountability structures reviewed and strengthened both at regional and local level. The result of this is that there is more consistency across the region and more operational accountability within the service, and across the LA's. The Estyn secondary regional profile has improved substantially.	M	2B/2C	Management Board	Implement and evaluate the new secondary model. Ensure robust accountability at both regional and local level. Concerns remain on the full effect of the work on the KS4 results 2018. The lack of stability of the secondary team continues - still too dependant on short term secondments and contributions from external advisors
15	R	Standards	P1	Pace of improvement in the Foundation Phase is slower than that seen on a national level.	H	M	2A	Support package offered to every authority focusing on good FP leadership, provision and high expectations and standards. Identification of consistently low performing schools and those at risk. Targeted support for these schools and clusters of schools. Agreement by all LA's to increase capacity within GwE to support the Foundation Phase - 1 Challenge Adviser in post from September 2017 and another two from January 2018 to monitor the performance of individual schools and targetted as needed. A series of FP moderation workshops held.	M	2C	SL - P	Continue to monitor the performance of individual schools and target as appropriate. Continue with the moderation sessions for the Foundation Phase across the region.
17	R	Standards	P1	Secondary Schools placed in Estyn Statutory category.	H	H	2A	<ul style="list-style-type: none"> <li>6 secondary schools (12.95%) in a statutory category [one came out of last year's category and one school that we had identified as a 'high risk school' had slipped into the category.</li> <li>Of the 6 currently in a category, there is a strong increase in 2 of them and some increase in 1. There is an expectation that at least 2 of these schools will be removed from a category during the current season.</li> <li>An increase in the other 3 schools is limited [one gone into category during the summer term] and there is further significant work to be done to ensure the occasional improvements</li> <li>In addition to the 'statutory category' schools, 8 regional secondary schools have been identified as 'high risk'. Very strong possibility of a statutory category should an inspection be held there during the next 2 seasons. Very intense intervention and support programs are active in these schools and progress is monitored by YCG contact. Where concerns are increased, the information is shared with LA officers through the Quality Assurance Boards.</li> </ul>	H	2B	MD/AD/Senior Leads	Ensure that the necessary support receives firm attention in support plans. Ensure that LA's act in a firm and timely manner in schools where concerns have been shared about the speed of progress.
18	R	Standards	ALL	Post-16 learning - New performance measures and the need for regional education consortia to increase their emphasis on sixth form performance (in their 'support and challenge' role for schools and to take a cross-consortia approach to driving improvements to ensure consistency at a National level) may dilute the emphasis for regional consortia on standards at pre-16 education.	M	H	2C	Potfolio lead identified. Level 3 business plan being implemented. Agree on Regional Data Collection, training programme, every SIA to focus on post 16 performance during monitoring visits. Good working relationship with 14 - 19 coordinators. A number of schools taking part in Estyn post 16 thematic revue.	M	2D	Management Board / MD	Continue to implement the level 3 Business Plan. Ensure that data is being used effectively to further improve the provision and to ensure more effective structure to share good practice.
21	R	Business	P3/P6	Variation in the HR support provided to schools across the region.	M/H	M/H	3A	HR level 3 business plan in place in order to coordinate activity at a regional level. Need to ensure high quality and consistent regional HR support for schools.	M	3B	Management Board	Monitor implementation of HR Level 3 Business Plan via the revised accountability & performance management structure.

# Agenda Item 8

GwE: Joint Committee 26/09/2018

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## REPORT TO THE JOINT COMMITTEE

26 September 2018

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**Report by:** GwE Managing Director

**Subject:** Level 1 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 vision, priorities, actions, outputs and success criteria across the region.

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

### **3.0 Considerations**

3.1 Enclosed is the Monitoring Quarter 1 Report of the Level 1 Business Plan.

3.2 The Level 1 plan is the responsibility of the Managing Director & Chair of the Management Board to deliver as the accountable officers. The Joint Committee are ultimately accountable for its delivery.

### **4.0 Recommendations**

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

## **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 The GwE Management Board & Advisory Board 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 clear responsibility for appropriate action in the areas of business, risk, and value for money, among others. I note that the author states, in paragraph 5 of the report, that there are no financial implications arising from this report. Whilst it will be challenging to implement all aspects of the Business Plan, it is expected that GwE will finance any financial implications from within its current budget.

# Business Plan Level 1

## Quarter 1 2018-19 Monitoring Report





## GwE Business Plan 2017-20

### Level 1

1. STANDARDS						
Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
1 1.6 1.7 E1 P ALI x 6 R6 R7 R7	<b>STANDARDS – to ensure the highest standards at all key stages and that all learners make appropriate progress in literacy and numeracy from one key stage to another. That all learners achieve qualifications relevant to their ability and potential and are working towards being bilingual by the age of sixteen.</b>	<b>Foundation Phase – improve the performance in foundation phase.</b>	Improvements in standards at the end of the FP across the region.	Marc B Hughes	June 2018	Report to be presented in Quarter 2.
1 1.6 1.7 E1 P ALI x 6 R7		<b>Maintain good standards in Key Stage 2 and improve the performance of Conwy Local Authority.</b>	Maintain good standards in other local Authorities.  Improve the percentage of pupils achieving the CSI.	Marc B Hughes	June 2018	Report to be presented in Quarter 2.

## 1. STANDARDS

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
1 1.1 - 1.5 U ALI x 6 R4 R7 R14  Page 89		<b>Improve standards at KS4:</b> <ul style="list-style-type: none"> <li>• <b>Improve standards in core subjects at KS4.</b></li> </ul>	Improvement in the performance of the L2+ indicator by 1.5 the rate of the national increase.  The percentage of schools performing above the median in the FSM benchmarking, for L2+, will increase by 5%.  55% of schools performing in line with or above modelled outcome for L2+.  Increase in the proportion of pupils achieving 5A*-A grades at GCSE or equivalent by 1.5 the rate of the national increase.  All schools have good support plans with a focus on raising standards at KS4.	Elfyn V Jones	August 2018	Report to be presented in Quarter 2.
1 1.1 – 1.10 E1 C/U ALI x 6 R4 R7 R11 R14		<b>Improve the performance of FSM learners, especially in English Language</b>	The gap between our eFSM pupils and non-FSM learners reduced, by at least 5%, in the L2+ and FPI	Elfyn V Jones / Marc B Hughes	August 2018	Report to be presented in Quarter 2. .

## 1. STANDARDS

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
1 1.1 – 1.5 1.8 1.9 E1 U R4 R7 R14 ALI x 6		<b>Improve performance in English language.</b>	An improvement in English language KS4 results by 1.5 the rate of the national increase.	Gaynor Murphy	August 2018	Report to be presented in Quarter 2.
1 1.1 – 1.5 1.8 1.9 E1 U R4 R7 R14 ALI x 6		<b>Improve performance in maths and numeracy</b>	An improvement in Numeracy and maths KS4 by 1.5 the rate of the national increase.	Dafydd Gwyn / Delyth Ellis	August 2018	Report to be presented in Quarter 2.
1 1.1 – 1.10 E1 C/U ALI x 6 R11 R14 R15		<b>Improve performance of groups of learners:</b>	Improve the performance of groups of learners (FSM, Boys, MAT) by 1.5 the rate of the national increase - FP and KS4	Elfyn V Jones / Marc B Hughes	August 2018	Report to be presented in Quarter 2. .

