

**BYDD CYFARFOD O'R GWASANAETH ADDYSG AR Y CYD - CONSORTIWM  
CANOLBARTH Y DE YN CAEL EI GYNNAL YN  
Valleys Innovation Centre, Navigation Park, Abercynon CF45 4SN  
Dydd Mawrth, 21ain Mai, 2019 at 2.00 pm**

**1. DATGAN BUDDIANT**

Derbyn datganiadau o fuddiannau personol gan Aelodau, yn unol â gofynion y Cod Ymddygiad.

Noder:

1. Mae gofyn i Aelodau ddatgan rhif a phwnc yr agendwm mae eu buddiant yn ymwneud ag ef a mynegi natur y buddiant personol hwnnw; a
2. Lle bo Aelodau'n ymneilltuo o'r cyfarfod o ganlyniad i ddatgelu buddiant sy'n rhagfarnu, mae rhaid iddyn nhw roi gwybod i'r Cadeirydd pan fyddan nhw'n gadael.

**2. ETHOL CADEIRYDD**

Ethol Cadeirydd Cydbwyllgor Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De ar gyfer Blwyddyn 2019/20 y Cyngor.

**3. PENODI IS-GADEIRYDD**

Penodi Is-gadeirydd Cydbwyllgor Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De ar gyfer Blwyddyn 2019/20 y Cyngor.

**4. PENODI CADEIRYDD Y BWRDD CYNGHORI**

Penodi Cadeirydd Bwrdd Cyngori Consortiwm Canolbarth y De ar gyfer Blwyddyn 2019/20 y Cyngor.

**5. COFNODION**

Cadarnhau cofnodion o gyfarfod Cydbwyllgor Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De a gynhaliwyd ar 28 Mawrth 2019 yn rhai cywir.

**(Tudalennau 3 - 6)**

**6. CALENDR O GYFARFODYDD BLWYDDYN 2019/20 Y CYNGOR**

Trafod y calendr arfaethedig o gyfarfodydd ar gyfer 2019/20.

(Tudalennau 7 - 8)

**7. CWRICWLWM - CYNLLUNIAU AR GYFER RHOI CYMORTH I BENAETHIAID**

Derbyn cyflwyniad.

**8. SEFYLLFA DDIWEDD Y FLWYDDYN 2018/19**

Trafod adroddiad y Trysorydd

(Tudalennau 9 -  
98)

**9. ADRODDIAD ARCHWILIO MEWNOL**

Trafod adroddiad y Trysorydd.

(Tudalennau 99 -  
102)

**10. CEISIADAU I RYDDHAU GWYBODAETH DAN DDEDDF RHYDDID GWYBODAETH**

Trafod adroddiad Rheolwr Gyfarwyddwr Dros Dro Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De.

(Tudalennau 103 -  
118)

**11. GWAHARDD AELODAU O'R WASG A'R CYHOEDD**

Trafod cadarnhau'r cynnig isod yn benderfyniad:  
"Bod y cyfarfod hwn yn cadw aelodau o'r wasg ac aelodau o'r cyhoedd allan o ystafell y cyfarfod, dan Adran 100A(4) o Ddeddf Llywodraeth Leol 1972 (fel y'i diwygiwyd), yn ystod trafod yr agendwm nesaf, ar y sail y byddai'n debygol o ddatgelu gwybodaeth eithriedig yn ôl diffiniad paragraff 14 o Ran 4 o Atodlen 12A o'r Ddeddf."

**12. ADOLYGIAD ISOS O GONSORTIWM CANOLBARTH Y DE**

Trafod adroddiad ac argymhellion y Prif Weithredwr Arweiniol

(Tudalennau 119 -  
180)

**13. MATERION BRYD**

Trafod unrhyw faterion sydd, yn ôl doethineb y Cadeirydd, yn faterion bryd yng ngoleuni amgylchiadau arbennig

**At:** Pob Aelod o'r Gwasanaeth Addysg ar y Cyd - Consortiwm Canolbarth y De

## **CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE.**

Minutes of the Central South Consortium Joint Education Service meeting held on Thursday, 28 March 2019 at 10.00 am at the Valleys Innovation Centre, Navigation Park, Abercynon, CF45 4SN.

### **County Borough Councillors - Central South Consortium Joint Education Service - Members in attendance:-**

Councillor S. Merry (Cardiff Council)

Councillor J. Rosser (Rhondda Cynon Taf County Borough Council)

Councillor C. Smith (Bridgend County Borough Council)

Councillor B. Penrose (Vale of Glamorgan)

Councillor L. Mytton (Merthyr Tydfil Council)

### **Council Officers in attendance:-**

Mr C. Bradshaw (Lead Chief Executive, Rhondda Cynon Taf County Borough Council)

Ms P. Ham (Director of Learning & Skills, Vale of Glamorgan)

Mr L. Harvey (Director of Education, Bridgend Council)

Ms G. Davies (Director of Education & Inclusion Services, Rhondda Cynon Taf County Borough Council)

Mr P. Griffiths (Service Director, Finance and Improvement Services - Rhondda Cynon Taf County Borough Council)

### **Others in attendance:-**

Ms L. Blatchford (Acting Managing Director, Central South Consortium)

Ms E. Thomas (Temporary Assistant Managing Director, Central South Consortium)

Mr A. Williams (Senior Lead – Standards and Improvement Planning, Central South Consortium)

Ms L. Muteham (The Professional Learning Lead, Central South Consortium)

Mr R. George (Strategic Lead - Curriculum, Central South Consortium)

## **7 Declaration of Interest**

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda

## **8 Minutes**

Resolved to approve as an accurate record the minutes of the Central South Consortium Joint Education Service Joint Committee held on the 22<sup>nd</sup> January 2019.

## **9 Central South Consortium Business Plan 2019 - 2020**

The Temporary Assistant Managing Director of the Central South Consortium informed Members of the Consortium's Business Plan 2019- 2020.

It was explained that the business plan is produced in a different format this year

making it a clearer document for a wider audience. Operational plans are being produced by officers which will provide information on how activities will be funded and more detail on how impact will be measured over time.

Members were also presented with an update of the business priorities for 2019/20. It was explained that the document will be translated and published after being approved by Welsh Government. A Member asked if officers could send copies to Assembly Members for information and it was explained that the document would need to be translated before this could be done.

Members thanked the officers for compiling a more user friendly plan and **RESOLVED** to acknowledge the business plan for 2019/20.

## **10 2018/19 Budget Monitoring Update**

The Service Director – Finance and Improvement Services presented Members of the Central South Consortium Joint Education Service Joint Committee with an update of the projected revenue outturn position for 2018/19 along with a summary of 2018/19 grant funding.

Following consideration of the Report, it was **RESOLVED**-

1. To note the projected revenue outturn position for 2018/19; and
2. To note the current grant position for 2018/19.

## **11 Grant Report**

The Acting Managing Director (Central South Consortium) presented Members with an update on the grants to be received by the Consortium in 2018/19 for which notifications have been received and the methods of allocation of each.

Members were informed that a revised award of funding dated 22<sup>nd</sup> November 2018 was approved by Joint Committee on the 19<sup>th</sup> December 2018 for the Regional Consortia School Improvement Grant (RCSIG). However, since this time the RCSIG award of funding was withdrawn by Welsh Government and replaced by a revised award of funding dated 19<sup>th</sup> February 2019.

Members were also informed of the method of apportionment for 2018/19 grants and it was explained that approval letters have been received detailing grant levels. The Acting Managing Director went on to indicate that the Directors of Education have agreed to maintain the local authority dis-aggregation of the funding and to apply a common formula for the delegation of the local authority funding to schools.

Members put forward their questions and observations and **RESOLVED**:

- To approve the distribution of grants as detailed in section 4 of the report.

## **12 Efficiency and Effectiveness of the Central South Consortium (2017 - 18)**

Members were presented with an overview of the report on the efficiency and effectiveness of the Central South Consortium 2017-18.

The Temporary Assistant Managing Director explained that the approach taken by the Central South Consortium to evaluate the impact of its work has been

guided by the Research and Evaluation Board chaired by a professor from Cardiff University, with a policy logic model used as a tool across all strands to evaluate the effectiveness of the Central South Consortium. It was explained that the framework identifies a hierarchy to the value for money strands to evaluate the effectiveness of the Consortium.

Members were presented with the six main areas of work that were selected during 2017/18 for focused evaluation. These were:

- School Improvement Groups (SIGs);
- Pathfinders;
- Hubs;
- Peer Enquiry;
- Closing the Gap; and
- Work of the Challenge Advisors.

In concluding the report, the Temporary Assistant Managing Director explained that despite the reduced funding there were further improvements in many key performance indicators across schools in the region.

Members were also provided with information from the Annual Surveys from October 2018 along with areas of further work.

Following discussion, Members **RESOLVED** to acknowledge the content of the report.

### **13 Evolving Central South Wales Challenge to meet reform**

The Professional Learning Lead and the Strategic Lead - Curriculum presented Members with a detailed account in respect of the work carried out by the Consortium in relation to meeting the evolving Central South Wales Challenge Reform.

The Profession Learning Lead gave an overview in respect of the progress made within the region. Members were given an update from the Welsh Government Conference under the following headings:

- Improved Outcomes for Vulnerable Learner 2018;
- Key Messages from the Vulnerable Learner conference;
- Main Aims; and
- Challenge Adviser Support.

The Profession Learning Lead stated that feedback from schools regarding the proposed Model was positive. Further detail was presented around:

- School to school partnerships;
- School Improvement Groups (SIGs);
- Peer Review; and
- Hubs with Cluster group in them all together.

The Strategic Lead - Curriculum explained in detail the Professional Learning Alliance Hubs. Members were informed that there would be 10 Professional Learning Hubs which will support high quality teaching and learning across the region. The Officer explained they are seeking to appoint 4 Foundation Phase Hubs to facilitate professional learning opportunities in support of leadership and

pedagogy and consider how to transform practices for Curriculum for Wales. Finally, the Strategic Lead - Curriculum explained to Members that the Curriculum Lead Practitioner role will provide professional learning for specific subject areas in order that regionally identified areas of need can be developed and supported. Following discussion, Members **RESOLVED** to acknowledge the information presented.

**14 EXCLUSION OF THE PRESS AND PUBLIC**

**15 Teach First**

Members considered the report in respect of Teach First Cymru and following discussion **RESOLVED** to acknowledge the content of the report.

**16 Risk Register**

The Joint Committee considered the Central South Consortium Joint Education Service Risk Register as at March 2019.

After receiving the views of the Acting Managing Director of the Central South Consortium it was **RESOLVED** to note the information reported.

**17 Urgent Business**

The Cabinet Member for Education (Bridgend CBC) and the Director of Education (Bridgend CBC) thanked Officers and Member for the support that had been provided during their recent Estyn Inspection.

Members also highlighted possible topics for future discussion for consideration at future meetings.

**The meeting closed at 11:45**

**CLLR S. MERRY  
CHAIR.**

## MUNICIPAL YEAR 2019 - 20

|   |  |
|---|--|
| <p><b>Central South Consortium Joint Education Service Joint Committee</b></p> <p><b>21<sup>st</sup> May 2019</b></p> | <p><b>Agenda Item 6</b></p>  |
| <p><b>Report of the Managing Director of the Central South Consortium Joint Education Service Joint Committee</b></p> | <p><b>Calendar of Meetings for the 2019 -2020 Municipal Year</b></p> |

### 1. PURPOSE OF THE REPORT

To consider the proposed calendar of meetings for the 2019 -20 municipal year.

### 2. RECOMMENDATION

That Members of the Central South Consortium Joint Education Service Joint Committee agree the Calendar of Meetings for the 2019- 20 municipal year.

### 3. BACKGROUND

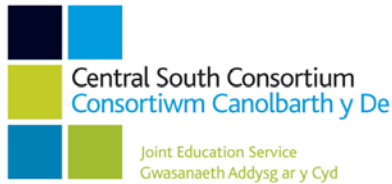
The following suggested dates for meetings of the Municipal Year 2019-2020 for the Central South Consortium Joint Education Service Joint Committee is proposed. Consideration will need to be given to the venues for each meeting.

The Chairman has the power to call special meetings if a matter requires urgent consideration.

|   |
|---|
| <p><b><u>Wednesday 31<sup>st</sup> July 2019 at 10:00am</u></b></p> <p><b><u>Wednesday 25<sup>th</sup> September 2019 at 10:00am</u></b></p> <p><b><u>Tuesday 19<sup>th</sup> November 2019 at 10:00am</u></b></p> <p><b><u>Thursday 19<sup>th</sup> December 2019 at 10:00am</u></b></p> <p><b><u>Tuesday 21<sup>st</sup> January 2020 at 10:00am</u></b></p> <p><b><u>Thursday 19<sup>th</sup> March 2020 at 10:00am</u></b></p> <p><b><u>Monday 18<sup>th</sup> or 25<sup>th</sup> May 2020 at 10:00am</u></b></p> |
|---|







## **CENTRAL SOUTH CONSORTIUM REPORT FOR JOINT COMMITTEE**

**21<sup>ST</sup> MAY 2019**

### **JOINT EDUCATION SERVICE**

#### **REPORT OF THE TREASURER – 2018/19 YEAR-END POSITION**

**Author: Paul Griffiths, Service Director – Finance and Improvement Services  
Tel. No. 01443 680609**

#### **1. PURPOSE OF REPORT**

- 1.1 To provide Members with the Central South Consortium draft Statement of Accounts for 2018/19 (that incorporates the 2018/19 Annual Governance Statement) along with the draft outturn position for the year.
- 1.2 To seek Joint Committee's approval of the 2018/19 Annual Governance Statement for the Central South Consortium.

#### **2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Approve the earmark reserve request set out at 3.2.
- 2.2 Note the draft Statement of Accounts for the Central South Consortium for the year-ending 31<sup>st</sup> March 2019 (Appendix 1) and the draft outturn position for the year (Section 4 – Table 2).
- 2.3 Approve the 2018/19 Annual Governance Statement (as incorporated within the draft 2018/19 Statement of Accounts).

### **3. EARMARKED RESERVES**

- 3.1 At the Joint Committee meeting on the 15<sup>th</sup> March 2018, Members approved an earmark reserve amounting to £130k to be carried forward into the 2018/19 financial year to support remodelling of the service over the medium term. As at 31<sup>st</sup> March 2019, £65k had been spent.
- 3.2 To continue to support service remodelling over the medium term, the Joint Committee is requested to approve the re-earmarking of the remaining balance (£65k) together with a 2018/19 revenue budget underspend (£24k). The revised total earmark reserve amounts to £89k and has been included within the Central South Consortium's draft Statement of Accounts for 2018/19.

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

- 4.1 The draft 2018/19 Statement of Accounts for the Central South Consortium is attached at Appendix 1 and requires certification by the Chairperson of the Joint Committee and the Host Authority's Section 151 Officer (i.e. Rhondda Cynon Taf County Borough Council's Director of Finance and Digital Services).
- 4.2 In making arrangements to meet this requirement, there is a laid down statutory timeframe for the certification process as well as for the approval of the audited Statement of Accounts. These are as follows for the 2018/19 financial year:
- The draft Statement of Accounts to be certified by 15<sup>th</sup> June following financial year-end; and
  - The audited Statement of Accounts to be approved by Joint Committee by 15<sup>th</sup> September following financial year-end.
- 4.3 For Members information, up dated legislation became effective as from 31<sup>st</sup> March 2018 in the form of the Accounts and Audit (Wales) Regulations (as amended) that require local authorities in Wales to produce and publish Statements of Accounts earlier from financial year 2018/19. The revised timescales are set out in Table 1.

Table 1 – revised timescales for the production and publication of Welsh local authority Statement of Accounts

| <b>Financial Year</b> | <b>Draft Statement of Accounts certification</b> | <b>Audited Statement of Accounts publication</b> |
|-----------------------|--|--|
| 2018/19               | 15 <sup>th</sup> June                            | 15 <sup>th</sup> September                       |
| 2019/20               | 15 <sup>th</sup> June                            | 15 <sup>th</sup> September                       |
| 2020/21               | 31 <sup>st</sup> May                             | 31 <sup>st</sup> July                            |

- 4.4 In line with the information included in Table 1, I can confirm that arrangements are in place for the draft 2018/19 Statement of Accounts to be certified by myself in advance of the 15<sup>th</sup> June 2019, subject to the Joint Committee approving the 2018/19 Annual Governance Statement, and that arrangements are also being made, through the proposed calendar of Joint Committee meetings for the 2019/20 Municipal Year, for the audited 2018/19 Statement of Accounts to be approved prior to 15<sup>th</sup> September 2019. Looking ahead, I consider the Consortium continues to be well placed to meet the earlier timescales, as set out above, for the production and publication of Statement of Accounts in future years.
- 4.5 The draft Statement of Accounts, at Appendix 1, also incorporates the draft 2018/19 Annual Governance Statement. This document has been compiled in accordance with 'Delivering Good Governance in Local Government: Framework 2016' and been subject to review and challenge by the Consortium's Senior Management Team.
- 4.6 Based on the review process undertaken, it is considered that the Consortium's governance arrangements during 2018/19 were fit for purpose and publicly demonstrated how they contributed to the delivery of better outcomes for the region as set out in the Business Plan. This overall conclusion was supported by:
- An open approach to engaging with stakeholders, planning and delivering services, and reporting and scrutiny of the Consortium's performance;
  - Clear arrangements for decision making that were supported by robust service management and financial management arrangements; and
  - The reporting of understandable priorities and ambition, as set out in the Consortium's Business Plan, with progress reports demonstrating improvement in outcomes and performance at the same time as maintaining financial stability.
- 4.7 With the above information in mind, the Joint Committee is requested to review and if deemed appropriate approve the draft 2018/19 Annual Governance Statement.
- 4.8 In addition to the draft Statement of Accounts, the draft 2018/19 outturn position for the Consortium is a £1k underspend that is proposed to be allocated to the General Fund balance (taking the General Fund balance from £136k as at 1<sup>st</sup> April 2018 to £137k as at 31<sup>st</sup> March 2019). A summary of the draft 2018/19 outturn position is set out in Table 2.

Table 2 – Draft 2018/19 outturn position

|   | 2018/19<br>£'000 |
|---|------------------|
| <b>Controllable Expenditure</b>                                   |                  |
| Employees   | 6,761            |
| Premises  | 317              |
| Transport   | 48               |
| Supplies & Services   | 75,375           |
| Third Party Payments  | 437              |
| Support Services  | 123              |
|   | <b>83,061</b>    |
| <b>Controllable Income</b>  |                  |
| Local Authority Contributions                                     | (4,557)          |
| Grants & Other Income   | (78,581)         |
|   | <b>(83,138)</b>  |
| <b>Net Expenditure</b>  | <b>(77)</b>      |
| Less Interest Receivable  | (13)             |
| Transfer to Earmarked Reserves                                    | 89               |
| <b>Net (Surplus) / Deficit After Transfer of Earmark Reserves</b> | <b>(1)</b>       |
| <b>General Fund Balances at 01/04/18</b>                          | <b>(136)</b>     |
| <b>General Fund Balances at 31/03/19</b>                          | <b>(137)</b>     |

| <b>Summary of Redundancy Payments</b>  | £'000 |
|--|-------|
| Brought Forward Balance at 1 <sup>st</sup> April 2018 (comprises long term debtor balance of £737k and short term debtor balance of £100k)         | 837   |
| In Year Costs  | 250   |
| Payment Made In-Year   | (729) |
| 2018/19 Contribution from Revenue Budget   | (100) |
| Remaining Balance to be Funded at 31 <sup>st</sup> March 2019 (comprises long term debtor balance of £129k and short term debtor balance of £129k) | 258   |

4.9 Members will note that the above outturn position includes severance costs of £250k (within the 'Employees Controllable Expenditure' line) that supported agreed changes to the structure of the service and were partly funded from in-year revenue resources and through additional contributions made by member local authorities.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE**

**21<sup>st</sup> May 2019**

**Report of the Joint Committee**

Author: Paul Griffiths, Service Director – Finance and Improvement

**Item 8 - REPORT OF THE TREASURER – 2018/19 YEAR-END POSITION**

**List of background papers**

Appendix 1 – Central South Consortium Draft Statement of Accounts 2018/19

Officer to Contact :

Paul Griffiths

Tel no. 01443 680609



**CENTRAL SOUTH  
CONSORTIUM  
JOINT EDUCATION SERVICE  
JOINT COMMITTEE**

**DRAFT – SUBJECT TO AUDIT  
STATEMENT OF ACCOUNTS**

**2018/19**

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## Narrative Report

### 1. Introduction

The Central South Consortium Joint Education Service was established on 1<sup>st</sup> September 2012 to provide a range of school improvement services operating on behalf of five local authorities: Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan.

This region is the most populous in Wales. It includes 391 schools and serves 147,697<sup>1</sup> learners - a third of the country's school-age children. The region is home to the highest number and the largest proportion of children living in poverty; it is also home to the capital city and the economic, financial and creative industries of Wales.

The Consortium is managed and administered by the Central South Consortium Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of five Members, one from each local authority. Rhondda Cynon Taf CBC became the Host Authority upon formation of the Joint Committee.

The accounts for 2018/19 have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 based on International Financial Reporting Standards (IFRS); and
- The Accounts and Audit (Wales) Regulations 2014 (as amended).

The accounts set out on pages 15 to 45 comply with the above.

### 2. Business Plan 2017-2020

The Consortium's role is to challenge and support schools in their work to improve educational outcomes.

The local authorities (through a Joint Committee attended by the Cabinet Member for Education in each authority) agree the business plan and budget for the region and hold the Consortium to account for the impact of its work.

The Consortium receives its core funding from the five local authorities and also receives funding from the Welsh Government to support specific activities in line with national priorities / initiatives.

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<sup>1</sup> Pupil Level Annual School Census (PLASC) – January 2018

The performance of the schools in the Central South Consortium region are key to the future educational and economic success of Wales.

How well children and young people, particularly the most vulnerable, achieve in this region significantly influences how the country and its education system are perceived within our borders and beyond.

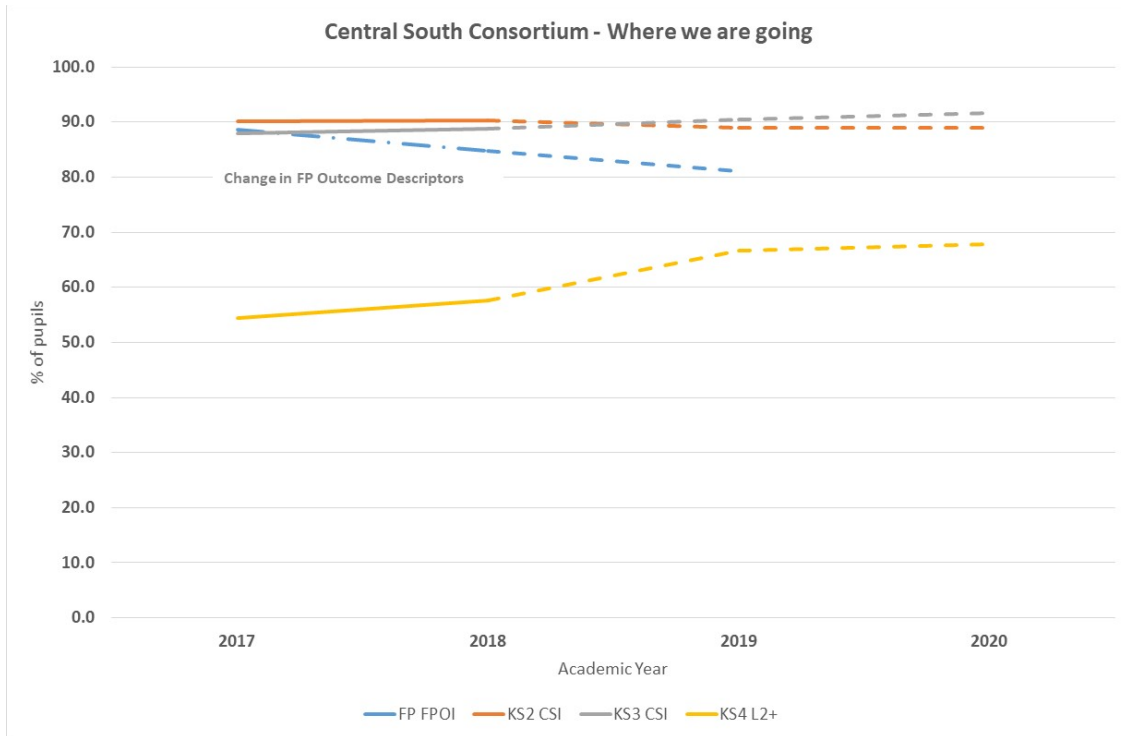
The Consortium's business plan aims to:

- Improve outcomes for vulnerable learners;
- Develop school-to-school working to deliver curriculum reform;
- Develop leadership, governance and workforce reform;
- Deliver rapid and sustainable intervention; and
- Develop effectiveness and efficiency in Central South Consortium.

Operational plans underpin each improvement objective.

The Consortium's Business Plan has been compiled in the context of reducing resources, this being consistent with the challenging economic climate facing all public sector organisations in Wales. In line with this, the 2018/19 revenue contributions received by the Consortium from the five member local authorities reduced by 2% and it is anticipated that the position of the Consortium requiring to operate in an environment of challenging funding levels will continue into the medium term.

There has been continued improvement for all key stages, where comparable data is available from the previous year. Performance in the region exceeds performance seen nationally for nearly all performance measures at the expected and above expected level.

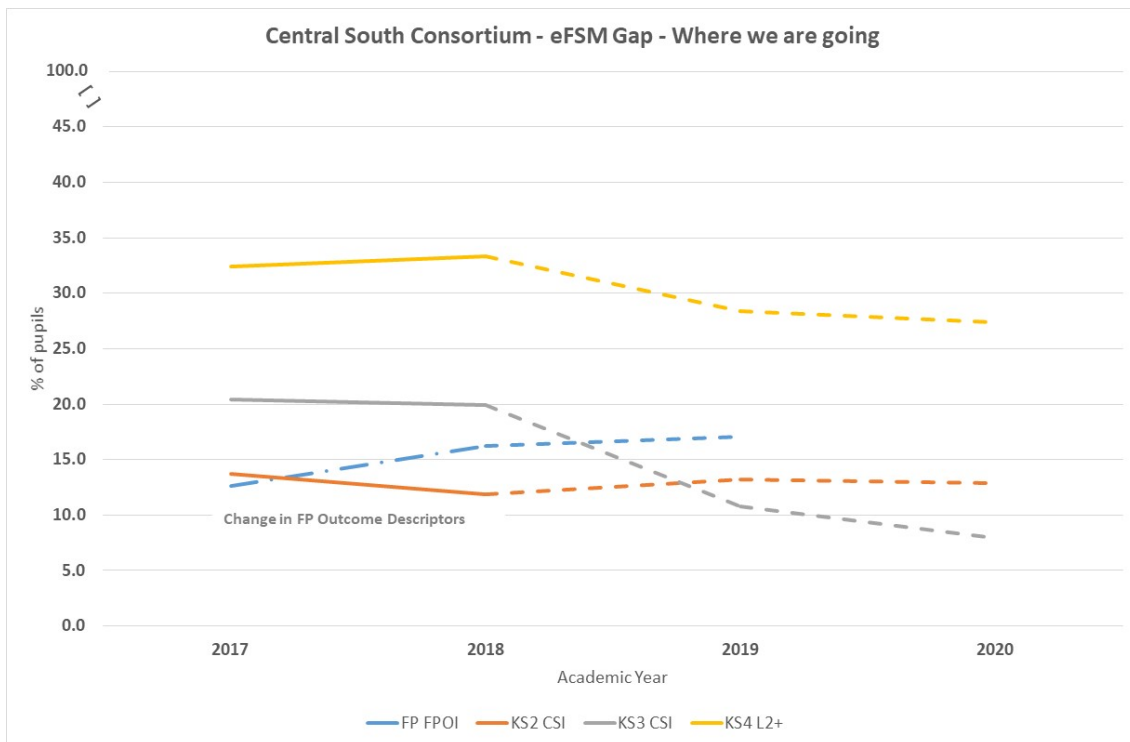
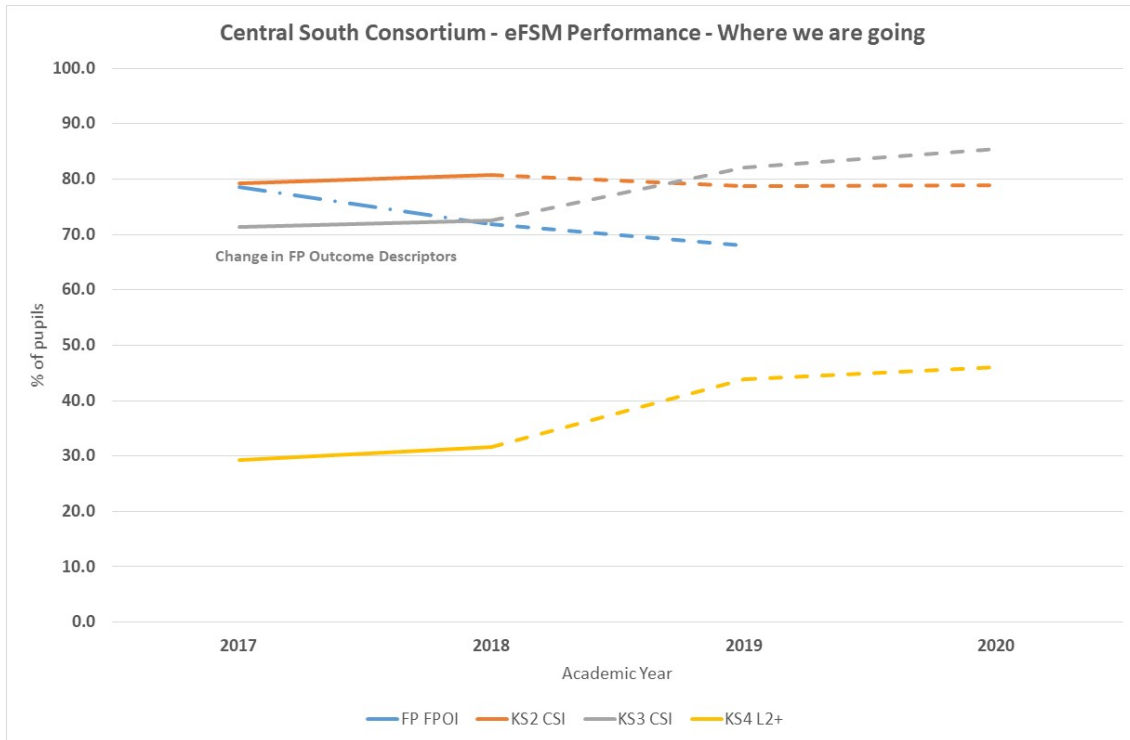


**Key:**

FPOI – Foundation Phase outcome indicator.

KS2, KS3 and KS4 – Key Stage 2, 3 and 4.

The performance of pupils entitled to free school meals has improved in the most recent year, where comparable data is available from the previous academic year. The gap in performance has narrowed for two key stages, but increased for KS4 L2+ in the most recent year. This performance gap remains too large for nearly all key stages.



### 3. Revenue Income and Expenditure 2018/19

The Comprehensive Income and Expenditure Statement provides an analysis of the Consortium's gross revenue expenditure and income in accordance with IFRS.

The Consortium's 2018/19 revenue budget strategy underpinned the following broad objectives:

- Support the delivery of key strategic priorities particularly around the need to build teams of challenge advisors to work with all schools in the region (with more time allocated to the schools most in need);
- Provide timely data analysis to support schools' self-evaluation and improvement planning (including school categorisation judgements);
- Support and fund school-to-school improvement partnerships and broker support between schools;
- Allocate grant funding to schools in the region along with guidance and advice on how grant funding can be used to drive improvement; and
- Work with the Welsh Government to deliver its priorities in the region.

The table shows the budgeted controllable income and expenditure against the actual controllable income and expenditure for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019:

|                                   | <b>Budget<br/>£'000</b> | <b>Actual<br/>£'000</b> | <b>Variance<br/>£'000</b> |
|-----------------------------------|-------------------------|-------------------------|---------------------------|
| <b>Expenditure</b>                |                         |                         |                           |
| Employees                         | 3,356                   | 3,496                   | 140                       |
| Premises                          | 261                     | 292                     | 31                        |
| Transport                         | 34                      | 27                      | (7)                       |
| Supplies & Services               | 213                     | 720                     | 507                       |
| Support Services                  | 120                     | 123                     | 3                         |
|                                   | <b>3,984</b>            | <b>4,658</b>            | <b>674</b>                |
| <b>Income</b>                     |                         |                         |                           |
| Local Authority Contributions     | (3,906)                 | (4,557)                 | (651)                     |
| Grants & Other Income             | (78)                    | (102)                   | (24)                      |
|                                   | <b>(3,984)</b>          | <b>(4,659)</b>          | <b>(675)</b>              |
| <b>Net Expenditure / (Income)</b> | <b>0</b>                | <b>(1)</b>              | <b>(1)</b>                |

The reasons for the variances between budgeted and actual expenditure and income were:

- Employees – in-year severance costs applicable to service remodelling have been partly offset by vacancy savings within the Business Support Team and eligible core staff costs transferred to the Regional Consortia School Improvement Grant to optimise the use of external funding;
- Premises – the position includes one-off costs associated with the reconfiguration / refurbishment works at the Valleys Information Centre which have been partly off-set by lower costs incurred during the occupation of Ty Dysgu in the first half of the financial year;
- Transport - expenditure relates to staff travel expenses and, as a result of changes in working practices, costs have been lower than budgeted;
- Supplies and Services – includes additional contributions being made against historic redundancy costs. Additional contributions made by member local authorities are reported against Local Authority Contributions; and
- Income – unbudgeted additional contributions made by member local authorities used to offset in year and historic redundancy costs outlined above.

In addition, the following categories of income and expenditure relating to specific grants were processed through the Central South Consortium's accounts during 2018/19:

|                        | <b>Actual<br/>£'000</b> |
|------------------------|-------------------------|
| <b>Expenditure</b>     |                         |
| Employees              | 3,266                   |
| Premises               | 25                      |
| Transport              | 21                      |
| Supplies & Services    | 74,744                  |
| Third Party Payments   | 437                     |
|                        | <b>78,493</b>           |
| <b>Income</b>          |                         |
| Grants & Other Income  | 78,493                  |
|                        |                         |
| <b>Net Expenditure</b> | <b>0</b>                |

As at 31<sup>st</sup> March 2019, the Central South Consortium held General Reserves of £137k. Movements on reserves are detailed within the Movement in Reserves Statement.

#### **4. Capital Expenditure 2018/19**

There has been no capital expenditure this financial year.

#### **5. Summary of Future Revenue Plans**

Our ambition is, by 2020 that:

- learners sustain the best educational outcomes in Wales, rivalling other parts of the UK;
- the poverty related attainment gap is reduced faster here than anywhere else in Wales; and
- the region is known and recognised for its high quality school-led professional learning and the impact it has on outcomes.

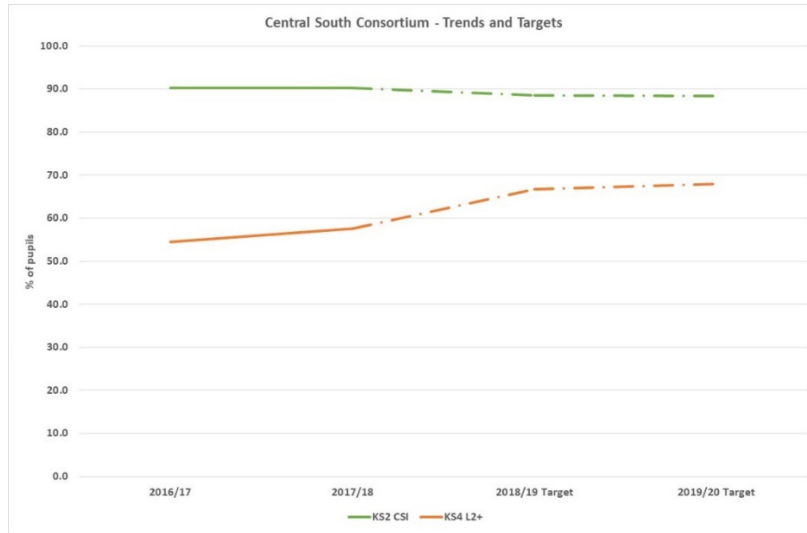
The Consortium's Business Plan 2019/2020 was approved by Joint Committee on 28<sup>th</sup> March 2019 and sets out the vision, purpose and priorities it aims to deliver within an environment of reducing resources. The 2019/20 Business Plan focuses on the following overarching priorities:

1. Develop a high quality education profession;
2. Develop inspirational leaders to facilitate working collaboratively to raise standards;
3. Develop strong and inclusive schools committed to wellbeing, equity and excellence;
4. Develop robust assessment, evaluation and accountability arrangements supporting self-improving systems;
5. Provide professional learning opportunities to support the curriculum for Wales; and
6. Improve the effectiveness and efficiency of Central South Consortium.