## 2. CURRICULUM AND ASSESSMENT

*Developing a high-quality education profession.*

***Robust assessment, evaluation and accountability arrangements supporting a self-improving system***

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
2 2.1 – 2.4 2.7 C CaA ALI x 6 R15	<b>CURRICULUM AND ASSESSMENT – to ensure that all schools deliver an engaging curriculum which responds to the statutory requirements of the national curriculum. Ensure that all learners are supported to achieve qualifications which enable them to be ambitious capable learners that reach their potential. Ensure all schools have robust assessment processes in place with strong targeting, tracking and intervention</b>	<b>Improve the provision, curriculum planning and assessment in the Foundation Phase.</b>	All primary schools have appropriate curriculum and assessment procedures in place in the Foundation Phase.	Marc B Hughes	Summer Term 2018	<p>Workshops have been held focusing on standardisation and moderation of borderline Outcome 4/5 and Outcome 5/6 pupils.</p> <p>Further regional workshops on delivering high quality FPh planning and pedagogy for FPh teachers and support staff have been delivered during the summer term.</p> <p>201 Teaching Assistants have attended Outdoor Learning workshops delivered in Conwy, Denbighshire, Flintshire and Wrexham (Gwynedd and Môn delivered during Autumn 2017). Nearly all commented that they had a better understanding of the principles of effective outdoor learning and would use the ideas shared to develop pupils key skills, creativity, problem solving skills and wellbeing, through experiential outdoor learning. 202 nursery and reception teachers and 148 teaching assistants have attended 'Nursery/Reception' (Outcome 3 and 4) numerical reasoning workshops. Tasks completed by attendees following first workshop uploaded and shared on Hwb. Nearly all who attended commented that they had a better understanding of how to plan and develop pupils numerical skills through differentiated problem solving experiences across all areas of learning and provision .</p>

## 2. CURRICULUM AND ASSESSMENT

*Developing a high-quality education profession.*

**Robust assessment, evaluation and accountability arrangements supporting a self-improving system**

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
2 2.1 – 2.8 U CaA ALI x 6 R5		<b>Improve curriculum design in secondary schools to ensure enhanced outcomes for all learners.</b>	All secondary schools have an appropriate curriculum in place at KS4 to improve performance in KPIs.	Paul Mathews-Jones	Summer Term 2018	All 6 Curriculum groups have received guidance in accordance with L3 Plan through all regional curriculum leaders groups - Meirion Dwyfor group have shared good practice regarding curriculum development, Arfon have created a real culture to move forward and Denbighshire have also presented through the forum. Support for skills development has been very successful in PISA sample schools, guidance only in others. No conference agreed yet. Schools now ready to update KA3.
Page 98 2 U CaA ALI x 6 R5		<b>Improve the quality of assessment, tracking and intervention programmes across the secondary schools.</b>	Leaders at all levels make effective and timely use of tracking systems to plan effective intervention so that 90% of schools are within 5% of their targets for L2+ and that 60% are within 2%.  No school to receive an unsatisfactory in Inspection Areas 3 and 4 during Estyn inspection.	Paul Mathews-Jones	September 2018	Academic research has been commissioned from the University of Warwick, Bangor University and WISERD into the creation of a multi-level analysis tool. Support has been requested from Welsh Government and a review of the Scottish Government analysis system was undertaken in July 2018 on a visit to Edinburgh. A visit evaluation has been submitted to SLT.
2 U CaA ALI x 6 R18		<b>Improve provision at A Level</b>	An improvement in A and AS results in line with targets set and to be above national averages on key indicators.	Martyn Froggett	September 2018	GwE is continuing with the work of looking at provision in all areas of the region to ensure continuing strength and breadth at post-16. Information regarding KS5 data will be included when the value added comparative data is released.

## 2. CURRICULUM AND ASSESSMENT

*Developing a high-quality education profession.*

***Robust assessment, evaluation and accountability arrangements supporting a self-improving system***

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
2 2.1 – 2.8 C U DLI1 DLI2 DLI3 DLI4 CaA ALI x 6 Page 93		<p><b>Deliver on Successful Futures - Raise awareness of the Four Purposes within Successful Futures and development of the Areas of Learning and Experience as part of curriculum reform</b></p>	<p>All schools are on track to deliver the new curriculum.                      Effective skills based curriculum in place in 85% of schools from the present baseline of 81%.</p>	Ruth Thackery	Continuous	<p>The CfW team continues to work with, and support all schools across the region, to develop the new curriculum and subsequent professional learning. Regular updates on curriculum reviews are given to the Supporting Improvement Advisers, for further dissemination with schools. Priorities and courses of action in order to raise standards are identified in Curriculum for Wales plans, where appropriate. Members of the Primary, Secondary and Curriculum teams collaborate, where appropriate, to meet those priorities.</p> <p>GwE's CfW Team is also working alongside Agile Change and ERW to develop a Change Management support pack for all SIAs and schools. Some new heads and interim heads have had training on Change Management as part of their cluster training. There will be opportunity for everybody to receive training via the training pack, webinar and face-to-face training.</p> <p>Cluster leads have started on their work and are in contact with the CfW team as regards planning and cluster engagement. The CfW team monitors and supports clusters as the work progresses. All cluster leads have received training on recent developments to share with all schools in the cluster.</p>

### 3. LEADERSHIP

#### *Inspirational leaders working collaboratively to raise standards*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
3 3.1 – 3.17 C U A ALI x 6 R6  Page 94	<b>LEADERSHIP – to ensure that all leaders have a clear educational vision and can plan strategically to achieve this. Ensure that all learning organisations have the leadership capacity at all levels to inspire, coach, support, share practice and collaborate at all levels to ensure all learners’ achieve their potential. Ensure that the principles of distributive leaderships are embedded in all learning organisations across the region.</b>	<b>Further, develop and improve the quality of senior leadership across the region.</b>	85% of Senior Leadership Teams have good or better Quality Assurance and accountability processes.  50% reduction in the number of schools placed in Statutory Estyn Categories.  No school to be unexpectedly placed in Estyn Statutory Category.  50% reduction in the number of schools going into Estyn Review.  50% reduction in the number of schools awarded grade D in stage 2 of the categorisation process.  Increase by 25% the number of secondary and primary schools awarded grade A in stage 2 of the categorisation process.	Pam McClean / David Edwards	Continuous	GwE is providing a range of programmes from aspiring senior leaders through to experienced Headteachers in line with the National Career Development Pathway. The development programmes promote school to school collaboration with effective practitioners from schools co-delivering sessions with GwE staff. This further develops the notion of developing a self-improving system across North Wales.  Meetings have been held with lead representatives from each of the Local Authorities in the GwE Region to establish the exact provision with regard to that provided by GwE and that provided by each LA for new Headteachers and Acting Headteachers.
3 3.1 – 3.17 C/U A ALI x 6		<b>Further develop and improve the quality of middle leadership across the region.</b>	85% of Middle Leadership Teams have good or better Quality Assurance and accountability processes.	Ian Kelly	Continuous	The Middle Leadership Development Programme will be implemented as follows: <ul style="list-style-type: none"> <li>• Present a training day to strengthen leadership, provision and performance, and establish good practice [2 Welsh and English cohorts]:</li> </ul>