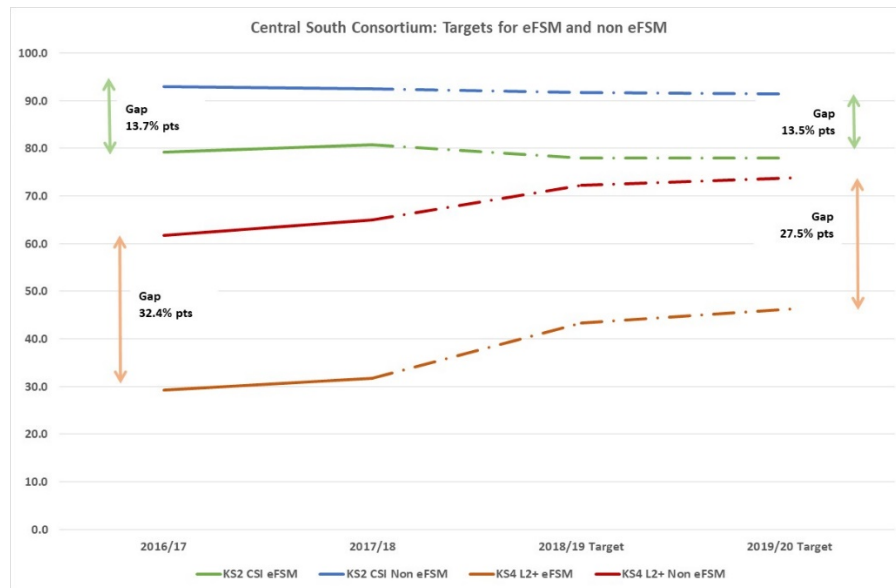
The success of our delivery plan is measured through our targets. These are based on schools' own targets incorporating benchmark measures and informed by additional challenge from the region's challenge adviser workforce.

### Performance Measures

The following chart shows the projected trend in outcomes for both Key Stage 2 Core Subject Indicator<sup>2</sup> and Key Stage 4 Level 2+ indicator<sup>3</sup> for performance up to 2020.



The following chart shows the projected trend for the performance of eFSM pupils and non-eFSM pupils for both Key Stage 2 Core Subject Indicator and Key Stage 4 Level 2+ indicator for performance up to 2020.



<sup>2</sup> Key Stage 2 Core Subject Indicator - represents the percentage of pupils achieving the expected level or above in English or Welsh (first language), mathematics and science in combination.

<sup>3</sup> Key Stage 4 level 2+ Indicator - a volume of qualifications at Level 2 equivalent to the volume of 5 GCSE's at grade A\*-C including English or Welsh First Language and Mathematics



The priorities included within the Central South Consortium's Business Plan need to be underpinned by robust financial management in ensuring they are affordable, provide value for money and that their impact can be assessed.

The revenue budget is approved annually by the Joint Committee and is included within the Business Plan. Welsh Government also issue annual settlements on grant awards of funding.

A summary of the latest (i.e. 2019/20) revenue budget is as follows (as approved by the Joint Committee on 19<sup>th</sup> December 2018):

| <b>Type of Expenditure</b>    | <b>Budget<br/>2019/20<br/>£'000</b> |
|-------------------------------|-------------------------------------|
| <b>Expenditure</b>            |                                     |
| Employees                     | 3,117                               |
| Premises                      | 235                                 |
| Transport                     | 35                                  |
| Supplies & Services           | 228                                 |
| Support Services              | 120                                 |
| <b>Total Expenditure</b>      | <b>3,735</b>                        |
| <b>Income</b>                 |                                     |
| Local Authority Contributions | 3,711                               |
| Grants & Other Income         | 24                                  |
| <b>Total Income</b>           | <b>3,735</b>                        |
| <b>Net Expenditure</b>        | <b>0</b>                            |

## **6. Pensions Assets and Liabilities**

As a result of International Accounting Standard (IAS) 19 "Employee Benefits", local authorities are required to account for pensions liabilities in respect of the cost of decisions made up to the Balance Sheet date. Please refer to note 19.0 to the Core Financial Statements for further details.

The effect of IAS 19 upon the reserves of the Joint Committee is as follows:

|   | <b>£'000</b> |
|---|--------------|
| Net Assets/(Liabilities) excluding Pensions Reserve | 416          |
| Net Assets/(Liabilities) as per Balance Sheet       | 717          |

## **7. Introduction to Accounting Statements**

### **Statement of Responsibilities for the Statement of Accounts**

This sets out the responsibilities of the Council as the administering Authority and the Director of Finance and Digital Services for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the presiding Member at the Joint Committee meeting at which the Accounts are approved.

### **Certificate of the Director of Finance and Digital Services**

This is the certificate of the true and fair presentation of the Accounts by the Director of Finance and Digital Services.

### **Movement in Reserves Statement**

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use) and 'unusable reserves'.

### **Comprehensive Income and Expenditure Statement**

This statement is prepared to record income and expenditure on an accruals basis. It includes items such as salaries and wages, running costs of the service and income received. The statement is based upon IFRS.

### **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 of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee.

### **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis demonstrates how the funding available to the Joint Committee for the year has been used in providing services in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

## **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded from the recipients of services provided.

## **Statement of Accounting Policies**

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

## **Annual Governance Statement**

The Annual Governance Statement sets out the framework for governance and internal control for the Joint Committee to carry out its functions effectively. It outlines the main components of the framework, including the arrangements for Internal Audit and how the Consortium has complied with the various elements of the framework.

## **8.0 Service Restructure**

Service restructuring costs totalling £250k were incurred during 2018/19 (£162k incurred in 2017/18); these costs have been funded in-year partly through the revenue account and partly through additional in-year contributions made by the five member local authorities.

Following publication of the 'National Model for Regional Working' by the Welsh Government in February 2014 the service was restructured with resulting redundancy costs partly being funded from general reserves and through an annual contribution of £100k from the revenue budget. The arrangement was scheduled to run until 2025/26. At the Joint Committee meeting held on the 15<sup>th</sup> March 2018 an alternative approach, in line with the Legal Agreement, to the funding of the balance of outstanding redundancy costs incurred in previous financial years and future redundancy costs should they arise was approved resulting in the removal of the annual contribution of £100k from the 2019/20 revenue budget.

## **Statement of Responsibilities for the Statement of Accounts Central South Consortium Joint Education Service**

### **The Council's Responsibilities**

The Council is required:

- To make arrangements for the proper administration of the Joint Committee's financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance and Digital Services.
- To manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.

### **The Joint Committee's Responsibilities**

- To approve the accounts.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Chair of the Central South Consortium Joint Education Service Joint  
Committee**

**Councillor Sarah Merry**  
Cardiff Council

## **The Director of Finance and Digital Services' Responsibilities**

The Director of Finance and Digital Services is responsible for the preparation of the Statement of Accounts. In terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, the Statement of Accounts is required to give a true and fair view of the financial position of the organisation at the accounting date and its income and expenditure for the period ended 31<sup>st</sup> March 2019.

### **In preparing the Statement of Accounts, the Director of Finance and Digital Services has:**

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.

### **The Director of Finance and Digital Services has also throughout the financial year:**

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **Certificate of the Director of Finance and Digital Services as Treasurer of the Joint Committee**

I certify that the statement of accounts give a true and fair view of the financial position of the Joint Committee at 31<sup>st</sup> March 2019 and its income and expenditure for the period then ended.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Barrie Davies**

**Director of Finance and Digital Services**

Bronwydd House

Porth

CF39 9DL

### Movement in Reserves Statement for the Period ended 31<sup>st</sup> March 2018

|  | General Reserves | Earmarked Reserves | Total Usable Reserves | Total Unusable Reserves | Total Reserves |
|--|------------------|--------------------|-----------------------|-------------------------|----------------|
|  | £'000            | £'000              | £'000                 | £'000                   | £'000          |
| <b>Notes:</b>  | 17.1             | 17.2               |                       | 18.0                    |                |
| <b>Balance as at 1<sup>st</sup> April 2017</b>   | <b>129</b>       | <b>300</b>         | <b>429</b>            | <b>(515)</b>            | <b>(86)</b>    |
| <b>Movement in reserves during 2017/18</b>   |                  |                    |                       |                         |                |
| <b>Total comprehensive income and expenditure</b>  | <b>(316)</b>     | <b>0</b>           | <b>(316)</b>          | <b>651</b>              | <b>335</b>     |
| <b>Adjustments between accounting basis and funding basis under regulations</b>  |                  |                    |                       |                         |                |
| <b>Adjustments involving the Pensions Reserve:</b>   |                  |                    |                       |                         |                |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement  | 1,110            | 0                  | 1,110                 | (1,110)                 | 0              |
| Employer's pensions contributions and direct payments to pensioners payable in the year  | (564)            | 0                  | (564)                 | 564                     | 0              |
| <b>Adjustments primarily involving the Accumulated Absences Account:</b>   |                  |                    |                       |                         |                |
| Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | 4                | 0                  | 4                     | (4)                     | 0              |
| <b>Net increase or (decrease) before transfers to Earmarked Reserves</b>   | <b>234</b>       | <b>0</b>           | <b>234</b>            | <b>101</b>              | <b>335</b>     |
| Transfers to or (from) Earmarked Reserves  | (227)            | 227                | 0                     | 0                       | 0              |
| <b>Increase or (decrease) in the Year</b>  | <b>7</b>         | <b>227</b>         | <b>234</b>            | <b>101</b>              | <b>335</b>     |
| <b>Balance as at 31<sup>st</sup> March 2018</b>  | <b>136</b>       | <b>527</b>         | <b>663</b>            | <b>(414)</b>            | <b>249</b>     |

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### Movement in Reserves Statement for the Period ended 31<sup>st</sup> March 2019

|  | General Reserves | Earmarked Reserves | Total Usable Reserves | Total Unusable Reserves | Total Reserves |
|--|------------------|--------------------|-----------------------|-------------------------|----------------|
|  | £'000            | £'000              | £'000                 | £'000                   | £'000          |
| <b>Notes:</b>  | 17.1             | 17.2               |                       | 18.0                    |                |
| <b>Balance as at 1<sup>st</sup> April 2018</b>   | <b>136</b>       | <b>527</b>         | <b>663</b>            | <b>(414)</b>            | <b>249</b>     |
| <b>Movement in reserves during 2018/19</b>   |                  |                    |                       |                         |                |
| <b>Total comprehensive income and expenditure</b>  | <b>(741)</b>     | <b>0</b>           | <b>(741)</b>          | <b>1,208</b>            | <b>467</b>     |
| <b>Adjustments between accounting basis and funding basis under regulations</b>  |                  |                    |                       |                         |                |
| <b>Adjustments involving the Pensions Reserve:</b>   |                  |                    |                       |                         |                |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement  | 1,022            | 0                  | 1,022                 | (1,022)                 | 0              |
| Employer's pensions contributions and direct payments to pensioners payable in the year  | (461)            | 0                  | (461)                 | 461                     | 0              |
| <b>Adjustments primarily involving the Accumulated Absences Account:</b>   |                  |                    |                       |                         |                |
| Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | (46)             | 0                  | (46)                  | 46                      | 0              |
| <b>Net increase or (decrease) before transfers to Earmarked Reserves</b>   | <b>(226)</b>     | <b>0</b>           | <b>(226)</b>          | <b>693</b>              | <b>467</b>     |
| Transfers to or (from) Earmarked Reserves  | 226              | (226)              | 0                     | 0                       | 0              |
| <b>Increase or (decrease) in the Year</b>  | <b>1</b>         | <b>(226)</b>       | <b>(225)</b>          | <b>693</b>              | <b>467</b>     |
| <b>Balance as at 31<sup>st</sup> March 2019</b>  | <b>137</b>       | <b>301</b>         | <b>438</b>            | <b>279</b>              | <b>717</b>     |

## Comprehensive Income and Expenditure Statement for the Period ended 31<sup>st</sup> March 2019

| Year<br>ended<br>31/03/18<br>£'000 |   | Year<br>ended<br>31/03/19<br>£'000 | Note |
|------------------------------------|---|------------------------------------|------|
|                                    | <b>Expenditure</b>  |                                    |      |
| 7,509                              | Employees   | 7,274                              | 5.0  |
| 517                                | Premises  | 317                                | 6.0  |
| 51                                 | Transport   | 48                                 | 7.0  |
| 75,499                             | Supplies & Services                                       | 75,110                             | 8.0  |
| 348                                | Third Party Payments                                      | 437                                |      |
| 118                                | Support Services  | 123                                |      |
| <b>84,042</b>                      |   | <b>83,309</b>                      |      |
|                                    | <b>Income</b>   |                                    |      |
| (3,886)                            | Local Authority Contributions                             | (4,557)                            |      |
| (79,834)                           | Grants & Other Income                                     | (78,001)                           |      |
| <b>(83,720)</b>                    |   | <b>(82,558)</b>                    | 9.0  |
| <b>322</b>                         | <b>Net Cost of Services</b>                               | <b>751</b>                         |      |
| (2)                                | Interest Receivable and Similar Income                    | (13)                               | 26.0 |
| (4)                                | Net Interest on Net Defined Asset/Liability               | 3                                  | 19.2 |
| <b>316</b>                         | <b>(Surplus)/Deficit on the Provision of<br/>Services</b> | <b>741</b>                         |      |
| (651)                              | Remeasurement of the Net Defined Benefit<br>Liability     | (1,208)                            | 19.2 |
| <b>(335)</b>                       | <b>Total Comprehensive Income and<br/>Expenditure</b>     | <b>(467)</b>                       |      |
|                                    |   |                                    |      |



## Expenditure and Funding Analysis Statement for the year ending 31<sup>st</sup> March 2019

|   | 2018/19   |   |  |
|---|---|---|--|
|   | Net Expenditure Chargeable to the General Fund<br>£'000 | Adjustments Between Funding and Accounting Basis<br>£'000 | Net Expenditure for the Equivalent Amounts for CI&ES <sup>4</sup><br>£'000 |
| Employees   | 6,762   | 512   | 7,274  |
| Premises  | 317   | 0   | 317  |
| Transport   | 48  | 0   | 48   |
| Supplies & Services                                       | 75,110  | 0   | 75,110   |
| Third Party Payments                                      | 437   | 0   | 437  |
| Support Services  | 123   | 0   | 123  |
| Income  | (82,785)  | 227   | (82,558)   |
| <b>Cost of Services</b>                                   | <b>12</b>   | <b>739</b>  | <b>751</b>   |
| Other Income and Expenditure                              | (13)  | 3   | (10)   |
| <b>(Surplus) or Deficit</b>                               | <b>(1)</b>  | <b>742</b>  | <b>741</b>   |
| Opening General Fund at 31 <sup>st</sup> March 2018       | (136)   |   |  |
| Add Surplus on General Fund in Year                       | (1)   |   |  |
| <b>Closing General Fund at 31<sup>st</sup> March 2019</b> | <b>(137)</b>  |   |  |

The comparative figures for 2017-18 are shown in the following table:

<sup>4</sup> CI&ES – Comprehensive Income and Expenditure Statement

## Expenditure and Funding Analysis Statement for the year ending 31<sup>st</sup> March 2018

|   | 2017/18  |   |  |
|---|--|---|--|
|   | Net<br>Expenditure<br>Chargeable<br>to the<br>General<br>Fund<br>£'000 | Adjustments<br>Between<br>Funding and<br>Accounting<br>Basis<br>£'000 | Net<br>Expenditure<br>for the<br>Equivalent<br>Amounts for<br>CI&ES<br>£'000 |
| Employees   | 6,955  | 554   | 7,509  |
| Premises  | 517  | 0   | 517  |
| Transport   | 51   | 0   | 51   |
| Supplies & Services                                       | 75,499   | 0   | 75,499   |
| Third Party Payments                                      | 348  | 0   | 348  |
| Support Services  | 118  | 0   | 118  |
| Income  | (83,493)   | (227)   | (83,720)   |
| <b>Cost of Services</b>                                   | <b>(5)</b>   | <b>327</b>  | <b>322</b>   |
| Other Income and Expenditure                              | (2)  | (4)   | (6)  |
| <b>(Surplus) or Deficit</b>                               | <b>(7)</b>   | <b>323</b>  | <b>316</b>   |
| Opening General Fund at 31 <sup>st</sup> March 2017       | (129)  |   |  |
| Add Surplus on General Fund in Year                       | (7)  |   |  |
| <b>Closing General Fund at 31<sup>st</sup> March 2018</b> | <b>(136)</b>   |   |  |

### Balance Sheet at 31<sup>st</sup> March 2019

| 31/03/18<br>£'000 |  | 31/03/19<br>£'000 | Note |
|-------------------|--|-------------------|------|
|                   | <b>Long Term Assets</b>                                |                   |      |
| 737               | Debtors  | 129               | 14.0 |
| 0                 | Defined Benefit Pension Scheme Asset                   | 301               | 19.5 |
| <b>737</b>        |  | <b>430</b>        |      |
|                   | <b>Current Assets</b>                                  |                   |      |
| 1                 | Inventories  | 0                 | 12.0 |
| 23,328            | Debtors  | 21,389            | 15.0 |
| <b>23,329</b>     | <b>Total Current Assets</b>                            | <b>21,389</b>     |      |
|                   | <b>Current Liabilities</b>                             |                   |      |
| (23,471)          | Creditors  | (21,102)          | 16.0 |
| <b>(142)</b>      | <b>Net Current Assets</b>                              | <b>287</b>        |      |
| <b>595</b>        | <b>Total Assets Less Current Liabilities</b>           | <b>717</b>        |      |
|                   | <b>Long-Term Liabilities</b>                           |                   |      |
| (346)             | Defined Benefit Pension Scheme Liability               | 0                 | 19.5 |
| <b>249</b>        | <b>Net Assets/(Liabilities)</b>                        | <b>717</b>        |      |
|                   | <b>Represented by:</b>                                 |                   |      |
|                   | <b>Usable Reserves</b>                                 |                   |      |
| 136               | General Reserves                                       | 137               | 17.1 |
| 527               | Earmarked Reserves                                     | 301               | 17.2 |
|                   | <b>Unusable Reserves</b>                               |                   |      |
| (346)             | Pensions Reserve                                       | 301               | 19.5 |
| (68)              | Short-Term Accumulating Compensated<br>Absence Account | (22)              |      |
| <b>249</b>        | <b>Total Reserves</b>                                  | <b>717</b>        |      |

### Cash Flow Statement for the Period ended 31<sup>st</sup> March 2019

| Year ended<br>31/03/18<br>£'000 |  | Year ended<br>31/03/19<br>£'000 | Note |
|---------------------------------|--|---------------------------------|------|
|                                 | <b>Operating Activities</b>                                    |                                 |      |
|                                 | Cash Outflows  |                                 |      |
| 6,955                           | Cash Paid to and on Behalf of Employees                        | 6,762                           |      |
| 70,571                          | Other Operating Cash Payments                                  | 78,357                          |      |
| <b>77,526</b>                   | <b>Total Cash Outflows</b>                                     | <b>85,119</b>                   |      |
|                                 | Cash Inflows   |                                 |      |
| (83,795)                        | Cash Received for Goods & Services                             | (94,055)                        |      |
| (2)                             | Interest Received  | (13)                            |      |
| <b>(83,797)</b>                 | <b>Total Cash Inflows</b>                                      | <b>(94,068)</b>                 |      |
|                                 |  |                                 |      |
| <b>(6,271)</b>                  |  | <b>(8,949)</b>                  |      |
| <b>(6,271)</b>                  | <b>Net (Increase) or Decrease in Cash and Cash Equivalents</b> | <b>(8,949)</b>                  | 23.0 |
|                                 | <b>Analysis of Changes in Cash and Cash Equivalents</b>        |                                 |      |
| (6,004)                         | Balance as at 1 <sup>st</sup> April                            | (12,275)                        |      |
| (6,271)                         | Net Cash (Inflows)/Outflows                                    | (8,949)                         |      |
| <b>(12,275)</b>                 | <b>Cash Balance Owed To/(From) Host Authority</b>              | <b>(21,224)</b>                 |      |

*All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account. The cash balance due to/from the host authority is included in creditors/debtors at 31<sup>st</sup> March.*

## Notes to the Core Financial Statements

### 1.0 Accounting Policies

#### 1.1 Accruals of Expenditure and Income

The accounts of the Joint Committee have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place not when cash payments are made or received.

Revenue from the sale of goods or services is recognised when the Joint Committee transfers the significant risks and rewards of goods, or provides the services to the purchaser, 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 material 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.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure in the Comprehensive Income and Expenditure Statement on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract. Statutory adjustments relating to interest are reflected in the Movement in Reserves Statement.

#### 1.2 Cash and Cash Equivalents

All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account.

#### 1.3 Contingent Liabilities

A contingent liability is a possible item of expenditure that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control.

Such contingent liabilities are not reflected in Provisions in the Balance Sheet as it may not be probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Material contingent liabilities are disclosed in Notes to the Core Financial Statements.

#### **1.4 Inventories**

Inventories of stock are measured at the lower of cost and net realisable value. When such inventories are sold, exchanged or distributed, the carrying amount shall be recognised as an expense when the income (if any) is recognised.

#### **1.5 Value Added Tax (VAT)**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to Her Majesty's Revenue and Customs and all VAT paid is recoverable from them.

#### **1.6 Reserves**

The Joint Committee sets aside specific amounts as reserves for future policy purposes or to cover contingencies. These are deemed Earmarked Reserves. Earmarked Reserves are created by appropriating amounts out of the General Reserves in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year. To ensure this is not a charge against General Reserves, the expenditure is funded via an adjustment in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the Joint Committee.

#### **1.7 Income**

Income is credited to the year of account to which it relates, regardless of when that income was actually received.

#### **1.8 Cost of Support Services**

The costs of support services have been charged to the Consortium in line with agreed Service Level Agreements.

#### **1.9 Employee Benefits**

All costs relating to employee benefits are accounted for on an accruals basis.

#### **Pensions**

The Joint Committee participates in two separate pension schemes.

Staff on Teachers Terms & Conditions - This is an unfunded scheme administered by the Teachers' Pension Agency. The Agency sets

contribution rates on the basis of a notional fund. Whilst this is a defined benefit scheme, the Teachers Pensions Agency is unable to identify the Joint Committee's share of the underlying assets and liabilities and accordingly, the Joint Committee has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Other employees - Rhondda Cynon Taf CBC administer a fund on behalf of employees under the Local Government Pension Scheme Regulations 1997 (as amended), under which contribution rates are set by the Fund's actuary based on triennial actuarial valuations. Under the regulations, contribution rates are set in order to lead to full funding of the overall liability of the Fund over time. The Local Government Pension Scheme is accounted for as a Defined Benefit Scheme.

- The liabilities of the Rhondda Cynon Taf Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis rolling forward the results from the last full valuation and adjusted to allow for the later calculation date and making allowance for changes due to accrual of new benefits and discharge of liabilities, financial and demographic assumptions, impact of known experience and the impact of events which result in a change in liability.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.4% (2.6% in 2017/18).
- The Rhondda Cynon Taf Pension Fund is a multi-employer scheme. The assets of the Fund are not formally allocated to any employer within the Fund and are not the legal property of any employer within the Fund. For the purpose of completing the calculations for each triennial valuation of the Fund, the actuary calculates a notional allocation of assets for each employer. The assets of the Pension Fund notionally attributed to the Joint Committee are included in the Balance Sheet at their fair value:

|                     |   |                   |
|---------------------|---|-------------------|
| Quoted Securities   | – | Current Bid Price |
| Unitised Securities | – | Current Bid Price |
| Property            | – | Market Value      |

- The change in the net pensions liability is analysed into the following components:
  - 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 plus administration expenses.
  - 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.
  - Interest Cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited

- to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.
- Expected Return On Assets – the annual investment return on the fund assets attributable to the Council based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement.
  - 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 financial, demographic or experience assumptions – debited or credited to the Pensions Reserve.
  - Contributions Paid to the Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense in the Comprehensive Income and Expenditure Statement.

In relation to retirement benefits, statutory provisions require the Joint Committee General Reserves 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 the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Reserves of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

The Joint Committee is able to make discretionary awards of retirement benefits in the event of early retirements. Any such liabilities arising are accrued in the year of decision to make the award in line with the Local Government Pension Scheme rules.

### **Accumulated Absences**

The Joint Committee accrues for staff holidays earned but not taken at each year-end. The Welsh Government has issued regulations to mitigate the impact of this charge. This Joint Committee has taken advantage of the regulations and charged the additional costs to the Short-Term Accumulating Compensated Absences Account in Unusable Reserves.

## **1.10 Government Grants and Other Contributions**

Grants and other contributions relating to capital and revenue expenditure shall be accounted for on an accruals basis and recognised in the



Comprehensive Income and Expenditure Statement when there is reasonable assurance that:

- the conditions for their receipt have been/will be complied with; and
- the grant or contribution will be received.

Monies advanced, where there is no reasonable assurance of the above two criteria, are held as creditors in the Balance Sheet.

Where a revenue grant has been recognised in the Comprehensive Income and Expenditure Statement but not yet used to fund expenditure, it is set aside as an Earmarked Reserve.

Where a claim has yet to be signed off by the Wales Audit Office, Balance Sheet values in relation to grants are included on an unaudited draft claim basis.

## **1.11 Leases**

Whether a lease is a finance or operating lease depends upon the substance of the transaction rather than the legal form. Leases are reviewed at inception and classed as finance or operating by reviewing arrangements such as:

- Transfer of ownership at the end of lease contract.
- Option to purchase asset at a price lower than fair value.
- Lease term is for major part of economic life of asset.
- Present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset.
- Leased assets are specialist and only the lessee can use them without major modifications.

### **Finance Leases**

A finance lease is one which transfers substantially all the risks and rewards incidental to ownership of an asset.

Where the Joint Committee is lessee, an asset and liability is recognised at lease inception. The asset is subsequently depreciated and revalued as though it were the legal property of the Joint Committee. The liability reduces as lease payments are made.

### **Operating Leases**

An operating lease is deemed to be any lease other than a Finance Lease.

Where the Joint Committee is lessee, lease payments are recognised as an expense in the Comprehensive Income and Expenditure Statement on a straight-line basis unless another systematic basis is more representative of the benefits received.

### **1.12 Events after the Balance Sheet Date**

Events after the reporting period are those both favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

The financial statements are authorised for issue in accordance with the Accounts and Audit (Wales) (Amendment) Regulations 2018. The Regulations state that the Statement of Accounts shall be authorised for issue when certified by the Responsible Finance Officer. Certification of unaudited accounts takes place by 15<sup>th</sup> June following financial year-end.

Regulations require the audited Statement of Accounts to be published by 15<sup>th</sup> September. The published Statement of Accounts shall reflect events after the reporting period up to the date the accounts were authorised for issue. This is the date the Responsible Finance Officer re-certifies the accounts.

Two types of events can be identified:

- a) those that provide evidence of conditions existing at the end of the reporting period (adjusting events that shall be recognised in the financial statements); and
- b) those that are indicative of conditions that arose after the reporting period (non-adjusting events that are not reflected in accounting statements but where material, disclosure is made in the Notes to the Core Financial Statements).

### **2.0 Accounting Standards Issued, Not Adopted**

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. In the interim potentially relevant standards include:

- IAS40 Investment Property: Transfers of Investment Property
- Annual Improvements to IFRS Standards 2014-16 Cycle, and
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

It is not anticipated that the above amendments will have a material impact on the Consortium's Statement of Accounts.

### **3.0 Critical Judgements in Applying Accounting Policies**

In applying the Accounting Policies set out in note 1.0, the Joint Committee has had to make certain judgements about complex transactions and those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

### **3.1 Grants and Contribution Conditions**

Judgements are made in terms of conditions attached to revenue grants. Grants are recognised as income when received/receivable. Unless there are assumptions that conditions of the grant are breached, a return obligation is not recognised. As a result, revenue grants received with no expected return obligation that are to be used to fund future years' expenditure are reflected in Earmarked Reserves in the Balance Sheet.

### **4.0 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

This 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 assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Joint Committee's Balance Sheet at 31<sup>st</sup> March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### **4.1 Pensions Asset/Liability**

The following disclosures do not allow for the following:

- Guaranteed Minimum Pension (GMP) equalisation and indexation, beyond indexation for members reaching State Pension Age before 5<sup>th</sup> December 2018
- McCloud judgement
- Cost management process.

Please refer to Contingent Liabilities Note 21 for further details.

Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. AON Hewitt is engaged to provide the Joint Committee with advice about the assumptions to be applied.

The effects on the net pensions asset/liability of changes in individual assumptions can be measured, however, the assumptions interact in complex ways.

**5.0 Employees Costs**

| <b>2017/18<br/>£'000</b> | <b>Salaries &amp; Wages</b>                                     | <b>2018/19<br/>£'000</b> |
|--------------------------|---|--------------------------|
| 4,956                    | Advisors  | 4,917                    |
| 971                      | Administration  | 799                      |
| 466                      | Management  | 512                      |
| 253                      | Finance Team  | 234                      |
| 50                       | Catering Staff  | 2                        |
| 41                       | Site Staff  | 6                        |
| 15                       | Cleaning Staff  | 4                        |
| 2                        | Agency  | 0                        |
| 162                      | Employee Redundancy   | 250                      |
| 35                       | Employee Insurance  | 35                       |
| 4                        | Employee Advertising  | 3                        |
| <b>6,955</b>             | <b>Sub Total</b>  | <b>6,762</b>             |
| 4                        | Short-Term Accumulating Compensated Absences Account adjustment | (46)                     |
| 550                      | IAS 19 adjustments  | 558                      |
| <b>7,509</b>             | <b>Total</b>  | <b>7,274</b>             |

**6.0 Premises Costs**

| <b>2017/18<br/>£'000</b> |                         | <b>2018/19<br/>£'000</b> |
|--------------------------|-------------------------|--------------------------|
| 312                      | Rent                    | 209                      |
| 17                       | Repair and Maintenance  | 69                       |
| 45                       | Electricity and Gas     | 6                        |
| 8                        | Cleaning Materials      | 4                        |
| 135                      | Rates and Water Charges | 29                       |
| <b>517</b>               | <b>Total</b>            | <b>317</b>               |

**7.0 Transport**

| <b>2017/18<br/>£'000</b> |                | <b>2018/19<br/>£'000</b> |
|--------------------------|----------------|--------------------------|
| 51                       | Car Allowances | 48                       |
| <b>51</b>                | <b>Total</b>   | <b>48</b>                |

**8.0 Supplies and Services**

| 2017/18<br>£'000 |  | 2018/19<br>£'000 |
|------------------|--|------------------|
| 100              | Office Expenses  | 84               |
| 231              | Consultants Fees                                       | 193              |
| 17               | Office Equipment                                       | 3                |
| 151              | Computer Costs   | 90               |
| 34               | Catering Costs   | 2                |
| 46               | Photocopying   | 37               |
| 8                | Subscriptions  | 3                |
| 4                | Marketing  | 8                |
| 17               | Audit Fees   | 18               |
| 2                | Clothing   | 0                |
| 20               | Telephones   | 17               |
| 2                | Postage  | 0                |
| 1,025            | Training   | 929              |
|                  | <u>Grants paid to local authorities &amp; schools:</u> |                  |
| 39,738           | Education Improvement Grant (EIG)                      | 0                |
| 1,681            | Raising Schools Standards Grant (RSSG)                 | 0                |
| 0                | Regional Consortia School Improvement Grant (RCSIG)    | 42,035           |
| 1,926            | Pioneer - Block Grant                                  | 0                |
| 29,966           | Pupil Development Grant (PDG)                          | 31,144           |
| 531              | Other  | 547              |
| <b>75,499</b>    | <b>Total</b>   | <b>75,110</b>    |

## 9.0 Income

| 2017/18<br>£'000 |                            | 2018/19<br>£'000 |
|------------------|----------------------------|------------------|
|                  | <b>Contributions</b>       |                  |
| (1,400)          | Cardiff Council            | (1,272)          |
| (1,060)          | Rhondda Cynon Taf CBC      | (1,097)          |
| (606)            | Bridgend CBC               | (624)            |
| (572)            | Vale of Glamorgan Council  | (591)            |
| (248)            | Merthyr Tydfil CBC         | (222)            |
| <b>(3,886)</b>   | <b>Total Contributions</b> | <b>(3,806)</b>   |
|                  | <b>Other Income</b>        |                  |
| (67)             | School Income              | (64)             |
| (289)            | Other                      | (184)            |
| (79,240)         | Grants                     | (78,493)         |
| (238)            | Catering                   | (11)             |
| <b>(79,834)</b>  | <b>Total Other Income</b>  | <b>(78,752)</b>  |
| <b>(83,720)</b>  | <b>Total Income</b>        | <b>(82,558)</b>  |

## 9.1 Grant Income

| <b>2017/18</b><br><b>£'000</b> |   | <b>2018/19</b><br><b>£'000</b> |
|--------------------------------|---|--------------------------------|
|                                | <b>Grant Programme</b>                              |                                |
| (42,616)                       | Education Improvement Grant (EIG)                   | 0                              |
| (30,517)                       | Pupil Development Grant (PDG)                       | (31,601)                       |
| (2,967)                        | Raising Schools Standards Grant (RSSG)              | 0                              |
| 0                              | Regional Consortia School Improvement Grant (RCSIG) | (46,310)                       |
| (79)                           | Schools Challenge Cymru (SCC)                       | 0                              |
| (2,081)                        | Pioneers – Block Grant                              | 0                              |
| (980)                          | Other   | (582)                          |
| <b>(79,240)</b>                | <b>Total Grant Income</b>                           | <b>(78,493)</b>                |
|                                | <b>Allocation</b>                                   |                                |
| 73,842                         | Paid to local authorities and schools (Note 8.0)    | 73,726                         |
| 5,398                          | Retained by Central South Consortium                | 4,767                          |
| <b>79,240</b>                  | <b>Total Allocation</b>                             | <b>78,493</b>                  |

## 10.0 Related Party Transactions

In accordance with IAS 24, the Joint Committee has a duty to disclose any material transactions with a “related party”. This is to ensure that financial statements contain disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.

The Joint Committee transacts with the local authorities and its schools within the Consortium, distributes funding, and provides advisory and inspection services for which it receives income. During the year, material transactions with these related parties arose as follows:

| <b>2017/18</b>              |                             | <b>Local Authority</b>    | <b>2018/19</b>              |                             |
|-----------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Exp.</b><br><b>£'000</b> | <b>Inc.</b><br><b>£'000</b> |                           | <b>Exp.</b><br><b>£'000</b> | <b>Inc.</b><br><b>£'000</b> |
| 30,426                      | (1,539)                     | Cardiff Council           | 28,423                      | (1,559)                     |
| 19,232                      | (1,149)                     | Rhondda Cynon Taf CBC     | 20,264                      | (1,318)                     |
| 10,581                      | (625)                       | Bridgend CBC              | 11,335                      | (749)                       |
| 9,403                       | (584)                       | Vale of Glamorgan Council | 10,168                      | (711)                       |
| 4,639                       | (259)                       | Merthyr Tydfil CBC        | 4,880                       | (266)                       |

Welsh Government exerts significant influence through legislation and grant funding. The main grants received are shown in Note 9.1.

All cash transactions are administered by the host authority, Rhondda Cynon Taf CBC, as the Consortium does not operate its own bank account. At 31<sup>st</sup> March 2019, RCT CBC owed the Consortium £21,224k relating to these cash transactions (RCT CBC owed the Consortium £12,275k as at 31<sup>st</sup> March 2018). During 2018/19, Central South Consortium was charged £122k by

Rhondda Cynon Taf CBC in respect of Central Establishment Charges (included in the table above, £118k in 2017/18).

Pension contributions are made to both the Rhondda Cynon Taf Pension Fund and the Teachers' Pension Agency, in respect of Joint Committee employees. See notes 19.0 and 20.0 for further information.

Interests of elected Members of the Joint Committee are maintained in a register held by their own Local Authority. Records of interests of Senior Officers are maintained by the Consortium. The following transactions occurred with related parties (by virtue of elected Member interest in them) with whom the Joint Committee has had dealings:

| Organisation                       | 2017/18   |           | 2018/19    |          |
|------------------------------------|-----------|-----------|------------|----------|
|                                    | Expend    | Income    | Expend     | Income   |
|                                    | £'000     | £'000     | £'000      | £'000    |
| Welsh Joint Education Committee    | 0         | 11        | 0          | 0        |
| Welsh Local Government Association | 0         | 9         | 0          | 0        |
| Coleg y Cymoedd                    | 1         | 1         | 40         | 0        |
| Cardiff Metropolitan University    | 0         | 0         | 2          | 0        |
| Cardiff University                 | 70        | 10        | 87         | 0        |
| Merthyr Tydfil College             | 1         | 0         | 0          | 0        |
| <b>Total</b>                       | <b>72</b> | <b>31</b> | <b>129</b> | <b>0</b> |

The table above does not include payments to/from the Local Authorities or schools within the Consortium, as they are included elsewhere within the notes.

### 11.0 Audit Fees

| 2017/18<br>£'000 |  | 2018/19<br>£'000 |
|------------------|--|------------------|
| 17               | Fees payable to the Auditor General for Wales in respect of external audit | 18               |

### 12.0 Inventories

Inventories consist of food stock in respect of the restaurant.

| 2017/18<br>£'000 |   | 2018/19<br>£'000 |
|------------------|---|------------------|
| 1                | <b>Balance as at 1<sup>st</sup> April</b> | <b>1</b>         |
| 33               | Purchases                                 | 1                |
| (32)             | Recognised as an Expense in the Year      | (2)              |
| (1)              | Written Off                               | 0                |

|          |  |          |
|----------|--|----------|
| <b>1</b> | <b>Balance as at 31<sup>st</sup> March</b> | <b>0</b> |
|----------|--|----------|

The Joint Committee holds no inventory as at 31<sup>st</sup> March 2019 due to cessation of restaurant facilities during financial year 2018/19.

### **13.0 Leases**

The Joint Committee uses general office equipment which is financed under the terms of an operating lease. Operating lease rentals paid to lessors in 2018/19 totalled £2k (£2k in 2017/18).

A long term lease arrangement totalling £128k in 2018/19 (annualised cost of £220k) exists between the Joint Committee and Rhondda Cynon Taf CBC in relation to office accommodation at the Valleys Innovation Centre.

The Joint Committee holds no assets on Finance Leases.