### 3. LEADERSHIP

#### *Inspirational leaders working collaboratively to raise standards*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
						<ul style="list-style-type: none"> <li>Programmes to Develop Effective Leaders and Improve Practices [SSAT]</li> <li>Present two training programmes for middle leaders [2 Welsh and English cohorts]:</li> </ul> <p>GwE will also deliver bespoke training and target specific support on an individual authority basis.</p>
3 3.1 – 3.17 R19 A ALI x 6 R19		<b>Support SLT to effectively deliver on Successful Futures.</b>	All schools across the region are on track for delivery of Successful Futures	Ruth Thackery	Continuous	<p>GwE continues to support SLTs, with the team boasting a range of experience. One of the team's key roles is to work with, and support all schools across the region, to develop the new curriculum and subsequent professional learning.</p> <p>Within the Curriculum for Wales strategy, there are clear links with the current Primary and Secondary teams. Regular updates on curriculum reviews are given to the Supporting Improvement Advisers, for further dissemination with schools. Priorities and courses of action in order to raise standards are identified in Curriculum for Wales plans, where appropriate. Members of the Primary, Secondary and Curriculum teams collaborate, where appropriate, to meet those priorities.</p>
3 3.1 – 3.4 3.6 3.10 - 311		<b>Improve quality of departmental leadership in secondary core subjects.</b>	85% of core subject departments have good or better Quality Assurance and accountability processes.  Middle leaders make effective	Gaynor Murphy Catrin Wyn Jones Dafydd Gwyn Nicola Jones	Continuous	<p>All HoD across all cores subjects are given guidance and support on key aspects within regional and local networks.</p> <p>The support for each department are articulated within individual support plans.</p>

### 3. LEADERSHIP

#### *Inspirational leaders working collaboratively to raise standards*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
3.14 –3.17 U A R4 All x 6		<ul style="list-style-type: none"> <li>Welsh</li> <li>Mathematics</li> <li>Science</li> </ul>	and timely use of tracking systems to plan effective intervention so that 90% of schools are within 5% of their targets and that 60% are within 2% in core subjects.			Clear action plan and business plan in place.
3 3.1 – 3.17 C U A Page 6 x		<b>Develop Aspiring Headteachers / Senior Leaders</b>	<p>Aspiring Leaders programme in place. 50 individuals identified and completed the programme.</p> <p>25% of individuals who have partaken have applied for or been promoted to SLT positions by the end of the year.</p> <p>Positive evaluation received from schools and outside evaluator on impact of programme on individuals.</p>	Ian Kelly	Continuous	<p>GwE is providing a range of programmes from aspiring senior leaders through to experienced Headteachers in line with the National Career Development Pathway. The development programmes promote school to school collaboration with effective practitioners from schools co-delivering sessions with GwE staff. This further develops the notion of developing a self-improving system across North Wales.</p> <p>Meetings have been held with lead representatives from each of the Local Authorities in the GwE Region to establish the exact provision with regard to that provided by GwE and that provided by each LA for new Headteachers and Acting Headteachers.</p>

### 4. WELLBEING

#### *Strong and inclusive schools committed to excellence, equity and well-being*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
4 4.1 - 4.12 C	<b>WELLBEING – create the conditions to ensure that learners develop as healthy, resilient and</b>	<b>Develop and Implement an overarching strategy for Wellbeing across</b>	<p>Strategy implemented across the region.</p> <p>Effective collaborative</p>	Sharon Williams	November – December 2018.	Further work needs to be done to complete the overview of Wellbeing within the organisation. A range of meetings have been completed with LA's and GwE staff and WG.

## 4. WELLBEING

### *Strong and inclusive schools committed to excellence, equity and well-being*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
U LI R11 ALI x 6	globally responsible individuals and provide an inclusive, aspirational education system, committed to tackling inequality so that young people achieve their full potential.	the region.	<p>approach to deliver an overarching national agenda with clear roles and responsibilities of all partnerships.</p> <p>Effective partnership working with all key agencies that support the wellbeing agenda to impact positively on all learners.</p> <p>Most schools make effective use of the pupil development grant.</p>			Clear action plan and business plan in place.

## 5. TEACHING

### *Developing a high-quality education profession*

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
5 5.1 – 5.9 C/U D R4 ALI x 6	<b>TEACHING</b> – to ensure that all teachers and support staff are equipped to have a clear understanding of what constitutes effective teaching, based on reliable evidence. In addition, the ability to deliver a range of approaches, effectively matching the needs of the learners with the	<b>Improve and strengthen the role of leaders in leading the teaching and learning.</b>	<p>All SLT and ML in schools have the necessary skills and understanding of good and outstanding teaching in order to provide guidance and training within their respective schools.</p> <p>Effective teaching in place in 85% of schools from the present baseline of 81%. Estyn expectations of 85% or more of lessons to be good or</p>	Stella Gruffydd / Bethan James	November 2018	<p>Regional workshops have taken place to train school leaders to use the Teaching and Learning continuum effectively. 150 schools across the region took part in these workshops.</p> <p>All HoD across all cores subjects are given guidance and support on leading the teaching and learning within regional and local networks.</p>

	context, to ensure positive impact on learning and achievement is paramount		<p>better achieved by 85% of schools across the region.</p> <p>An overall increase of 5% in terms of good or better judgements for teaching and learning for all schools inspected by Estyn.</p>			
5 5.1 – 5.9 C/U D R4 ALI x 6 Page 98		<b>Improve the quality of teaching and the experiences for learners</b>	<p>High risk schools with key issues in terms of teaching and learning are given bespoke support and training (to be confirmed).</p> <p>Standards of teaching participating in the Formative Assessment and Pedagogy Project - led by Shirley Clarke Action research teams schools - consistently good or better, with participating individuals in tier 1 demonstrating excellent practice. Estyn reports on any participating schools confirming this.</p> <p>Positive impact on pupil standards at expected and higher level.</p>	Stella Gruffydd / Bethan James	November 2018	There is effective joint working between the region and the well-known education practitioner, Shirley Clarke. 27 schools have been selected across the region to work together as research teams led by Shirley Clarke. Tier 1 schools have successfully completed their work. Day 2 with Shirley Clarke took place on June 14 and 15. 201 Tier 2 schools have been selected through a robust process. Information has been communicated with the schools regarding events and training in the Autumn term.