### **14.0 Long Term Debtors**

The Joint Committee has incurred redundancy costs that have been funded from the Local Authorities' annual contributions at £100k a year. This arrangement was scheduled to run until 2025/26. On the 15<sup>th</sup> March 2018 Joint Committee approved an alternative approach to the funding of outstanding redundancy costs. A debtor has been recognised for the amount outstanding at the year-end: £129k in Long Term Debtors at 31<sup>st</sup> March 2019 (£737k at 31<sup>st</sup> March 2018) and £129k in Short Term Debtors (£100k at 31<sup>st</sup> March 2018). £129k is included in the Host Authority balance for short term debtor in relation to redundancy costs.

### **15.0 Short Term Debtors**

An analysis of Short Term Debtors in the Balance Sheet is as follows:

| <b>31/03/18<br/>£'000</b> |  | <b>31/03/19<br/>£'000</b> |
|---------------------------|--|---------------------------|
| 12,275                    | Host Authority (inc. short term debtor applicable to redundancy costs) | 21,353                    |
| 8                         | Local Authorities and Schools  | 11                        |
| 10,985                    | Central Government Bodies  | 12                        |
| 61                        | Other Entities and Individuals   | 13                        |
| <b>23,329</b>             |  | <b>21,389</b>             |
| (1)                       | Provision for Bad Debt   | 0                         |
| <b>23,328</b>             | <b>Balance as at 31<sup>st</sup> March</b>                             | <b>21,389</b>             |

All cash transactions are administered by Rhondda Cynon Taf CBC as the Central South Consortium does not operate its own bank account. The Host



Authority debtor includes the 'cash' balance owed to the Consortium by Rhondda Cynon Taf CBC.

## 16.0 Creditors

An analysis of Short Term Creditors in the Balance Sheet is as follows:

| <b>31/03/18<br/>£'000</b> |  | <b>31/03/19<br/>£'000</b> |
|---------------------------|--|---------------------------|
| (22,632)                  | Local Authorities and Schools              | (20,238)                  |
| (76)                      | Central Government Bodies                  | (80)                      |
| (695)                     | Other                                      | (762)                     |
| (68)                      | Employee Absences Accrual                  | (22)                      |
| <b>(23,471)</b>           | <b>Balance as at 31<sup>st</sup> March</b> | <b>(21,102)</b>           |

## 17.0 Movement on Usable Reserves

|   | <b>General<br/>Reserves<br/>£'000</b> | <b>Earmarked<br/>Reserves<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|---------------------------------------|---|------------------------|
| Balance as at 1 <sup>st</sup> April 2018        | 136                                   | 527                                     | 663                    |
| Increase/(Decrease)                             | 1                                     | (226)                                   | (225)                  |
| <b>Balance as at 31<sup>st</sup> March 2019</b> | <b>137</b>                            | <b>301</b>                              | <b>438</b>             |

## 17.1 General Reserves

The General Reserves is a distributable revenue reserve, which consists of the accumulated surpluses of the Consortium's operations.

|   | <b>Total<br/>£'000</b> |
|---|------------------------|
| Balance as at 1 <sup>st</sup> April 2018        | 136                    |
| Increase/(Decrease) 2018/19                     | 1                      |
| <b>Balance as at 31<sup>st</sup> March 2019</b> | <b>137</b>             |

## 17.2 Earmarked Reserves

This note sets out the amounts set aside from the General Reserve balance in earmarked reserves to provide financing for future expenditure. All earmarked reserves are deemed to be revenue reserves.

|                        | <b>Balance<br/>at<br/>31/03/18<br/>£'000</b> | <b>Transfers<br/>Out<br/>£'000</b> | <b>Transfers<br/>In<br/>£'000</b> | <b>Balance<br/>at<br/>31/03/19<br/>£'000</b> |
|------------------------|--|------------------------------------|-----------------------------------|--|
| Revenue Grant Reserves | 397  | (397)                              | 212                               | 212  |

|                               |            |              |            |            |
|-------------------------------|------------|--------------|------------|------------|
| Funding for Specific Projects | 130        | (65)         | 24         | 89         |
| <b>Total</b>                  | <b>527</b> | <b>(462)</b> | <b>236</b> | <b>301</b> |

## 18.0 Movements on Unusable Reserves

| Reserve   | Pension Reserve | Short-Term Acc Comp Absence Account | Total      |
|---|-----------------|-------------------------------------|------------|
|   | £'000           | £'000                               | £'000      |
| Balance as at 1 <sup>st</sup> April 2018        | (346)           | (68)                                | (414)      |
| Increase / (Decrease)                           | 647             | 46                                  | 693        |
| <b>Balance as at 31<sup>st</sup> March 2019</b> | <b>301</b>      | <b>(22)</b>                         | <b>279</b> |

### 18.1 Pension Reserve

The Pension Reserve is the balancing account to offset the inclusion of Pension Asset in the Balance Sheet as required by IAS 19 "Employee Benefits". See note 19.0 for further information.

### 18.2 Short-Term Accumulating Compensated Absences Account

The Short-Term Accumulating Compensated Absences Account absorbs the differences that would otherwise arise on the Consortium's Reserves from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31<sup>st</sup> March 2019.

## 19.0 Retirement Benefits – Defined Benefit Schemes

### 19.1 Participation in Pension Schemes

As part of their terms and conditions, the employees of Central South Consortium are offered retirement benefits by the Joint Committee. Although these benefits will not be payable until retirement, the Joint Committee has a commitment to make these payments. The liability for these payments needs to be accounted for at the time future entitlement is earned.

The Joint Committee participates in two pension schemes:

- Teachers – Please refer to note 20.0.
- Other employees – The Local Government Pension Scheme administered by Rhondda Cynon Taf CBC. This is a funded defined benefit salary scheme, meaning that the Joint Committee and participants pay contributions into the Fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension

costs that are charged to the Joint Committee's accounts are defined by IAS 19 "Employee Benefits".

## 19.2 Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Account when earned by employees, rather than when benefits are actually paid as pensions. However, the charge required to be made to the General Reserves is based on the cash payable in the year. The difference is reversed out in the Movement in Reserves Statement. The following transactions have been posted in the year:

| <b>Comprehensive Income and Expenditure Account</b>   | <b>2017/18<br/>£'000</b> | <b>2018/19<br/>£'000</b> |
|---|--------------------------|--------------------------|
| Cost of Services:   |                          |                          |
| Current Service Cost  | 985                      | 924                      |
| Past Service Cost   | 129                      | 95                       |
| Settlements and curtailments  | 0                        | 0                        |
| <i>Financing and Investment Income and Expenditure</i>  |                          |                          |
| Net Interest Expense  | (4)                      | 3                        |
| <b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>   | <b>1,110</b>             | <b>1,022</b>             |
| <i>Remeasurement of the Net Defined Benefit Liability Comprising:</i>   |                          |                          |
| Return on Plan Assets (Excluding the Amount included in the Net Interest Expense)   | (530)                    | (1,726)                  |
| Actuarial (Gains) and Losses Arising on Liabilities – Demographic Assumptions   | 0                        | (978)                    |
| Actuarial (Gains) and Losses Arising on Liabilities – Financial Assumptions   | 448                      | 1,460                    |
| Actuarial (Gains) and Losses Arising on Liabilities – Experience  | 114                      | 36                       |
| Net increase in liabilities from disposals / acquisitions   | (683)                    | 0                        |
| <b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>  | <b>459</b>               | <b>(186)</b>             |
| <i>Movement in Reserves Statement</i>   |                          |                          |
| Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for Post Employment Benefits in Accordance with the Code | (1,110)                  | (1,022)                  |
| <i>Actual Amount Charged Against the General Fund Balance for Pensions in the Year:</i>   |                          |                          |
| Employers' Contributions Payable to Scheme  | 564                      | 461                      |

The total remeasurement of the Net Defined Benefit Liability recognised in Other Comprehensive Income and Expenditure to the 31<sup>st</sup> March 2019 is a gain of £1,208k (£651k gain in 2017/18).

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure statement to the year ending 31<sup>st</sup> March 2019 is a gain of £1,538k (£330k gain in 2017/18).

The figures above do not include allowance for any membership (or associated assets) relating to members who have joined the employer but have not yet exercised their option to link their past service rights to their current employment.

### 19.3 Reconciliation of Present Value of the Scheme Liabilities

|   | 2017/18<br>£'000 | 2018/19<br>£'000 |
|---|------------------|------------------|
| Opening balance at 1 <sup>st</sup> April                                      | 22,399           | 23,840           |
| Current Service Cost  | 985              | 924              |
| Interest Cost on Defined Obligation   | 572              | 614              |
| Contributions by Scheme Participants  | 289              | 268              |
| <i>Remeasurement Gains and (Losses):</i>                                      |                  |                  |
| Actuarial Gains and (Losses) Arising on Liabilities – Demographic Assumptions | 0                | (978)            |
| Actuarial Gains and (Losses) Arising on Liabilities – Financial Assumptions   | 448              | 1,460            |
| Actuarial Gains and (Losses) Arising on Liabilities – Experience              | 114              | 36               |
| Benefits Paid   | (1,096)          | (706)            |
| Past Service Costs  | 129              | 95               |
| <b>Carried Forward at 31<sup>st</sup> March</b>                               | <b>23,840</b>    | <b>25,553</b>    |

### 19.4 Reconciliation of Fair Value of the Scheme Assets

|  | 2017/18<br>£'000 | 2018/19<br>£'000 |
|--|------------------|------------------|
| Opening balance at as at 1 <sup>st</sup> April                                       | 21,948           | 23,494           |
| Interest Income  | 576              | 611              |
| <i>Remeasurement Gains and (Losses)</i>  |                  |                  |
| The Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense | 530              | 1,726            |
| Employer Contributions   | 564              | 461              |
| Contributions by Scheme Participants   | 289              | 268              |
| Benefits paid  | (1,096)          | (706)            |
| Net increase in assets from disposals/acquisitions                                   | 683              | 0                |
| <b>Carried Forward as at 31<sup>st</sup> March</b>                                   | <b>23,494</b>    | <b>25,854</b>    |

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £2,337k (£1,106k gain in 2017/18).

### 19.5 Scheme History

|                                     | <b>2017/18</b> | <b>2018/19</b> |
|-------------------------------------|----------------|----------------|
|                                     | <b>£'000</b>   | <b>£'000</b>   |
| Present Value of Defined Obligation | (23,840)       | (25,553)       |
| Fair Value of Plan Assets           | 23,494         | 25,854         |
| <b>Surplus / (Deficit)</b>          | <b>(346)</b>   | <b>301</b>     |

The assets/liabilities show the underlying commitments that the Joint Committee has in the long run to pay retirement benefits. The total asset of £301k has a substantial impact on the net worth of the Joint Committee as recorded in the Balance Sheet.

The surplus on the local government scheme may be recovered in the form of reduced future service contributions.

### 19.6 Local Government Pension Scheme Assets

Local Government Pension Scheme Assets investments as at 31<sup>st</sup> December 2018 (full scheme not Central South Consortium element) are comprised as follows:

|                             | <b>Fair Value of Scheme Assets</b> |                  |
|-----------------------------|------------------------------------|------------------|
|                             | <b>2017/18</b>                     | <b>2018/19</b>   |
|                             | <b>£'000</b>                       | <b>£'000</b>     |
| UK Equities                 | 657,668                            | 345,524          |
| Overseas Equities           | 1,775,137                          | 1,726,196        |
| UK Fixed Interest Gilts     | 274,407                            | 407,756          |
| UK Corporate Bonds          | 276,825                            | 336,260          |
| Overseas Government Bonds   | 2,735                              | 25,109           |
| Overseas Corporate Bonds    | 29,407                             | 36,166           |
| Property                    | 175,043                            | 221,127          |
| Cash and net current assets | 61,066                             | 113,635          |
| <b>Total</b>                | <b>3,252,288</b>                   | <b>3,211,773</b> |

### 19.7 Basis for Estimating Assets & Liabilities

#### Roll-forward of Assets

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid half way through the period and accrue half of the Fund investment return over the period.

### Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits.
- The financial and demographic assumptions adopted at the year-end.
- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits.
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

|  | 31/03/18 | 31/03/19 |
|--|----------|----------|
| Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate) | 4.5%     | 4.5%     |
| Mortality Assumptions:   |          |          |
| Longevity at 65 for current pensioners:  |          |          |
| Men  | 22.9     | 22.2     |
| Women  | 25.0     | 24.1     |
| Longevity at 65 for future pensioners:   |          |          |
| Men  | 25.1     | 23.9     |
| Women  | 27.3     | 25.9     |
| RPI Inflation  | 3.2%     | 3.3%     |
| CPI Inflation  | 2.1%     | 2.2%     |
| Rate of Increase in Salaries   | 3.35%    | 3.45%    |
| Rate of Increase in Pensions   | 2.1%     | 2.2%     |
| Rate for discounting scheme liabilities  | 2.6%     | 2.4%     |
| Take-up of Option to Convert Annual Pension into Retirement Lump Sum:                      |          |          |
| Post-2010 Service  | 80%      | 80%      |

|                  |     |     |
|------------------|-----|-----|
| Pre-2010 Service | 80% | 80% |
|------------------|-----|-----|

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

|  | Increase in Assumption<br>£'000 | Decrease in Assumption<br>£'000 |
|--|---------------------------------|---------------------------------|
| Longevity<br>(Increase or Decrease in 1 Year)                          | 826                             | (817)                           |
| Rate of Increase in Salaries (increase or decrease by 0.1%)            | 117                             | (116)                           |
| Rate of Increase in Pensions (increase or decrease by 0.1%)            | 390                             | (384)                           |
| Rate for Discounting Scheme Liabilities (increase or decrease by 0.1%) | (498)                           | 508                             |

### **19.8 Contributions for the Accounting Period ending 31<sup>st</sup> March 2020**

The Employer's regular contributions to the Fund for the accounting period ending 31<sup>st</sup> March 2020 are estimated to be £343k (£415k as at 31<sup>st</sup> March 2019).

### **20.0 Retirement Benefits – Defined Contribution Scheme**

Staff employed on Teachers terms and conditions are members of the Teachers' Pension Scheme. The scheme provides teachers with specified benefits upon their retirement and the Joint Committee contributes towards the costs by making contributions based upon a percentage of members' pensionable salary.

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 employer's contribution rate paid by local authorities. The Council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2018/19, the Joint Committee paid £73k to the Teachers' Pension Fund in respect of teachers' retirement benefits, representing 16.48% of pensionable pay (£66k was paid in 2017/18 representing 16.48% of pensionable pay). There were no contributions remaining payable at the year-end.

## **21.0 Contingent Liabilities**

The Net Pensions Asset / Liability in the Balance Sheet does not include the potential impact of:

- McCloud judgement
- Cost management process
- GMP equalisation and indexation, beyond indexation for members reaching State Pension Age before 5<sup>th</sup> December 2018.

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the “Cost Management Process”. HM Treasury and the SAB have paused their reviews following the “McCloud” judgement in the Court of Appeal which found that the transitional protection arrangements put in place when firefighters’ and judges’ pension schemes were reformed were age discriminatory. This potentially could have implications for other public sector schemes that were reformed around the same time (including the LGPS) and could potentially lead to members deemed to be discriminated against being compensated. The Government has appealed to the Supreme Court for permission to appeal this judgement.

Due to the uncertainty of the conclusion of the legal process and also the uncertainty of how members of the LGPS could be compensated, no provision has been made.

The Cost Management process will not recommence until the final outcome of the McCloud judgement is known. Therefore no allowance has been made in the disclosures for the outcome of this process.

On 26<sup>th</sup> October 2018, the High Court ruled in the case of Lloyds bank that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty “to equalise benefits for men and women”. HM Treasury have stated that “public sector schemes already have a method to equalise GMP benefits, which is why we will not have to change our method as a result of this judgement”.

No amounts are recognised in the financial statements as it is not probable that an outflow of resources will be required for the above issues and neither can the potential obligation be measured with sufficient reliability.

## **22.0 Events after the Balance Sheet Date**

The draft, unaudited Statement of Accounts will be authorised for issue by the Director of Finance and Digital Services, as Chief Finance Officer, following approval by the Joint Committee. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31<sup>st</sup>



March 2019, the figures in the financial statements and notes have been adjusted in all materials respects to reflect the impact of this information. There are no events that took place after 31<sup>st</sup> March 2019 requiring disclosure providing information that is relevant to an understanding of the Central South Consortium's financial position.

### **23.0 Reconciliation of Comprehensive Income and Expenditure Account to Cash flow**

| <b>2017/18<br/>£'000</b> |   | <b>2018/19<br/>£'000</b> |
|--------------------------|---|--------------------------|
| 316                      | (Surplus)/Deficit on the Provision of Services  | 741                      |
| (5,966)                  | (Increase)/Decrease in Creditors                | 2,369                    |
| (75)                     | Increase/(Decrease) in Debtors                  | (11,497)                 |
| 0                        | Increase/(Decrease) in Inventories              | (1)                      |
| (546)                    | IAS 19 Transactions                             | (561)                    |
| <b>(6,271)</b>           | <b>Cash (Inflow)/Outflow from Revenue Items</b> | <b>(8,949)</b>           |

### **24.0 Officers' Remuneration**

During 2018/19, the Consortium paid 89 employees on average every month (103 in 2017/18). Over the year, salary payments totalled £4,250k (excluding employer's national insurance and pension contributions) (£4,310k in 2017/18).

Under the Accounts and Audit (Wales) Regulations 2014, the Joint Committee must disclose in their accounts the number of employees (excluding specific senior employees who are shown in Note 24.1) whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding pension contributions). The disclosure includes redundancy payments.