## 6. BUSINESS

<i>Ref</i>	<i>Challenge</i>	<i>Actions</i>	<i>Outputs and success criteria 2017-2018</i>	<i>Responsible</i>	<i>Target Date</i>	<i>Quarter 1 Monitoring</i>
6 B	<b>BUSINESS – to ensure that GwE has strong governance and effective business and operational</b>	Fully embed the G6 across the region and continue to develop the effective use of	Effective and timely use of information across all levels of implementation.	Llyr G Jones	June 2018	Effective rollout of initial G6 training completed for all schools across the six authorities between January and May 2018. Phase 2 work programme effectively

## 6. BUSINESS

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
Page 99	<b>support that provides value for money.</b>	the system to facilitate collaboration and the sharing of successful practice.	Wider range of data and live information on progress on hand for SIAs, LA Officers and schools			<p>completed including the development of collaborative priorities and resource library. A series of effective regional surgeries were held for SIAs and administrative staff across the region. A series of guidance documents, including video clips were also produced for both GwE and school users to support new developments in the system. Early consultations held with both Primary and Secondary head teachers across the region have yielded positive feedback.</p> <p>Responses gathered from head teachers during the WG National Accountability conference referenced the positive use of G6. All SIA's tasked with identifying successful practice case studies during the summer term visit to populate G6.</p> <p>Initial discussions held on the development of QA processes for reports and school involvement. Phase three development will include a specific profile for Ysgol GwE on the main G6 dashboard.</p>
		Undertake an organisational health survey	Aim for top quartile performance in organisational health index.	Susan O Jones	Continuous	Pending.
		Establish GwE as a Learning organisation working in partnership with WG and OECD	Show year on year progress against the 7 dimensions of Learning Organisation model	Rhys H Hughes	Continuous	GwE is continuing to work with the OECD on developing the Consortia and LA as learning organisations. Any lessons learned from this work are shared with other regions, and internationally, as we are attempting to develop further as a vibrant and healthy

## 6. BUSINESS

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
Page 100						<p>organisation.</p> <p>Professional Learning Schools have been working on developing various pilot studies. This includes working with the OECD on the 7 dimensions of Schools as Learning Organisations, the Professional Learning Offer for Digital Learning and also on trialling the Professional Teaching Standards.</p> <p>GwE continues to work with Schools as Learning Organisation and share experiences of working with Professional Teaching and Leadership standards</p>
		Continue to develop the working relationship and develop opportunities for action research for schools across the region.		Rhys H Hughes		<p>GwE is continuing to develop the working relationship and is developing opportunities for action research for schools across the region.</p> <p>The "Collaborative Institute for Education Research, Evidence and Impact (CIEREI)" between GwE and Bangor University means that two establishments are working together to look at establishing effective evaluation systems within our establishment. The collaboration involves looking at developing action research in terms of wellbeing elements, and also researching into effective leadership elements.</p> <p>Bangor University and GwE are also working effectively on promoting evidence-based strategies, to improve outcomes for example the NorthWORTS-SP project with Bangor</p>

## 6. BUSINESS

Ref	Challenge	Actions	Outputs and success criteria 2017-2018	Responsible	Target Date	Quarter 1 Monitoring
						<p>University's Schools of Psychology and Education.</p> <p>GwE has collaborated closely with CIEREI to provide effective support on developing research practice for a range of schools and specific Advisers across the region. Collaboration has successfully mapped out research and methods and evidence. Practitioners have used this 'map' to enrich their approaches to literacy across the curriculum, STEM subjects, improve feedback and increase the level of challenge in lessons.</p>





## REPORT TO THE JOINT COMMITTEE

26/09/2017

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**Report by:** GwE Managing Director

**Subject:** Initial report to the GwE Joint Committee on the region's performance

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### 1.0 Purpose of the Report

1.1 To present early information on the region's performance for the 2017/18 academic year.

### 2.0 Background & Considerations

2.1 The main purpose of the report is to present early information on the region's performance for the 2017/2018 academic year.

2.2 The content of this report is different to previous years due to Welsh Government introducing significant changes to how performance measures are reported. Following Welsh Government consultation on future publication of teacher assessments, Welsh Government no longer publish comparative Foundation Phase, Key Stage 2 and Key Stage 3 data at school, local authority and consortia level and therefore beyond a comparison with national averages, there is no comparative nor benchmarking information available.

2.3 It must be stressed that it is the initial information regarding KS4 results that is shared and there is no access thus far to comparative and benchmarking data. We intend to update the information when we have the full information is available.

### **3.0 Recommendations**

3.1.1 The Joint Committee is asked to note the content of the report.

### **4.0 Financial Implications**

4.1 There are no financial implications arising from this report.

### **5.0 Equalities Impact**

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

### **6.0 Personnel Implications**

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

### **7.0 Consultation Undertaken**

7.1 The GwE Management Board has been consulted during the development of the report.

### **8.0 Appendices**

8.1 Initial report to the GwE Joint Committee on the region's performance.

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## **OPINION OF THE STATUTORY OFFICERS**

### **Monitoring Officer:**

No comments to add from a propriety perspective.

### **Statutory Finance Officer:**

I note in part 4 of the report that the author has confirmed that there are no financial implications arising from this report. Therefore, I have nothing to add to the report in terms of financial propriety perspective.

# Initial report to the GwE Joint Committee on the region's performance

## September 2018

## **CONTENT**

### **1. Context**

### **2. Standards**

#### **Narrative overview of performance across the region – Primary and Secondary**

- Foundation Phase
- Key Stage 2
- Key Stage 3
- Key Stage 4

### **3. Inspection Profile**

### **4. Target Setting**

### **5. National Categorisation**

## 1. CONTEXT

### COMPARATIVE DATA

The content of this report is different to previous years due to Welsh Government introducing significant changes to how performance measures are reported. Following Welsh Government consultation on future publication of teacher assessments, Welsh Government no longer publish comparative Foundation Phase, Key Stage 2 and Key Stage 3 data at school, local authority and consortia level and therefore beyond a comparison with national averages, there is no comparative nor benchmarking information available.

### CHANGES TO AREAS OF LEARNING IN THE FOUNDATION PHASE

In October 2014 the Foundation Phase Areas of Learning (AoL) for Language, Literacy and Communication Skills and Mathematical Development were revised to align them with the National Literacy and Numeracy Framework (LNF) as well as make them more demanding. In line with this the Foundation Phase outcomes were recalibrated to align with the increased expectations of the revised Areas of Learning.

The revised AoL were introduced on a statutory basis from September 2015. This means that the cohort of children that started Reception in September 2015 were the first children to be formally assessed against the revised outcomes at the end of the Foundation Phase in the summer of 2018. Comparisons of Foundation Phase outcomes with previous years at school level should, therefore, be avoided as they are not measured on a comparable basis.

### KS4 AND KS5

It must be stressed that the initial information regarding KS4 results will be shared but there is no access thus far to comparative and benchmarking data. We intend to update the information below when we have the full information to hand.

Therefore, care is needed when considering the information as neither the analyses nor the comparisons will be completed on a national level until the beginning of next year. Information regarding KS5 will be included when the value added comparative data is released.

## 2. STANDARDS

### PRIMARY – OVERVIEW OF PERFORMANCE ACROSS THE REGION

#### FOUNDATION PHASE

This year's results in the Foundation Phase shows a national decrease when compared to previous years. The main reason for this is the fact that new outcomes from the FP Assessment Framework have been used in language and mathematics. Many teachers are under the impression that there are higher expectations to achieve an Outcome and this is one factor that has led to fewer pupils achieving Outcome 5.