The following salary payments were made within the categories specified:

| <b>Remuneration<br/>Band</b> | <b>2017/18</b>          |                         |              | <b>2018/19</b>          |                         |              |
|------------------------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|--------------|
|                              | <b>No. of Employees</b> |                         |              | <b>No. of Employees</b> |                         |              |
|                              | <b>At<br/>31/03/18</b>  | <b>Left in<br/>Year</b> | <b>Total</b> | <b>At<br/>31/03/19</b>  | <b>Left in<br/>Year</b> | <b>Total</b> |
| £60,000 - £64,999            | 11                      | 0                       | 11           | 11                      | 0                       | 11           |
| £65,000 - £69,999            | 4                       | 0                       | 4            | 5                       | 1                       | 6            |
| £70,000 - £74,999            | 1                       | 0                       | 1            | 1                       | 0                       | 1            |
| £75,000 - £79,999            | 0                       | 0                       | 0            | 0                       | 0                       | 0            |
| £80,000 - £84,999            | 1                       | 0                       | 1            | 0                       | 0                       | 0            |
| £85,000 - £89,999            | 0                       | 0                       | 0            | 1                       | 0                       | 1            |
| £90,000 - £94,999            | 1                       | 0                       | 1            | 0                       | 0                       | 0            |

|                     |           |          |           |           |          |           |
|---------------------|-----------|----------|-----------|-----------|----------|-----------|
| £95,000 - £99,999   | 0         | 0        | 0         | 0         | 0        | 0         |
| £100,000 - £104,999 | 0         | 0        | 0         | 0         | 0        | 0         |
| £105,000 - £109,999 | 0         | 0        | 0         | 0         | 0        | 0         |
| £110,000 - £114,999 | 0         | 0        | 0         | 0         | 0        | 0         |
| £115,000+           | 0         | 1        | 1         | 0         | 0        | 0         |
| <b>Total</b>        | <b>18</b> | <b>1</b> | <b>19</b> | <b>18</b> | <b>1</b> | <b>19</b> |

## 24.1 Senior Officers

The following table sets out the remuneration for specific Senior Officers whose salary is less than £150k but greater than £60k. There are no Senior Officers whose salary is greater than £150k. Employer pension contributions and compensatory payment in relation to loss of employment are included.

| Post Holder Information  | 2018/19 |                          |                                     |                                  |            |
|--|---------|--------------------------|-------------------------------------|----------------------------------|------------|
|  | Salary  | Taxable Benefits in Kind | Compensation for loss of employment | Employer's Pension Contributions | Total      |
|  | £'000   | £'000                    | £'000                               | £'000                            | £'000      |
| Managing Director (up to 31/12/2018)   | 114     | 0                        | 43                                  | 9                                | <b>166</b> |
| Acting Managing Director (from 1/01/2019) / Senior Lead – Business & Operations (up to 31/12/2018) | 90      | 0                        | 0                                   | 10                               | <b>100</b> |
| Senior Lead – Standards & Improvement Planning   | 82      | 0                        | 0                                   | 9                                | <b>92</b>  |
| Senior Lead – Teaching & Learning Experiences  | 81      | 0                        | 0                                   | 0                                | <b>81</b>  |
| Senior Lead – Strategy, Leadership & Workforce Reform (up to 18/11/2018)                           | 42      | 0                        | 0                                   | 4                                | <b>46</b>  |
| Temporary Assistant Managing Director (from 1/01/2019)   | 18      | 0                        | 0                                   | 0                                | <b>18</b>  |

The salary for the Director of Finance and Digital Services, who signs the accounts on page 14, is not included in this note as the post-holder is a senior officer of the Host Authority rather than the Consortium itself.

The comparative figures for 2017/18 are shown in the following table:

| Post Holder Information                                  | 2017/18 |                          |                                     |                                 |       |
|--|---------|--------------------------|-------------------------------------|---------------------------------|-------|
|  | Salary  | Taxable Benefits in Kind | Compensation for loss of employment | Employer's Pension Contribution | Total |
|  | £'000   | £'000                    | £'000                               | £'000                           | £'000 |
| Managing Director  | 104     | 0                        | 0                                   | 13                              | 117   |
| Senior Officer – Business & Operations                   | 66      | 0                        | 0                                   | 8                               | 74    |
| Senior Officer – Strategy, Leadership & Workforce Reform | 64      | 0                        | 0                                   | 7                               | 71    |
| Senior Officer – Teaching & Learning Experiences         | 114     | 0                        | 0                                   | 0                               | 114   |

## 25.0 Severance Costs

This note provides details of the cost of severance to the Consortium in respect of employees who have left the employment of the Consortium during the financial year (costs do not reflect the value of the severance received by the individual as it includes pension strain). All costs are in line with the relevant and applicable scheme of termination and as required under relevant Pension Fund Regulations where applicable.

The number and costs (in bandings) of compulsory and other terminations are set out in the table below.

| Severance Cost Band | Number of Compulsory Terminations |          | Number of Other Terminations |          | Total Number of Terminations |          | Total Severance Cost |            |
|---------------------|-----------------------------------|----------|------------------------------|----------|------------------------------|----------|----------------------|------------|
|                     | £000s                             |          |                              |          |                              |          |                      |            |
|                     | 17/18                             | 18/19    | 17/18                        | 18/19    | 17/18                        | 18/19    | 17/18                | 18/19      |
| £0 - £20,000        | 0                                 | 3        | 0                            | 1        | 0                            | 4        | 0                    | 45         |
| £20,001 - £40,000   | 0                                 | 1        | 0                            | 1        | 0                            | 2        | 0                    | 58         |
| £40,001 - £60,000   | 0                                 | 2        | 0                            | 1        | 0                            | 3        | 0                    | 147        |
| £60,001 - £80,000   | 0                                 | 0        | 0                            | 0        | 0                            | 0        | 0                    | 0          |
| £80,001 - £100,000  | 0                                 | 0        | 0                            | 0        | 0                            | 0        | 0                    | 0          |
| £100,001 - £150,000 | 0                                 | 0        | 0                            | 0        | 0                            | 0        | 0                    | 0          |
| £150,001 - £200,000 | 0                                 | 0        | 1                            | 0        | 1                            | 0        | 162                  | 0          |
| <b>Total</b>        | <b>0</b>                          | <b>6</b> | <b>1</b>                     | <b>3</b> | <b>1</b>                     | <b>9</b> | <b>162</b>           | <b>250</b> |

## 26.0 Interest

Interest is accrued daily on the personal account balance due from Rhondda Cynon Taf CBC.

| 2017/18<br>£'000 | 2017/18<br>Interest<br>rate<br>% |  | 2018/19<br>£'000 | 2018/19<br>Interest<br>rate<br>% |
|------------------|----------------------------------|--|------------------|----------------------------------|
| (2)              | 0.20                             | Interest on Personal Account Balance (Received) & Similar Income | (13)             | 0.46                             |
| <b>(2)</b>       |                                  |  | <b>(13)</b>      |                                  |

## CENTRAL SOUTH CONSORTIUM

### DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19

#### 1. **SCOPE OF RESPONSIBILITY**

1.1 The Central South Consortium is a Joint Education Service commissioned by five Local Authorities namely:

- Bridgend CBC;
- Cardiff CBC;
- Merthyr Tydfil CBC;
- Rhondda Cynon Taf CBC; and
- Vale of Glamorgan CBC.

The responsibilities of the Central South Consortium combined, cover the needs of 391 schools and approximately 147,697 pupils in the region.

1.2 In January 2014, Central South Wales Challenge was launched with the aim of raising standards across all schools within the Region and to stimulate the sharing of expertise amongst schools and joint efforts to innovate to:

- Improve the performance of every school;
- Increase the numbers of good and excellent schools;
- Reduce the gap between high and low performing groups of learners; and
- Improve outcomes for vulnerable groups of pupils.

Subsequently the Central South Wales Challenge has developed and is summarised by the following strategies:

- School Improvement Groups (SIGs);
- School to school brokered support;
- Hubs and Pioneer Schools Programme; and
- Leadership & Peer Enquiry.

During 2018-19 this also included the development of the work of clusters.

1.3 Rhondda Cynon Taf County Borough Council is responsible for ensuring that its business and that of the Joint Education Committee, for which it has administrative responsibility, 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.

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

- 1.5 The Annual Governance Statement of the Central South Consortium aims to provide an accurate representation of the governance arrangements in place for financial year ending 31<sup>st</sup> March 2019.

## 2. **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems, processes and cultural values by which the Consortium is directed and controlled, and the activities through which it accounts to and engages with stakeholders. It enables the Consortium to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Consortium's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The Consortium has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control. The assessment is informed by the work conducted by external agencies and internal arrangements, including performance management arrangements.
- 2.5 The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the Central South Consortium for the year ended 31<sup>st</sup> March 2019 (and up to the date of approval of the 2018/19 Statement of Accounts).

## 3. **THE GOVERNANCE FRAMEWORK**

- 3.1 The Consortium has used the *Delivering Good Governance in Local Government: Framework (2016)* in compiling its Annual Governance Statement. The Framework comprises two Core Principles and five Supporting Principles:

### Core principles

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- Ensuring openness and comprehensive stakeholder engagement.

### Supporting Principles

- Defining outcomes in terms of sustainable economic, social and environmental benefits;

- Determining the interventions necessary to optimise the achievement of the intended outcomes;
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it;
  - Managing risks and performance through robust internal control and strong public financial management; and
  - Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- 3.2 The Core Principles permeate implementation of the Supporting Principles with the need for the Consortium to be committed to improving governance on a continual basis through a process of evaluation and review.
- 3.3 The Consortium has applied these principles to structure its Annual Governance Statement for financial year ending 31<sup>st</sup> March 2019 and to assess the arrangements in place.
- 3.4 The Consortium has a range of governance arrangements in place, in line with the Delivering Good Governance in Local Government: framework, many of which are set out in the Consortium's legal agreements. Table 1 provides examples of the key systems, processes and documents in place within the Consortium during 2018/19

| <b>Good Governance Principles</b>   | <b>Examples of key systems, processes and documents in place within the Consortium</b>  |
|---|---|
| Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law | <ul style="list-style-type: none"> <li>• <a href="#">Rules of Procedure</a> – covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules. The rules set out arrangements to be followed by elected Councillors and Officers when conducting the Consortium's business with the aim of publicly demonstrating accountability and openness.</li> <li>• <a href="#">Whistle-blowing Policy</a> – promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Consortium.</li> <li>• Anti-fraud, Bribery &amp; Corruption Strategy.</li> <li>• Gifts and hospitality Policy.</li> <li>• <a href="#">Comments, Compliments and Complaints</a> – setting out how the Council / Consortium handles and responds to the feedback (complaints, compliments and comments).</li> <li>• Officer Guide.</li> <li>• HR Charter.</li> </ul> |
| Ensuring Openness and comprehensive   | <ul style="list-style-type: none"> <li>• Forward plans for committee meetings together with the matters to be considered, where appropriate.</li> </ul>   |

|  |   |
|--|---|
| stakeholder engagement   |   |
| Defining outcomes in terms of sustainable economic, social and environmental benefits                      | <ul style="list-style-type: none"> <li>• Performance Management Framework.</li> <li>• Business Plan and Operational Delivery Plans.</li> <li>• Quarterly Performance Reports to Joint Committee (including Risk Register up dates).</li> <li>• Risk Management Strategy.</li> <li>• Annual Revenue Budget Strategy.</li> <li>• Medium Term Financial Plan.</li> </ul> |
| Determining the interventions necessary to optimise the achievement of the intended outcomes               | <ul style="list-style-type: none"> <li>• Scrutiny Committees.</li> <li>• Challenge and Review sessions with Welsh Government.</li> </ul>  |
| Developing the entity's capacity, including the capability of its leadership and the individuals within it | <ul style="list-style-type: none"> <li>• Business Plan &amp; Outcomes Framework</li> <li>• HR Charter.</li> <li>• Schemes of Delegation.</li> <li>• Self-evaluation Report.</li> <li>• Outcomes Framework Progress Report.</li> </ul>   |
| Managing risks and performance through robust internal control and strong public financial management      | <ul style="list-style-type: none"> <li>• Risk Management Strategy.</li> <li>• Quarterly Performance Report (including Risk Register up dates).</li> <li>• An Internal Audit function.</li> <li>• Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.</li> <li>• Medium Term Financial Plan.</li> </ul>                            |
| Implementing good practices in transparency, reporting and audit to deliver effective accountability       | <ul style="list-style-type: none"> <li>• Statement of Accounts.</li> <li>• Annual Governance Statement.</li> <li>• Production of reports on key areas of business.</li> <li>• Internal Audit.</li> </ul>  |

### 3.5 Legal Agreement

On the 20<sup>th</sup> April 2015 all parties entered into and signed a revised legal agreement which superseded all previous legal agreements between the Partners. This agreement consolidated the legal arrangements relevant to the Central South Consortium into one Agreement. From this point forward within the Annual Governance Statement, reference will be made to the 'Legal Agreement'.

3.5.1 The Legal Agreement for the Joint Education Service provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:



- The Host Authority;
- The Directors' Steering Group;
- The Advisory Board;
- Operational Management Group;
- Central South Consortium Joint Education Committee; and
- Financial Management.

### 3.6 **The Host Authority**

The Legal Agreement formally assigns Rhondda Cynon Taf County Borough Council as the Host Authority for the Central South Consortium. Rhondda Cynon Taf County Borough Council provides all support services (save for the day to day administration undertaken by staff in accordance with their duties) required, including but not limited to:

- Financial (Section 151 Officer as defined by section 151 of the Local Government Act 1972, Accounts, Payroll, Creditors, Debtors, Insurance);
- Human Resources;
- Health & Safety;
- Legal;
- ICT;
- Estates;
- ICT;
- Internal Audit; and
- Procurement.

The costs of which are charged to the Central South Consortium Joint Education Committee through Service Level Agreements.

- 3.7 The Constitution of Rhondda Cynon Taf County Borough Council, which has the financial stewardship of the Central South Consortium, allocates functions and responsibility within the Authority. It also regulates the behaviour of individuals (Members & Officers) and groups through codes of conduct, protocols and rules of procedure. All functions undertaken by the Central South Consortium should be done so in accordance with all relevant Policies and Procedure Rules of Rhondda Cynon Taf County Borough Council.

### 3.8 **Officer Conduct**

To ensure a consistent approach to working practices and processes, all officers are subject to the terms and conditions of employment (which are based on Rhondda Cynon Taf County Borough Council's operating terms and conditions) as follows:

- Staff appointed to undertake responsibilities on behalf of the Central South Consortium since October 2012, are employed / contracted on the standard terms and conditions of employment of the Host.

- Staff appointed who were previously employed by any of the five partner local authorities prior to October 2012, were upon appointment transferred onto the standard terms and conditions of the Host or if matched to a role, given the option if they so wished to retain the terms and conditions of their home authority.

Regardless of which terms and conditions officers are employed upon, all officers are subject to a common set of operating Employment Policies based on the Host's operating policies and procedures.

#### 4. **ASSESSING THE CONSORTIUM'S GOVERNANCE ARRANGEMENTS**

4.1 In line with the Core and Supporting Principles of the Framework, the approach taken to assess the Consortium's arrangements has been to:

- Set out a brief description of the arrangements and procedures in place together with the key outcomes the Consortium is aiming to achieve;
- Examine and document the main activities that have taken place around these areas, taking account of supporting evidence from the Consortium's internal processes and Wales Audit Office reports published on the Consortium;
- Form a view on the extent to which the activities comply with the procedures in place; and
- Make proposals for improvement, where appropriate, together with recommended timescales for implementation and responsible officers.

4.2 The assessment of the Consortium's governance arrangements is set out in Section 5.

#### 5. **ASSESSMENT OF GOVERNANCE ARRANGEMENTS**

##### 5.1 **PROGRESS MADE TO IMPLEMENT RECOMMENDATIONS REPORTED IN THE 2017/18 ANNUAL GOVERNANCE STATEMENT**

The 2017/18 Annual Governance Statement made 9 recommendations. An update on progress was reported to the Consortium's Joint Committee on 19 December 2018 and following consideration the Committee RESOLVED: *to note the progress that has been made to date in implementing the proposals for improvement.*

As at 31<sup>st</sup> March 2019:

- 6 recommendations had been fully completed; and

- 3 recommendations are in progress and will be completed during 2019-20.

5.1.1 It is considered that sufficient progress has been made in delivering the 2018/19 proposals for improvement with the requirement for further work to be completed in 2019/20. A detailed position statement is set out at Appendix A.

## 5.2 **BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW**

### **Behaving with integrity**

5.2.1 The Consortium follows the Host Authority Constitution which sets down how it should operate, how decisions need to be made and the procedures to be followed to ensure they are efficient, transparent and available to local people. Within the Constitution there are a number of [Rules](#)<sup>5</sup> and [Protocols](#)<sup>6</sup> that aim to ensure both elected Councillors and employees behave with integrity.

5.2.2 The Consortium has put in place procedures to be followed by the Joint Education Committee when conducting meetings and making decisions during the year to publicly demonstrate an accountable, open and honest approach. This has included considering the accuracy of 'meeting minutes'<sup>7</sup>; recording declarations of personal interest; publishing reports on RCT's website five working days prior to meetings taking place; making decisions based on evidenced based reports; and publishing the minutes of meetings. A review of a sample of Joint Education Committee meetings during the year revealed that the above mentioned procedures had been followed.

### Consortium employees

5.2.3 The CSC Legal Agreement outlines the role of Rhondda Cynon Taf County Borough Council (RCT) as the host authority. As part of this agreement, the Central South Consortium adopts the policies of RCT including an Officer Code of Conduct that has been used to create an easy to understand 'Basic Rules – A Guide for Employees' and includes information in relation to, amongst other things, expected behaviour, use of social media, appearance and attendance. The guide is available on-line for all employees.

5.2.4 All officers who started employment with the Central South Consortium were provided with a local induction and an Individual Performance Review was in place to support the personal development of officers. The overall arrangements are supported by the Human Resources Service within RCT and it was noted that progress updates were reported to SLT to ensure reviews were being undertaken on a timely basis.

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<sup>5</sup> Rules – for example, Financial and Contract Procedure Rules

<sup>6</sup> Protocols – for example, Gifts and Hospitality Policy

<sup>7</sup> Meeting minutes – a formal and agreed record of the events that took place at each meeting.

Arrangements in place to tackle potential misappropriation

- 5.2.5 [In the event that an officer decides to operate outside of the intended terms and conditions of employment, arrangements were in place for officers to “blow the whistle” through the Consortium’s Whistleblowing Policy & Procedure.](#)
- 5.2.6 In addition to the Whistleblowing arrangements, there were arrangements in place to tackle potential [fraud, bribery and corruption](#).
- 5.2.7 RCT CBC Audit Committee has overall responsibility for overseeing the governance arrangements in place in respect of whistleblowing and tackling potential fraud, bribery and corruption. Key reports received by Audit Committee during the year in respect of these arrangements were:
- [5th November 2018](#) - *Anti-Fraud, Bribery & Corruption Interim Update, including an overview of the National Fraud Initiative.*
  - [4th February 2019](#) - *Staff Survey 2018*
  - [25th March 2019](#) - two reports were presented to the RCT CBC Committee (in relation to governance arrangements):
    - [Whistleblowing Annual Report 2018/19](#); and
    - [Anti-Fraud, Bribery & Corruption Annual Report 2018/19](#).
- 5.2.8 Both reports (presented at the 25<sup>th</sup> March 2019 meeting) set out the governance arrangements in place in respect of tackling potential misappropriation and summarised the work delivered during the 2018/19 financial year. The reports also included a forward plan of targeted activity for 2019/20 that was consistent with the outcomes of the staff consultation exercise undertaken between November 2018 - December 2018 and the feedback received from Audit Committee at its meeting held on 4<sup>th</sup> February 2019.
- 5.2.9 Based on the activities undertaken to oversee the areas of whistleblowing and anti-fraud together with the work delivered to investigate, tackle and help prevent such occurrences materialising, it is concluded that the overall arrangements in place are sufficient.
- 5.2.10 Gifts and Hospitality Policy - the Consortium has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.

## Policies and Registers

A review of the Policies and Registers in place during 2018/19 identified the following:

- Progress has been made in raising awareness and understanding of Council Policies and Strategies, and all policies are adopted by the Consortium. This level of awareness and understanding will be incorporated within the revised induction arrangements for new staff within the Consortium.