This national decrease in the results is reflected in the region's results. GwE anticipated this and has focused on improving provision in the Nursery and Reception classes, which will provide a robust base for achieving higher outcomes by the time the pupils reach the end of the Key Stage.

## **Strengths and successes**

- Although performance regionally has fallen, the decrease is below the national dip at the expected outcome (O5+) with exception to LLC(W). On the higher than expected outcome (O6+), the regional decrease is considerably below the national dip across all areas .
- Generally, outcome 6+ performance continues to be strong.
- Schools have responded well to the various foundation phase training workshops and network meetings for SMT, teachers and support staff. This is evidenced by how schools have raised the level of challenge to meet the new requirements of outcome 6.

## **Areas for Improvement**

- Improve performance of FSM pupils at the expected and higher than expected outcome.
- Improve performance of boys at the expected outcome and at the higher outcome in in LLC(W), LLC(E) and PSD.
- Develop the use of small data to improve provision and outcomes.
- Further strengthen cluster working to promote collaboration and share good practice.

## **KS2**

The region's KS2 results are strong. This year's performance at the expected level is in mostly line with last year's results and continues to be above the national average for the CSI. The one exception is that Welsh language performance at the expected level is slightly down. One factor could be that more learners were assessed through Welsh as a first language than ever before. However, the percentage of learners achieving the expected levels in Welsh as a second language increased again for the fifth year.

At the higher levels, performance continues to be strong in all subjects. Second language Welsh results made a notable improvement. The variance between boys and girls performance reduced this year and is now below the national average. FSM learners maintained previous year's results with the exception being Welsh Language where less FSM pupils achieved to gain the expected levels. However, the highest ever number of FSM pupils were assessed through the Welsh language.

Comparing this year's end of Key Stage 2 data with end of Foundation Phase data from 2014, the region's matched pupils on average made above expected progress in Welsh, English and Mathematics.

## **Strengths and Successes**

- Key Stage 2 performance continues to be strong at both the expected and higher levels.
- An increased percentage of learners assessed in Welsh as a second language achieved at both expected and higher levels.
- Schools have responded well to the various Literacy, Numeracy and Teaching and Learning training programmes provided. This is evidenced by consistently strong performance in all core subjects.
- This year's KS2 cohort made above expected progress in Welsh, English and Mathematics during their time in KS2.

### **Areas for Improvement**

- Tackling the impact of deprivation on educational attainment continues to be a priority.
- Further strengthen cluster working to promote collaboration and to share good practice.
- Ensure that schools choosing to change their assessment policy and assess learners in the Welsh Language are fully supported.

## **SECONDARY - OVERVIEW OF PERFORMANCE ACROSS THE REGION**

### **KEY STAGE 3**

Performance in the main indicator [CSI] in KS3 was again strong and demonstrated further improvement on the 2017 figure [+0.6% in comparison with a national increase of +0.7%]. The region continues to perform above the national average [+1.3% 2017 and +1.2% 2018].

The performance of boys and girls improved in the main indicator [+0.3% and + 0.8% respectively]. Both performances are above the national average for 2017 and 2018 with a broadening of the gap for girls. The regional gender gap, however, increased by +0.5% to 7.0% in 2018 with girls continuing to outperform boys. Nationally, the gender gap closed by 0.4% and the figure for the region in 2018 corresponds to the national average.

There was also an increase of +0.4% in the percentage of FSM pupils that achieved the CSI indicator. There is no 2018 national data available at the moment. Whilst the performance of eFSM pupils has steadily improved over the three year rolling period, the gap between eFSM/non-FSM saw a further slight increase of +0.2% in 2018 and currently stands at 18.2%. The corresponding national figure in 2017 was 20.3%

### **Welsh:**

Further improvements to the standards of Welsh can be seen at the expected level in 2018. Regional performance has seen an increase of 0.3% to 94.2%. This is in comparison with the national increase. Regional performance remains + 0.4% higher than the national figure. Boys' performance has fallen -1.6% to 79.4% compared to a national increase of + 0.7%. There is also a slight decrease in girls performance again compared to a national increase of + 0.6%. This year, the boys / girls gap has increased from + 1.4% to 10.8%. Nationally, there is a slight reduction in the gap to 11.9% in favor of the girls. The performance of FSM learners has increased by + 0.4% to 73.9%. The national figure for 2017 was 70.8%. The gap between the performance of FSM / non FSM learners has increased from 18.0% to 18.2%. The national gap was 20.3% in 2017.

At level 6+, there is a slight decrease of -0.3% to 66.8% while nationally, there has been an increase of + 0.9% to 63.8%. Boys' performance has fallen by -2.9% to 55.8% but remains above the national figure of 53.5%. The girls have increased by +2.5% to 78.2% compared to an increase of + 1.6% at the National level. In 2018 the regional performance for girls is +4.4% above the national average. However, the boys / girls gap has increased by 5.4% to 22.4% in 2018. A national increase of +1.2% to 20.3% was seen. The performance of FSM learners has improved +0.4% on L6 + and the performance of 73.9% is higher than the national figure for 2017 [70.8%]

At level 7+, there is an increase of + 3.7% to 26.3% compared with a national increase of +

2.8% to 22.5%. The performance of boys and girls has seen an increase on the figures of 2017 [+ 2.6% B and +4.8% G] and the performance [19.3% and 33.5%] is higher than the corresponding national figures of 15.8% and 29.0 %

### **Strengths and Successes**

- Regional performance has increased from 0.3% to 94.2% and remains +0.4% higher than the national figure.
- At level 6+ girls have increased +2.5% to 78.2% compared to an increase of +1.6% at the national level.
- At level 7+, performance is higher than the corresponding national figures.

### **Areas for Development**

- Continue to improve boys' performance.
- Continue to improve the performance of FSM learners especially at higher levels.
- Continue to support departments where there is concern about standards.

### ***English:***

Performance at KS3 English remains consistently strong. GwE's performance is above the National average at Level 5 + and 6+.

### **Strengths and Successes**

- Performance at Level 5+ increased by 0.4% to 92% and performance across all LEAs has remained consistently strong.
- Improving standards of Literacy remains a key priority for all schools and improvements have been made in the quality of Literacy provision. This has been supported by the GwE team through the development of high quality resources and training.
- Performance at Level 6+ saw the most significant increase of 2.7% and reflects the regional focus on challenging more able learners at KS3.
- Stronger and more collaborative working relationships are developing between secondary English departments and their feeder primaries and this is reflected in classroom practice.
- The variation between the performance of boys/girls in English remains below the national average. A significant amount of work this year has been undertaken to review KS3 course structures and ensure more dynamic and engaging material/ methodologies are being utilised .

### **Areas for Development**

- Improving the performance of FSM Learners in English remains a priority particularly at Level 5+ where the gap between FSM/ Non FSM learners has slightly widened by 1.5%.
- Implement a pilot 'Literacy Intervention Programme' into a small number of target secondary schools in order to raise the performance of FSM learners in English. Share this practice and cascade regionally.
- Provide training and support to ensure the DCF is embedded effectively at KS3 to raise standards.
- Continue to support schools in improving the performance of boys particularly at Level 6+ .
- Develop methodology and approaches to the teaching of writing at KS3 in order to ensure students are better prepared for GCSE

## **Mathematics:**

### **Strengths and successes**

- L5+ has increased.
- 30 schools have improved their L5+ [56%] performance, with 4 of them having increased substantially [7%].
- 26 schools have improved their L6+ [48%] performance, 12 of which have substantially increased [22%].

### **Areas for Improvement**

- The percentage for L6+ has fallen slightly.
- 22 schools have seen a decrease in their L5+ [41%] performance, with 2 schools having decreasing significantly [4%] in their performance.
- 27 schools have seen a decrease in their L6+ [50%] performance, with 8 schools decreasing significantly in their performance [15%].
- Improve the provision for mathematics across the region - to align pedagogy with the direction of the curriculum development.
- Improve teaching and learning in departments.
- Create joint plans in clusters of secondary schools for the new curriculum.

## **Science:**

### **Strengths and successes**

- The percentage of pupils achieving the expected level in Science has been maintained from 2017 (2017 = 94.6%, 2018 94.5%).
- 29 schools (53.7%) maintained/improved their performance from 2017 at level 5+.
- 10 schools (18.5%) achieved 100% level 5+, which was a 100% increase from 2017.
- There has been a year on year increase in performance at level 6+ across the region.
- 32 schools (60.4%) have increased their performance at level 6+ from 2017, with 6 schools (11.3%) increasing by over 10%.
- 30 schools (56.6%) have increased their performance at level 7+ from 2017, with 11 schools (20.8%) increasing by over 5%.

### **Areas for Improvement**

- The performance of FSM pupils at all levels is below that of nonFSM learners, and the gap has increased slightly in 2018 at level 5 and level 6+.
- The variance of performance of FSM pupils at level 7+ is 20.7%.
- 21 schools (39.6%) decreased their performance at level 6+ from 2017, with 7 schools (13.2%) decreasing by over 10%.
- 23 schools (43.4%) decreased their performance at level 7+, with 5 schools (9.4%) decreasing by over 10% from 2017.
- In many schools the KS3 schemes of work/curriculum does not sufficiently prepare the learners or support learning at KS4.

## KEY STAGE 4

### CONTEXTUAL INFORMATION FOR 2018 EXAMINATIONS

Following the changes in 2016-17 there remains significant volatility in GCSE outcomes. Significant changes to the pattern and numbers of pupils sitting exams in the Summer 2018 has had an impact on results as demonstrated in the proportion of grades across all subjects in the A+ to C range in Wales decreasing by 1.2pp to 61.6%.

GCSEs are being reformed and 15 updated subjects were sat this summer for the first time.

The new GCSE suite of qualifications in Science was examined for the first time in 2018, and coincides with the changes to the performance indications at KS4, to include only GCSE results for Science, as two measures in the capped 9 indicator. As a result, comparison with historical data is not applicable. Schools were able to select pathways from a triple Science route, Double award Science, Double award Applied Science and Single award Applied Science. As the capped 9 indicator includes two Science measures, the majority of schools followed the triple and double award pathways.

There has been significant change to grade boundaries since the Summer of 2017 and November 2017 compared to the Summer of 2018, particularly at C grade in English and mathematics. This has made it difficult for schools to ensure accurate projections and target setting. Initial analysis suggests that schools data has been significantly influenced by registration decisions.

School performance should be considered against its own performance trajectory as it is not appropriate to compare schools against each other due to the different contexts and stages of improvement.

### INITIAL ANALYSIS - KEY STAGE 4

It is difficult to draw any significant conclusions at this stage owing to the major changes in curriculum and grade boundaries and the lack of national comparators. Work is still ongoing to collate the Capped 9. The indicators most impacted by the above mentioned changes has been the L2+ and English.

In 2018, there was a decrease of -1.7% to 51.9% in the main indicator [L2+] in comparison with 2017, with a decrease of -1.8% at L1. L2 saw a small increase of +0.1% to 65.4% whilst the 5A\*/A plateaued at 14.8%. Initial figures for eFSM performance are disappointing with a decrease across all the main indicators. L2+ dropped to 24.6% from 26.9% in 2017 [national average for 2017 28.6%].

#### **Welsh:**

This is the second year for the new qualification, with 70% of the subject dependent on performance in two external examinations and 30% oral work. This year, there was an increase of +1.0% on the 2017 figure with the 2018 performance at 71.6%. The performance of FSM learners, however, is -4.5% lower than last year's figure. 10 schools [45.4%] have improved on the performance of 2017 and 2 schools [9.1%] made significant improvements this year. At the Level 2 indicator, the majority of schools in the region have crossed the threshold of 70% +. There was a significant reduction in the performance of 3 schools [13.6%].

### **Strengths and successes**

- An increase of +1.0% on the 2017 figure with the 2018 performance at 71.6%.
- The majority of schools in the region have crossed a 70% + threshold on the Level 2 indicator.

### **Areas for improvement**

- Continue to improve the performance of FSM learners.
- Continue to support departments where there is concern about standards.

### ***English:***

Performance in GCSE English Language decreased this year regionally from 61.6 (2017) to 56.2% A\* to C. Issues with the changes to WJEC grade boundaries and access to early entry opportunities have impacted on performance in English Language across the region. This needs further investigation. Performance in the writing sections of both papers remains an issue across Wales. The average score for the writing sections is approximately half marks for both the quality and accuracy of students' writing.

### **Strengths and successes**

- Of the 7 schools in red support category, 5 improved on 2017 performance.
- Most schools who received intensive support from the GwE English team have seen an increase in their performance from last year..
- High quality CPD delivered this year has been praised by Heads of Departments and Head teachers. Heads of Department have received a wealth of high quality training to support them in their role
- Coaching underperforming teachers and modelling excellence, in a small number of schools, has been successful in improving standards of teaching and learning

### **Areas for Improvement**

- Improve standards in GCSE English Language through targeting and supporting under – performing departments.
- Improve standards of attainment in the writing sections of the examination units through regional training and individual school support.
- Improve the performance of A/A\* learners in GCSE English Language.
- Improve tracking and monitoring of student performance through the implementation of a regional assessment and tracking system.
- Improve teaching and learning experiences through coaching, modelling and developing classroom practice.

### ***Mathematics:***

Overall, the results for the best grade across the counties have remained constant, with the attainment for Numeracy being stronger overall in our schools across the region. There is a positive picture generally, but some schools are of concern - especially where the difference between mathematics and numeracy maths is significant, or where there is a significant difference between their performance and their 2017 results.

### **Strengths and successes**

- 30 schools [55.5%] have improved on their Mathematics performance of 2017, with 7 schools [12.9%] seeing a significant increase in their percentage points.
- 31 schools [57.4%] have improved their Mathematics Numeracy performance of 2017 with 7 schools [12.9%] significantly improving their percentage points.
- 32 [59.2%] schools have improved on their performance for the best grade on 2017 results, with 6 schools [1.1%] having seen a significant increase in their percentage points.
- Departments that work effectively to share best practice across the region.