## Proposal for Improvement

- 5.2.11 Policies and Strategies – Review the HR Charter and other Central South Consortium specific documentation to ensure this includes the recommendations from the revised induction arrangements published by RCT.

## **Demonstrating strong commitment to ethical values**

- 5.2.12 Ethical Values: Consortium employees - the Consortium has described what excellent behaviour looks like for each type of job, for example, '*always treat people with respect*', and this information is used to test candidates suitability for jobs at interview and is used to inform discussions managers have with their staff as part of their development.

## The Council's supply chains

The Welsh Government has issued a voluntary 'Code of Practice: Ethical Employment in Supply Chains'. The Code of Practice aims to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds. Work has taken place in RCTCBC during 2018/19 to formalise the necessary arrangements that will enable the Consortium to demonstrate conformance with the 12 Principles contained within the Code. As a result of the work delivered during 2018/19, an updated Ethical Procurement Strategy will be reported to RCT CBC scrutiny during the 2019/20 Municipal Year. Once the Strategy has been approved, there will be a requirement to produce a report for scrutiny each year, of which the Consortium will be included.

## **Respecting the rule of law**

- 5.2.13 The Managing Director position leads the Consortium's officers and chairs the Senior Leadership Team. During 2018/19, the Senior Leadership Team comprised, in addition to other key posts, the substantive senior management roles of Senior Lead Standards & Improvement Planning, Senior Lead Teaching & Learning Experiences, Senior Lead Leadership, Strategy & Workforce Reform and Senior Lead Business & Operations.

- 5.2.14 With effect from 1<sup>st</sup> January 2019, the Chief Executives agreed to the appointment of an Acting Managing Director following the previous Managing Director leaving the Consortium.

#### Proposal for Improvement

- 5.2.15 Staff survey - using the RCT CBC staff survey results (around whistle-blowing and anti-fraud, bribery and corruption), RCTCBC will deliver a targeted programme of awareness raising to those service areas identified as requiring support. A specific session will be arranged for Central South Consortium staff.

### **5.3 ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

#### Openness

- 5.3.1 Members of the Joint Education Committee are governed by the Code of Conduct of their relevant Council. The Codes of Conduct for Councillors and employees within the Constitution of the Host Authority are built on the principles of openness, transparency and honesty.

#### General Data Protection Regulation

The General Data Protection Regulation (GDPR) came into force on the 25<sup>th</sup> May 2018. The Consortium took steps to demonstrate accountability and transparency when handling and processing personal and sensitive information that it holds in respect of individuals by:

- The Consortium adopted the updated Data Protection Policy within RCT CBC.
- Formally recording the lawful basis upon which data / information is processed within suites of documents called Data Protection Registers.
- Establishing 'Privacy Notices' that are available on the Consortium's website setting out how it intends to use information and how it will deliver its services and statutory responsibilities.
- Providing elected Members with an update report on progress around implementing the requirements of GDPR on 14 June 2018.

It is considered that the publication of this information supports the Consortium in complying with the GDPR and demonstrates openness and transparency when dealing with its customers.

### Freedom of Information

The Consortium operated a Freedom of Information (FOI) Act 2000 publication scheme in accordance with legislative requirements. During 2018/19 the Consortium received 4 FOI requests and these will be reported to Joint Committee on 21 May 2019.

### Planning ahead

- 5.3.2 The Consortium consulted with stakeholders on its vision and priorities for 2019/20 and set these out in a document called 'Business Plan 2019/20'; this Plan was agreed by Joint Education Committee on 28<sup>th</sup> March 2019.
- 5.3.3 Looking ahead, it is likely that real term reductions in public sector funding levels will continue over the medium term. In recent years, the Consortium's funding has had a 5% cut in 2017/18, a 2% cut in 2018/19 with a further 5% cut in 2019/20. Within this challenging context, further reductions to core funding will necessitate the Consortium to consider the sustainability of the current operating module.

### Openness – Forward work programmes

The Consortium has in place a forward work plan of Committee meetings together with the matters to be considered, where appropriate and the 14 June 2018 Joint Committee meeting agreed and published a calendar of meetings for 2018/19 municipal year.

### Decision making and scrutiny of decisions made

- 5.3.4 The Joint Education Committee agreed the Consortium Business Plan, including the core budget and the budget for the Regional Consortia School Improvement Grant, following scrutiny of the Consortium's self-evaluation and identification of improvement priorities.
- 5.3.5 The Joint Education Committee is one of the main decision making bodies within the Consortium and throughout 2018/19 received 30 reports, 26 of which were made publicly available prior to the meetings and four were excluded from the press / public on the grounds that the items of business involved the likely disclosure of exempt information.
- 5.3.6 Key decisions were also taken by the Directors of Education from each of the local authorities at the Director Steering Group meetings.
- 5.3.7 Based on the above information it is considered that the decision making arrangements that operated during 2018/19 were open and transparent, and compliant with the Consortium's Legal Agreement.

- 5.3.8 Finally, a review of a sample of Joint Education Committee Reports for 2018/19 has confirmed that a consistent format was used.

### **Engagement with stakeholders**

- 5.3.9 **The Advisory Board** - The purpose of the Advisory Board is to support the Managing Director in ensuring that the strategies of the Central South Consortium align themselves with the needs of all Parties to raise educational standards.

The membership, decision making process, meetings and the terms of reference for the Advisory Board are documented within Schedule 2 of the Legal Agreement.

**Directors' Steering Group** – The Directors' Steering Group comprises the Directors of Education from each of the five local authorities comprising the Central South Consortium. This group is responsible for delegated decision making on behalf of each local authority.

The membership, decision making process, meetings and the terms of reference for the Director's Steering Group are documented within Schedule 2 of the Legal Agreement.

Directors and Headteacher representatives from the Delegate Head Teacher Group identified during 2018/19 the need to include Headteachers within the overall Governance model of the Central South Consortium as part of a school-led self-improving system. Although some progress has been made in this area, the Consortium is awaiting the outcomes of the review of the National Model to ensure any recommended revisions to the governance model align with the requirements of the Revised National Model.

**Senior Leadership Group** - The Group comprises the senior management team of the Central South Consortium as well as Senior Challenge Advisers for each local authority. Senior officers with strategic responsibilities are also part of the leadership group. The objective of the group is to deliver school improvement activities with the aim of raising educational standards.

The membership, decision making process, meetings and the terms of reference for all groups are documented within Schedule 3 of the Legal Agreement.

### **Central South Consortium Joint Education Service Joint Committee**

The Central South Consortium Joint Education Committee comprises of one elected Member from each Council and one officer representative with responsibility for Education from each Council.

The Joint Education Committee has the powers of each Council with reference to the provision of a Joint Education Service and its performance as set out in the Legal Agreement and guided by the Welsh Government's 'National Model for Regional working'.



The purpose of the Joint Education Committee is to be responsible for the decision making, approval of the business plan, monitoring and accountability and financial reporting of the Central South Consortium arrangements in line with its own business plan.

The membership, decision making process, meetings and the terms of reference for the Joint Education Committee are documented within Schedule 4 of the Legal Agreement.

- 5.3.10 There were a broad range of communication methods on offer to encourage stakeholders to express their views. This included social media, focus group discussions with strategy groups as well as an annual survey of schools.

### **Proposal for improvement**

- 5.3.11 Review the overall governance structure for the Consortium to ensure increased engagement in the decision making process from headteachers across the region in line with the requirements of the revised National Model for Regional Working when published and the recommendations from Joint Committee following the ISOS review

## **5.4 DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS**

### **Defining outcomes**

- 5.4.1 The Consortium's 'Business Plan 2018-2019', as approved by Joint Education Committee on the 15<sup>th</sup> March 2018, identified four improvement priorities that match with the enabling objectives of the National Mission:-
- *To develop a high-quality education profession;*
  - *To develop inspirational leaders and to facilitate them working collaboratively to raise standards;*
  - *To develop strong and inclusive schools that are committed to excellence and wellbeing; and*
  - *To deliver robust assessment, evaluation and accountability processes that support a self-improving system.*
- 5.4.2 The Consortium's Revenue Budget was approved at the 17<sup>th</sup> December 2017 Joint Committee meeting, recognising the importance of aligning resources in line with business plan priorities.
- 5.4.3 Following approval of the Business Plan and Revenue Budget, Operational Plans were put in place for each priority, in line with resources available, that detailed what outcomes were being aimed for, the actions to be delivered with timescales for delivery and performance indicators.

- 5.4.4 A review of performance indicator targets included within the Business Plan identified that there is a clear ambition for the Consortium to improve in its priority areas, and where performance is comparable with others, the ambition is for the Consortium to be either as good as or better than the Welsh average by 2020.
- 5.4.5 Throughout 2018/19 action plan progress updates have been made public through Joint Education Committee meetings that also contain information on financial performance, strategic risks and investment linked to Business Plan priorities. Monitoring arrangements have been reviewed and simplified with impact reviews embedded into the monitoring cycle.

The Outcomes Framework and progress with the Business Plan are also monitored by Welsh Government during the Challenge and Review Sessions on 21 June 2018 and 7 November 2018. During 2018/19, 97% of the Consortium's Business Plan was funded from Welsh Government Awards of Funding. The Medium Term financial plan was presented to Joint committee on 13 September 2018 and 8 November 2018.

#### **Proposal for Improvement**

- 5.4.6 Build on the medium term planning work undertaken during 2018/19 to ensure resources continue to be allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of resources. Proposals for revisions to service delivery will be discussed with Chief Executives and Directors in light of any published revisions to the National Model for Regional Working and in light of any recommendations agreed by Joint Committee following the ISOS review

Consideration will also be given to whether the business planning cycle can be more closely aligned to the budget setting process within Welsh Government.

### 5.5 **DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

#### **Determining and planning interventions**

- 5.5.1 The Consortium's Legal Agreement lays down the key requirements to be followed when setting its priorities, reporting the extent of progress made in priority areas and also the financial planning and management arrangements that support this. These include the requirement to:
- Agree the draft School Improvement Service annual revenue budget by the 31<sup>st</sup> December prior to the start of the financial year and submit to each of the Parties for approval with the business plan to be agreed by the 1<sup>st</sup> February; and

- Publish financial and performance progress updates on a termly basis during the year, which will include explanations of any variances against the profiled budget.

5.5.2 When the above requirements were reviewed for the 2018/19 financial year:

- Performance Reports were presented to the Joint Education Committee and the Local Authority Scrutiny Committees during the year, with performance reports also presented to the Minister as part of the Challenge and Review meetings. A review of information reported during the year identified that at each Joint Education Committee meeting, members were provided with updates on financial performance; progress against Business Plan priorities; and strategic risks. With specific regard to financial performance, Business Plan priority and strategic risk updates, exceptions were highlighted, explained and the corrective action to be taken included within reports.

5.5.3 Based on the above, it is considered that the information published during the year would provide opportunity for stakeholders to understand the Consortium's performance and hold it to account.

#### **Optimising achievement of intended outcomes**

5.5.4 The Consortium's Business Plan sets out how the 2% cut to the core budget was managed.

5.5.5 With this context in mind, the Consortium took steps to plan the allocation of resources and put in place arrangements to maximise its impact.

#### The allocation of resources

5.5.6 The Consortium's 2018/19 Revenue Budget Setting Report (5<sup>th</sup> December 2017) set out how the total saving requirement of 2% would be delivered.

#### Maximising impact

5.5.7 In 2018-2019<sup>[1]</sup>, Welsh Government ceased the publication of any information related to the performance of Foundation Phase, Key Stage 2, Key Stage 3 and Welsh National Tests below the National level. As a consequence of this change, information relating to the performance of Local Authorities and Regional Consortia is no longer in the public domain and as such is removed from inclusion in this section of the report.

Please note that the definition of the performance measure for Key Stage 4 Science changed in the most recent academic year and therefore direct comparisons to data for previous years are not valid.

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<sup>[1]</sup> All performance measures are as reported in the Summer Term 2018. (Academic Year 2017/18)

At KS4, with the exception of Science (please see above) all performance measures increased during the most recent academic year. The L2+ threshold for the Consortium increased by 3.1pp and now stands at 57.6%. All 5 LAs in the region saw an increase in the most recent year, with improvements ranging between 0.3pp and 5.9pp.

The gap in performance at KS4 between eFSM and non eFSM pupils in the region has increased for all performance measures, with the exception of Level 2 English, in the most recent year. Level 2 Threshold including English, Welsh and Mathematics has seen an increase in the gap in performance in the most recent year, however, this is seen against increasing performance for both groups of pupils, but non eFSM pupils have improved at a faster rate in the most recent year which has resulted in an increase of the gap. The National gap in performance seen for this performance measure is narrower than that for the region.

There is a decrease in the number of schools where less than 40% and less than 50% of pupils achieve the level 2+ threshold, compared to the previous year. The region has not yet achieved its ambition of reducing this to zero (40% or less).

5.5.8 The individual Local Authority scrutiny committees have provided review and challenge on performance results during the year, either through their own work programme arrangements or as a result of in-year performance exceptions being scrutinised in more detail.

5.5.9 A co-ordinated scrutiny group consisting of all five local authority scrutiny chairs has provided review and challenge on performance and other areas of interest identified by Members.

## 5.6 **DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

### **Developing the entity's capacity**

5.6.1 The Consortium aims to ensure that staff have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery.

The Self Evaluation report assessed the Consortium's current position and areas for improvement. This evaluation is incorporated into service level planning processes as well as ensuring alignment with national and local authority priorities.

Effectively managing the workforce – the Consortium has been required to manage reductions in staff numbers over the past few years as a result of on-going reductions in funding and at the same time:

- Continued to deliver improved performance results in priority areas (see section 5.5.7);
- Is operating a system of agile working arrangements that aims to take advantage of digital technology to help the Consortium to work in new and different ways to meet school needs, reduce costs and increase productivity. During 2018/19 the Consortium invested in further digitisation to further support improvement in productivity, work life balance and utilisation of space within the organisation. During this time the Consortium also relocated from Ty Dysgu to the Valleys Innovation Centre in order to promote more agile working and reduced conference facilities; and
- Alignment with the RCT digital strategy.

## 5.7 **Developing the capability of the entity’s leadership and other individuals**

5.7.1 The Consortium’s Legal Agreement, sets out the responsibilities of the Managing Director, the Joint Education Committee and Advisory Group (Schedule 2). A review of a sample of delegated decisions made during the year confirmed that decisions were approved by the designated Joint Education Committee members and employees.

### Developing the capabilities of councillors

5.7.2 During 2018/19 there was evidence to confirm that Councillors development needs were supported through the provision of local authority training; it was noted that the training provided related primarily to the roles of Councillors within their host authorities rather than specifically in relation to the Central South Consortium. A programme of events across the region was undertaken during May 2018 on the role and work of the Consortium to elected members in each of the local authorities.

### Developing the capabilities of employees

5.7.3 The Consortium is also committed to staff development, in line with business needs, to help ensure it has a ‘fit for purpose’ workforce. During the year this has included staff induction sessions, Leadership and Middle Management Development Programmes, Staff Briefings and a range of operational training such as Curriculum for Wales, National Mission and Professional Teaching and Learning Standards, Schools as Learning Organisations and the National Professional Learning Framework. Staff development has been supported through induction sessions, RCT Manager Briefings and a range of operational training such as safeguarding, PREVENT, information management and Wellbeing.

### **Proposal for Improvement**

5.7.4 Build on the programme of training and support for elected Members to support an understanding of the changes to performance measures and the information that will be available to scrutiny groups in light of these changes

### **5.8 MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

#### **Managing risk**

5.8.1 During 2018/19, the Consortium continued with the half termly updating of its risk change template in line with its business plan monitoring and risk policies. This information was presented to the Senior Leadership Team for approval in readiness for the new academic year.

5.8.2 This risk change template is updated by all risk owners and then presented for review by the Senior Leadership Team. This is included within the Central South Consortium dashboard on a half termly basis. Following on from this it is issued to both Directors and Joint Committee meetings for final review. During the spring term the risk change template was presented to Directors on the 8<sup>th</sup> March 2019 and Joint Committee on the 28<sup>th</sup> March 2019. Once this process is completed the risk register is finalised.

New risks were incorporated into the register during the year. For example, the Consortium recognised GDPR could be a potential risk to its day to day operations therefore, immediately added it as an action and marked as a medium risk in the Risk Register.

### **Proposal for Improvement**

5.8.3 The Consortium's risk policy has been improved with respect to the ownership of risks for the Consortium aligning in a more focussed, strategic way with the business planning approach and drive team leads. This has resulted in a reduction in the number of risks assigned to the Managing Director role. Moving into the 2019/20 business planning window, the reporting of risk will become more focussed, building on the proposal from Directors to remove the need to report on risks considered of low likelihood and impact. This will ensure that the risk change template will focus on risks considered, medium, high or critical.

## Managing performance

- 5.8.4 The 'Determining and planning interventions' section (5.5.1) of this Annual Governance Statement provides an overview of the Consortium's Performance Management arrangements. Performance at strategic level is driven and measured through the Consortium's drive teams. Six drive teams have been established to ensure the effective delivery and impact of the priority plans aligned to the 2019/20 Central South Consortium business plan.

## Robust internal control

- 5.8.5 The membership and meeting frequency of the Consortium's Joint Education Committee during 2018/19 was in line with the Consortium's Legal Agreement.

### Internal Audit

The Council's Head of Internal Audit presented the Internal Audit Annual Report 2018/19 to Audit Committee on 25<sup>th</sup> March 2019 setting out the work delivered by Internal Audit over this period. Based on the information provided to Audit Committee during the year, it concluded that '*...the overall system of internal control within the Council operated effectively during 2018/19 with no areas identified for improvement.*'

## Managing data

- 5.8.6 An Information Management Plan is in place in RCT CBC that sets out the framework, including legal requirements, for information management within the Consortium. This work has been reviewed to ensure compliance with new GDPR regulations.
- 5.8.7 A review of arrangements in place during 2018/19 identified that they were in line with laid down requirements because:
- Key responsibilities were formally designated within the Consortium: The Consortium's designated Senior Information Management Risk Officer (SIRO) is the Managing Director, there was an Information Management & Data Protection Act Officer within the host authority who reports to the Head of Information Technology;
  - An Information Management Board was in operation in RCT CBC, Chaired by the SIRO, with the Board being supported by an Information Management Working Group;
  - Information was available on the RCT Council website in respect of Data Protection and Freedom of Information, and had in place a [Publication Scheme](#) (which has been adopted by the Consortium) in accordance

with the Council's responsibilities under the Freedom of Information Act 2000;

- A review of the Information Sharing Protocols (ISP) were completed in 2018/19 to ensure the safe and appropriate sharing of personal information between the Consortium and other organisations. This has been published on the Welsh Accord on the Sharing Personal Information (WASPI) website. The ISP will be reviewed during 2019/20; and
- The Host Authority continued to secure its annual accreditation to the Public Service Network (PSN) in September 2018 i.e. The 'PSN' is the Council's connection to the wider public sector network (Council to Council, Council to Government e.g. Department for Work and Pensions) to enable the Council to communicate and share data securely across all public bodies.