### **Areas for Improvement**

- 6 schools [11.1%] have seen a significant reduction in their performance for mathematics - there will be a need for sudden visits to these schools to find out why the results have dropped.
- 4 schools [7.4%] have seen a significant reduction in their performance for numeracy mathematics - the same schools that have seen a significant reduction in the results for mathematics.
- 4 schools [7.4%] have seen a significant reduction in their performance in the best grade for mathematics.
- Scrutinize the teaching and learning experiences pupils receive in the schools where numeracy is weaker than the mathematics (5 schools with a difference of 4% or more) - and working with the schools to improve the provision for numeracy.
- Ensure that the curriculum provided gives attention to mathematics and numeracy, and work with the schools where the result for mathematics is significantly lower than for numeracy.
- Improve the teaching and learning in the departments where they have underperformed – prioritizing the schools where this is a pattern over time.
- Improve the quality of leadership in departments where there are new Heads of Department / numeracy coordinators, or where leadership is weak.

### **Science:**

#### **Strengths and successes**

- 62.8% of pupils in the region achieved at least one GCSE in Science at L2.
- There has been an 11.8% increase in the performance from the end of year 10 when 51% of pupils were on track to achieve at least one level 2 GCSE in Science.
- All 54 schools made improvements from the end of year 10 results, and 12 schools (22%) increased their results by 20% and above.
- In 9 schools (16.6%), the level 2 exceeded 80%, with one school achieving 90%.
- In 26 schools (48.1%), the level 2 exceeded 70%.

#### **Areas for Improvement**

- 8 schools (14.8%) failed to achieve above 50% L2 in Science.
- The percentage of pupils achieving L2 in Science varies significantly in schools across the region from 40.5% to 90%.
- The gap between the performance at KS4 and the internal projections is of concern in many schools. Data tracking systems, quality assurance and standardisation of internal assessments is not sufficiently robust, and many departments are unable to project outcomes with a good level of accuracy.

### 3. INSPECTION PROFILE

The inspection profile is good across both sectors in the region. During academic year 2017-2018, Estyn undertook an inspection in 69 schools (59 primary schools, 7 secondary schools and 3 special school). (Official data to be released September 2018).

Primary - In 51 schools (86.4%), it was announced that no follow-up action was needed compared to 77.6% in 2016-17 ; 13.6% required follow up action compared to 24.2% in 2016-17. 7 (11.9%) were awarded the least intensive follow-up category [Estyn Review] and 1 (1.7%) was placed in the Significant Improvement category. There are currently 13 schools in a follow-up category.

The percentage of schools receiving excellent judgements increased from 2.4% in 2016/17 to 13.2% in 2017/18.

Secondary – In 4 secondary schools, it was announced that no follow-up action was needed; 2 were awarded the least intensive follow-up category [Estyn Review] and one was placed in Special Measures. In 6 schools [85.7%], judgements for inspection areas 2 [Wellbeing and attitudes to learning] and 4 [Care, Support and Guidance] were judged to be good or better. During 2017-18 3 regional secondary schools were removed from statutory category and a further 4 were removed from Estyn Monitoring. The current regional profile sees 6 schools [12.9%] in statutory category. Progress in 2 of the schools has been strong and steady in 1. We fully expect for at least 2 of these schools to be taken out of category within the first term. In 3 schools, progress is limited and further significant improvements are required. The respective local authority officers are fully aware of our concerns and detailed support plans have been agreed with key stakeholders.

Special – no follow-up action was needed with one school, and one was awarded the least intensive follow-up category [Estyn Review].

### 4. TARGET SETTING

In May 2018, the Cabinet Secretary for Education published a [Written Statement](#) providing an update on Key Stage 4 school performance measures arrangements for 2019 onwards. This announced the introduction of new 'interim' Key Stage 4 performance measures to be reported against from September 2019 (2018/19 cohort data). These 'interim' measures, based on point scores, will replace the existing suite of Key Stage 4 performance measures, including the Level 1 and Level 2 inclusive measures, from 2019.

In the other key stages, Welsh Government has already legislated to:

- discontinue the routine publication of the Teacher Assessment and National Reading and Numeracy Test data at a school and regional level from 2018/19; and
- ensure that the 2016/17 publication of this data at a school and regional level to the public, partners, stakeholders and policy makers will be the last year that this is done.

Welsh Government (WG) have been urgently considering the school target setting requirements, in view of the changes being brought in, and have been engaging with the sector on how these arrangements could be managed in the short term. However, the required legislative procedure hasn't allowed WG to align the statutory requirements as immediately as desired.

#### **Current Target Setting Requirements**

At Key Stage 4, schools are required to set final, reviewed and provisional targets against the percentage of pupils achieving the Level 1 and Level 2 inclusive measures, along with three targets based on self-evaluation. These targets need to be submitted to, and agreed by, the Local Authority no later than 31 December. Given our move away from threshold measures, we recognise that it no longer make sense to require schools to set targets against what will soon become obsolete school performance measures.

The table below sets out the current target setting statutory requirements for the relevant key stages:

<b>Key Stage 2 (Year 6 pupils)</b>	<b>Key Stage 3 (Year 9 pupils)</b>	<b>Key Stage 4 (Year 11 pupils)</b>
Percentage of pupils achieving <b>Level 4</b> or above in English	Percentage of pupils achieving <b>Level 5</b> or above in English	Percentage of pupils achieving the Level 2 Threshold including English/Welsh and Mathematics
Percentage of pupils achieving <b>Level 4</b> or above in Welsh first language	Percentage of pupils achieving <b>Level 5</b> or above in Welsh first language	Percentage of pupils achieving the Level 1 Threshold
Percentage of pupils achieving <b>Level 4</b> or above in Mathematics	Percentage of pupils achieving <b>Level 5</b> or above in Science	
Percentage of pupils achieving <b>Level 4</b> or above in Science	Percentage of pupils achieving <b>Level 5</b> or above in Mathematics	
<i>Local Target 1</i>	<i>Local Target 1</i>	<i>Local Target 1</i>
<i>Local Target 2</i>	<i>Local Target 2</i>	<i>Local Target 2</i>
<i>Local Target 3</i>	<i>Local Target 3</i>	<i>Local Target 3</i>
<i>*Local Targets should reflect priorities identified through self-evaluation</i>		

Welsh Government (WG) are working towards removing the prescriptive nature of targets (including Level 1 and Level 2 inclusive at Key Stage 4) in favour of increasing the **number of non-prescriptive targets based on the outcome of self-evaluation**.

The required legislative process means it will be impossible for WG to implement the proposed changes prior to 31 December 2018, when targets are required to have been set by schools and agreed by the Local Authority. There will, therefore, be a period where the requirements of the regulations do not reflect WG intentions or expectations in terms of target setting.

During this transitional period, schools and Local Authorities will need to consider what targets would be most appropriate to set this year.

### **Way forward**

Effective self-evaluation, target-setting and planning for improvement is at the core of ensuring improved outcomes for pupils. The raising of standards requires the profession to critically evaluate and, if necessary, change what they do and how they do it. Effective target-setting plays a key role in raising standards, and must be undertaken at the same time as planning for improvement.

Setting targets allows schools to focus on what they currently do and the improvements they wish to bring about. It contributes to school effectiveness but only when it is carried out as part

of the process of planning for improvement. What is key is that schools identify and set appropriate **improvement targets linked to their improvement priorities**. These should be set as **local targets** prescribed in the table above and may include specific and measurable goals when appropriate. However, **not all improvement targets can be quantitative**. If we asked schools to set clear improvement targets, then it would allow the **local target** as at present to be either quantitative or qualitative.

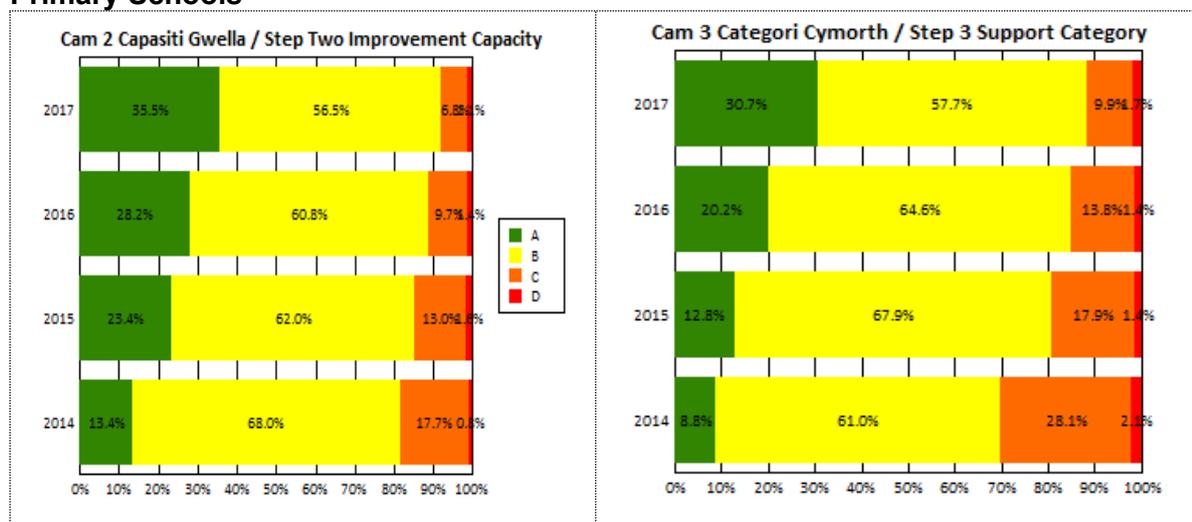
Schools would only share their key improvement targets (or Local Targets) with the LA/Consortium. Local Authorities would still hold the statutory responsibility for signing off the improvement targets set by the schools. This process is usually quality assured by school improvement staff on behalf of the LAs. Local Targets would not be aggregated on an LA or regional basis.

In the interim, schools will also have to report against the prescribed statutory targets described in the table above until they are removed by legislation.

## 5. NATIONAL CATEGORISATION

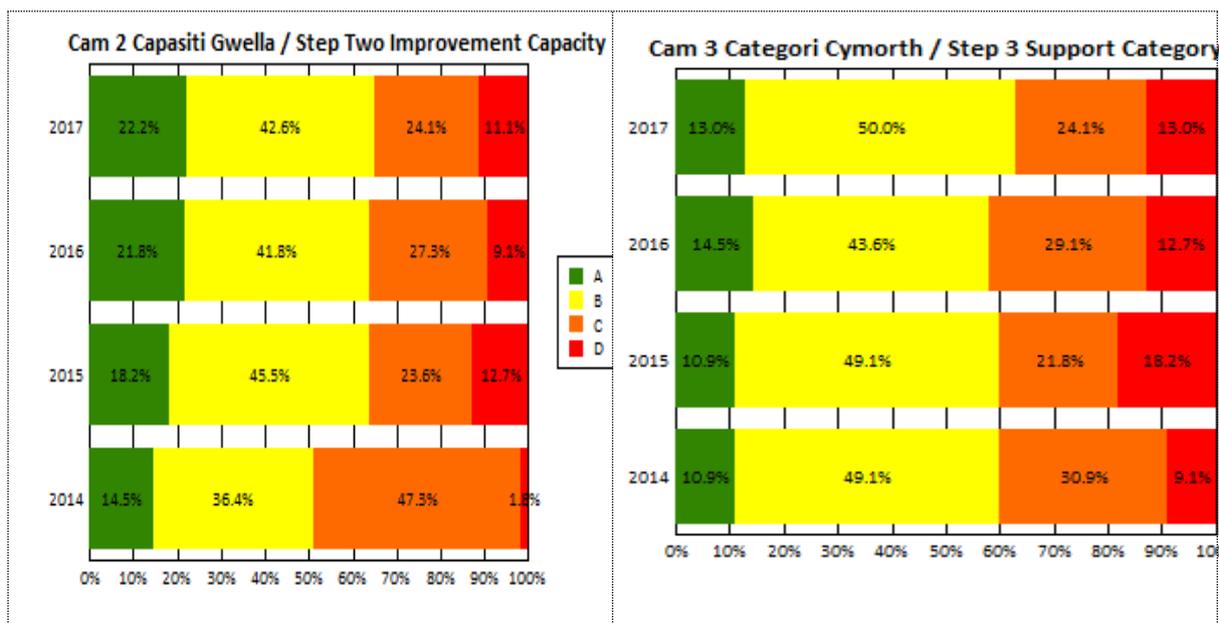
As noted in the Estyn report, the consortium knows its schools increasingly well. Pre-inspection reports for schools by the local authority, based on advice from the consortium, are broadly consistent with inspection outcomes. Inspectors have fewer concerns about these reports than in other regions in Wales. Inspection outcomes show that schools have, overall, been placed in appropriate categories.

### Primary Schools



The primary support category profile continues to improve year on year. The percentage of schools being awarded the highest judgements increased [A or B] in stage 2 of the process - an increase from 89.0% in 2016 to 92% in 2017. As a result, an increase was seen in the percentage of primary schools in the Green and Yellow categories - an increase from 84.8% in 2016 to 88.4% in 2017. A good increase was seen in the percentage of schools denoted green

### Secondary Schools



The same positive trend of improvement cannot be seen in the secondary sector. The percentage of schools in a green support category has fallen slightly from 14.5% to 13%. However, the percentage of schools in a Green/Yellow support category has increased from 58.2% in 2016, to 63.0% in 2017. The percentage being awarded the highest judgements [A or B] in stage 2 of the process, remained relatively stable.

The national categorisation process will continue in its current form in 2018-19. The regional moderation will take place in early December 2018 with the national moderation in January 2019. The final school categorisation will be published on 'My local school' at the end of January 2019 (Step 2 – improvement capacity, Step 3 – support category). The categorisation profile for the region is expected to further improve in 2018-19 and the process is currently ongoing.