#### 5.8.8 General Data Protection Regulation (GDPR)

In addition to the normal business of the Information Management requirements placed upon the Consortium, the General Data Protection Regulation (Regulation (EU) 2016/679) came into effect on 25<sup>th</sup> May 2018.

The GDPR is a regulation intended to strengthen and unify data protection for all individuals within the European Union (EU). The primary objectives of the GDPR are to give individuals greater control of their personal data and to simplify the regulatory environment. The GDPR replaces the Data Protection Directive 1995 (under which the UK Data Protection Act 1998 was made).

A Report was presented to Senior Leadership Team at the meeting held on 14 May 2018 providing an overview of the preparatory work being undertaken in readiness for the 25<sup>th</sup> May 2018. Following on from this an internal group has met regularly made up of leads from varying teams within the Consortium. The group has developed relevant policy papers and refined processes and procedures to ensure GDPR compliance, working closely with RCT CBC Information Management team. A further report on progress will be reported to the Joint Committee in the summer term 2019.

#### Proposal for Improvement

5.8.9 The Consortium should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint Education Committee. This would include:

- SIRO schedule should be agreed with RCT CBC;



- Update all General Protection registers;
- Update the Information Sharing Protocols; and
- Update all related data retention policies.

### **Strong public financial management**

5.8.10 Schedule 5 of the Legal Agreement provides the framework within which the finances of the Joint Education Service operate. The Financial Protocol provides the financial framework and relationship between the Parties (the Councils), the Host and the Central South Consortium. The following areas of business are documented in the Legal Agreement

- General Principles
- Contributions and charging mechanisms;
- Payment arrangements;
- Budgetary control & monitoring;
- Capital Expenditure & long term contracts;
- Annual Accounts & Audit; and
- Financial insolvency.

5.8.11 The Legal Agreement requires the Joint Education Committee to hold at least termly meetings throughout the year. Standard agenda items include a report from the Treasurer.

5.8.12 Rhondda Cynon Taf County Borough Council's Financial Procedure Rules provide guidance in relation to all financial matters. The Central South Consortium has adopted Rhondda Cynon Taf's Financial & Contract Procedure Rules – as confirmed in Section 17 (Schedule 4) of the Legal Agreement:

**“Rules and Procedure**

*For the avoidance of doubt the Central South Consortium Joint Education Committee shall, where relevant and subject to the provisions of this Agreement, operate in accordance with the Host's schemes of delegation, Rules of Procedure and policies from time to time.”*

5.8.13 The Wales Audit Office audits the Central South Consortium's annual statement of accounts.

5.8.14 The Central South Consortium's financial and operational performance is monitored and scrutinised by the Joint Education Committee

The Joint Education Committee receives reports from:

- The Treasurer;
- The Managing Director; and
- Officers, relevant to the operations and governance of the organisation.

5.8.15 During 2018/19 the role of the Chief Financial Officer at Rhondda Cynon Taf County Borough Council was compliant with the principles of the CIPFA Statement – Role of the Chief Financial Officer in Local Government 2010.

5.8.16 **Internal Audit**

During 2018/19 Internal Audit reviewed one core financial system of the Central South Consortium Joint Education Service (in line with the agreed Internal Audit Annual Plan) and concluded there to be no material weaknesses.

5.8.17 **External Audit**

The 2017/18 statement of accounts were audited by the WAO (the WAO issuing an unqualified audit report on the financial statements) and were approved at the meeting of the Joint Education Committee on 13<sup>th</sup> September 2018.

5.8.18 The Consortium has publicly demonstrated its commitment to strong and responsible financial planning and management, and has supported this through the delivery of sound financial performance during a period of reducing budgets. This is because:

- The Consortium has adopted a suite of protocols supporting strong financial planning and management, for example, 'Financial Procedure Rules' and 'Contract Procedure Rules', that were complied with during the year;

The Consortium set a Gross Revenue Budget in December 2017 for the financial year 2018/19 of £4,128,988, thus representing a 2% cut from the previous year.

- Financial performance results were publicly reported every term during the year and scrutinised by the Joint Education Committee. The latest financial performance results, for the period April 2018 to March 2019, show a £1k underspend further to earmarking £24k for 2019-20 to support on-going remodelling of the Service.
- The Consortium has kept its finances under on-going review throughout 2018/19 and was able to pay a contribution towards redundancy costs in year. The balance and prior year balances were funded by Local Authority contributions in line with the agreement made at the Joint Education Committee meeting on the 15<sup>th</sup> March 2018 to accelerate the payback period for redundancy costs.
- The Consortium is financially stable with General Reserve balances increasing slightly from £136k to £137k (subject to audit); having a track record over a number of years of setting and delivering balanced revenue

budgets; and having 'clean bills of health' on its year end accounts when audited by the Wales Audit Office.

- 5.8.19 The latest Wales Audit Office report 'Audit of Financial Statements Report and Management Letter' reported to Joint Education Committee on 13th September 2018 concluded that the accounting statements and related notes:
- *Give a true and fair view of the financial position of the Central South Consortium Joint Education Service as at 31 March 2018; and*
  - *Have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017-18.*

- 5.8.20 The 13<sup>th</sup> September 2018 Wales Audit Office report did not make any recommendations to be addressed by Central South Consortium and the Host Authority.

## 5.9 **IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

### **Implementing good practice in transparency and reporting**

- 5.9.1 The Consortium has implemented an open and consistent approach to reporting its business, as set out in sections 5.4 and 5.5 of this Annual Governance Statement, with the aim of helping to ensure information is understandable to stakeholders and that they have the opportunity to challenge the Consortium's performance, plans and decisions.

- 5.9.2 A review of a sample of information reported to the Joint Education Committee has revealed that:

- Annual Reports and Plans are reported publicly, providing an overview of performance, for example, the Council's audited Statement of Accounts 2017/18 reported and approved by Joint Education Committee on 13<sup>th</sup> September 2018 in line with the statutory timeframe; and
- Use is made of electronic links within reports to provide the reader with more detailed information should they require it; and
- The minutes of meetings confirm that designated officers attend each meeting to orally present reports and answer questions, and a number of occasions were noted where updates were delivered via presentations, for example, using slides.

### **Assurance and effective accountability**

## Internal Audit

- 5.9.3 As referred to earlier, during 2018-19, Internal Audit undertook one review of the Central South Consortium (i.e. the core financial system – General Ledger) with this area being identified as low risk. The findings will be reported to the Joint Committee on 21 May 2019. The Joint Committee will be requested to determine whether there are any matters of governance or an internal control nature that require further action or attention.

## 6. **OVERALL ASSESSMENT OF THE CONSORTIUM'S ARRANGEMENTS**

- 6.1 Based on the assessment undertaken, it is considered that the Consortium's governance arrangements were fit for purpose and publicly demonstrated how they contributed to the delivery of better outcomes for the area as set out in the Business Plan.

- 6.2 The overall conclusion has been based upon:

- An open approach to engaging with stakeholders, planning and delivering services, and reporting and scrutiny of the Consortium's performance;
- Clear arrangements for decision making that were supported by robust service management and financial management arrangements; and
- The reporting of understandable priorities and ambition, as set out in the Consortium's Business Plan, with progress reports demonstrating improvement in outcomes and performance at the same time as maintaining financial stability;
- Sound arrangements to support elected Councillors and Officers in the effective discharge of their responsibilities and also in maintaining high standards of conduct when undertaking business on behalf of the Consortium;
- Regular reporting of the Council's performance, with examples of 'exceptions' being reviewed and challenged by Scrutiny Committees; and
- A medium term approach to financial planning that helped inform strategic decision making and prioritisation of resources through on-going public sector austerity.

6.3 Notwithstanding this overall position, the assessment has identified areas where improvements are deemed necessary to further reinforce the effectiveness of the Consortium's current arrangements. These are set out in Section 7.

## 7. **PROPOSALS FOR IMPROVEMENT**

7.1 Further to completing the assessment of the Consortium's governance arrangements, Table 1 sets out proposals for improvement.

Table 1 – Proposals for Improvement

| <b>Core Principle / Area</b>  | <b>Paragraph No.</b> | <b>Issue Identified</b>   | <b>Recommendation</b>  | <b>Timescale for Implementation</b> | <b>Responsible Officer</b> |
|---|----------------------|---|--|-------------------------------------|----------------------------|
| Behaving with integrity, demonstrating strong commitment to ethical values and representing the rule of Law | 5.2.11               | Support further improvement in the level of staff awareness and understanding of key policies / documentation.  | Review and update the HR Charter and other Central South Consortium specific documentation and adopt the induction arrangements published by RCTCBC.   | September 2019                      | Assistant Business Manager |
|   | 5.2.15               | The RCT CBC staff survey identified the need for further work to be undertaken across the Council to raise awareness of whistle-blowing and anti-fraud arrangements and provide staff with reassurance that they can report issues without repercussions. | Using the staff survey results (around whistle-blowing and anti-fraud, bribery and corruption), RCTCBC will deliver a targeted programme of awareness raising to those service areas identified as requiring support. A specific session / update will be arranged for Central South Consortium staff. | November 2019                       | Assistant Business Manager |
| Ensuring openness and engagement  | 5.3.11               | Build on the work of the independent review of the Consortium during 2018/19 to   | The overall governance structure of the Consortium requires reviewing to ensure increased engagement in the decision   | January 2020                        | Acting Managing Director   |

|            |                                       |  |   |   |               |                          |
|------------|---------------------------------------|--|---|---|---------------|--------------------------|
|            |                                       | further support decision making arrangements | making process from headteachers across the region in line with the requirements of the revised National Model for Regional Working when published. |   |               |                          |
| Tudalen 87 | Defining Outcomes                     | 5.4.6  | Ensure the Consortium's Business Plan is effective and reflects the National Model and agreed outcomes from the independent review.                 | Further develop the Medium Term Financial Plan during 2019/20 to ensure resources are allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of resources. Proposals for revisions to service delivery will be discussed with Chief Executives and Directors in light of any published revisions to the National Model for Regional Working and in light of any recommendations agreed by Joint Committee following the independent review.<br><br>Consideration will also be given to whether the business planning cycle can be more closely aligned to the budget setting process within Welsh Government. | November 2019 | Acting Managing Director |
|            | Developing the capability of entity's | 5.7.4  | Ensuring elected Members are kept up to date with changes to performance measures.  | Build on the programme of training and support for elected Members to support understanding of the  | July 2019     | Temporary Assistant      |

|            |                                  |       |  |  |                    |
|------------|----------------------------------|-------|--|--|--------------------|
| Tudalen 88 | leadership and other individuals |       | changes to performance measures and the information that will be available to scrutiny groups in light of these changes.   |  | Managing Director  |
|            | Managing Risk                    | 5.8.3 | Ensure the Consortium’s risk policy is further developed to prioritise attention on key risks.   | November 2019  | Operations Manager |
|            |                                  | 5.8.9 | The Consortium should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint Education Committee. | <ul style="list-style-type: none"> <li>• SIRO schedule agreed with RCT CBC.</li> <li>• Update all General Protection registers.</li> <li>• Update the Information Sharing Protocols.</li> <li>• Update all related data retention policies.</li> </ul> | November 2019      |

7.2 The Consortium’s Senior Management Team has accepted the proposals for improvement and is committed to their implementation during 2019/20. The Senior Management Team has also confirmed that an update on progress will be



reported to the Consortium's Joint Education Committee during the year to enable Councillors to review and scrutinise the extent of progress being made.

Acting Managing Director: \_\_\_\_\_ Section 151 Officer: \_\_\_\_\_

Chair, Joint Education Committee \_\_\_\_\_

Tudalen 89

APPENDIX A

PROPOSALS FOR IMPROVEMENT – PROGRESS UPDATE

| Core Principle  | Paragraph No. | Issue Identified   | Recommendation  | Timescale for Implementation | Resp Officer             | Status   |
|---|---------------|--|---|------------------------------|--------------------------|--|
| Tudaleh<br>90<br>Ensuring our Policies and Strategies are up to date and relevant | 5.2.5         | The HR Charter was last up dated in 2016.  | The HR Charter and other Central South Consortium specific documentation requires reviewing in order to ensure they include references to the Whistle-blowing Policy, Anti-fraud, Bribery and Corruption Strategy, Gifts and Hospitality Policy and induction arrangements. | September 2018               | Acting Managing Director | Implemented  |
|   | 5.3.11        | There is a need to increase the level of headteacher engagement in the governance of the organisation. | The Governance structure requires review to ensure increased engagement in the decision making process from headteachers across the region in line with the requirements of the revised National Model for Regional Working when this is published.                         | September 2018               | Acting Managing Director | In progress (and built into 2018/19 proposals for improvement) |
|   |               | The need to include Freedom of information (FOI) updates on the agenda to Joint Committee.             | Develop a systematic process whereby FOI requests are reported to Joint Committee.  | September 2018               | Acting Managing Director | Implemented  |

|                                    |       |   |  |               |                          |             |
|------------------------------------|-------|---|--|---------------|--------------------------|-------------|
| Medium Term Financial Plan         | 5.4.7 | The need to further develop the medium term financial plan.   | Further develop the Medium Term Financial Plan (MTFP) during 2018/19, to ensure resources are allocated / categorised over Business Plan priorities to demonstrate or otherwise the prioritisation of resources. Proposals for revisions to service delivery will be discussed with Chief Executives and Directors in light of any published revisions to the National Model for Regional Working. | December 2018 | Acting Managing Director | Implemented |
| Elected Members Training Programme | 5.7.4 | Newly Elected members may require further training on the work of the CSC.  | Design and contribute to a national training programme for newly elected members in relation to their role overseeing the CSC.   | June 2018     | Acting Managing Director | Implemented |
| Risk Management                    | 5.8.3 | During 2017/18, the Central South Consortium updated its Risk Policy and presented this to the senior leadership team for approval in readiness for the | The CSC's risk policy will need to be improved with respect to the ownership of risks for the CSC. At present the majority of risks are owned by the managing Director. Where risks are associated with drive team priorities these will need to be aligned with the respective leads to ensure  | December 2018 | Acting Managing Director | Implemented |

|            |       |   |   |               |                          |   |
|------------|-------|---|---|---------------|--------------------------|---|
|            |       | new academic year. However, the majority of risks are owned by the Managing Director.   | strategic alignment with priority plans.  |               |                          |   |
| Tudalen 92 | 5.8.9 | Information Management – no update is reported setting out the CSC’s work and performance in this area.                                       | The CSC should report on a periodic basis, for example annually, its work and performance around Information Management and provide opportunity for review and scrutiny by the Joint Education Committee. | December 2018 | Acting Managing Director | In progress<br><br>Will be presented to Joint Committee in July 2019. |
|            |       |   | A calendar and programme of work should be agreed for future SIRO meetings.   |               |                          | In progress   |
|            | 5.9.3 | The Annual Governance Statement is incorporated within the Statement of Accounts but is not a stand-alone document e.g. on the CSC’s website. | To increase the prominence / awareness of the Annual Governance Statement, this should be a standalone document on the CSC’s website.   | Autumn 2018   | Acting Managing Director | Implemented   |

## **The independent auditor's report of the Auditor General for Wales to the members of Central South Consortium Joint Education Service Joint Committee**

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

#### **Opinion**

I have audited the financial statements of Central South Consortium Joint Education Service Joint Committee for the year ended 31<sup>st</sup> March 2019 under the Public Audit (Wales) Act 2004.

The Central South Consortium Joint Education Service Joint Committee financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

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

In my opinion the financial statements:

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

#### **Basis for opinion**

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

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

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Central South Consortium Joint Education Service Joint Committee 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 2019;
- 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 Central South Consortium Joint Education Service Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

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

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

## **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Central South Consortium Joint Education Service 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 13, the responsible financial officer is responsible for the preparation of the statement of accounts, Central South Consortium Joint Education Service Joint Committee, 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 Central South Consortium Joint Education Service Joint Committee 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 J Barrett**  
**For and on behalf of the Auditor General for Wales**  
**XX September 2019**

**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

## **Glossary of Terms**

### **Accrual**

An accrual is a sum shown in the accounts representing income or expenditure relating to the accounting period, which had not actually been received or paid as at the date of the Balance Sheet.

### **Actuary**

An actuary is an individual or organisation that calculates insurance premiums and liabilities and pension obligations.

### **Audit**

An audit is an independent examination of activities.

### **Budget**

A budget (or estimate) is a plan of income and spending. Actual expenditure is subsequently monitored against this plan.

### **Capital Expenditure**

Capital expenditure is spending on long-term assets. These are assets that will be used for several years in the provision of services and are items such as buildings, equipment and vehicles.

### **Chartered Institute of Public Finance and Accountancy (CIPFA)**

CIPFA is responsible for issuing financial guidance to public bodies.

### **Creditor**

A creditor is an organisation/individual owed money by the Council at the end of the financial year for goods/services received.

### **Current Assets**

These are short-term assets that are available for the Council to use in the following accounting period.

### **Current Liabilities**

These are short-term liabilities that are due for payment by the Council in the following accounting period.

### **Debtor**

A debtor is an organisation/individual who owes the Council money at the end of the financial year for goods/services received.

### **Defined Benefit Scheme**

A defined benefit pension scheme is one that bases retirement benefits upon Career Average Re-valued Earnings.

### **Defined Contribution Scheme**

A defined contribution scheme is a type of retirement plan in which the amount of the employer's annual contribution is specified. Benefits are based on the amounts credited to these accounts (through employer



contributions and, if applicable, employee contributions) plus any investment earnings. Only employer contributions to the account are guaranteed, not the future benefits.

**Depreciation**

Depreciation is the estimated loss in value of tangible long-term assets that are presented in the Balance Sheet.

**Earmarked Reserves**

These are reserves set aside for a specific purpose.

**Financial Year**

This is the accounting period. For local authorities it starts on 1<sup>st</sup> April and finishes on 31<sup>st</sup> March of the following year.

**HMRC**

Her Majesty's Revenue and Customs.

**International Accounting Standard (IAS)**

Financial Regulations to be followed as set by the International Accounting Standards Board (IASB).

**International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards are produced by the IASB (International Accounting Standards Board) with the aim of ensuring consistency within the countries adopting the standards.

**Inventories**

Inventories are raw materials purchased for day-to-day use. The value of these items that have not been used at the end of the financial year are shown as current assets in the Balance Sheet.

**Leasing**

This is a method of financing expenditure by paying the owner to use property or equipment for a number of years.

**Lessee**

User or renter of the leased asset or property. In case of capital leases, the lessee is also the 'debtor' to the lessor.

**Lessor**

Owner or the title holder of the leased asset or property. The lessor is also the lender and secured party in case of capital leases and operating leases.

**Liability**

A liability is an obligation to transfer economic benefits as a result of past transactions or events.

**Long-Term Asset**

These are assets that are used in the provision of services (usually for more than one year).

**Net Realisable Value**

The selling price of an asset, reduced by the relevant (direct) cost of selling it.

**Operating Leases**

These are leases where risks of ownership of the asset remain with the owner.

**Post Balance Sheet Events**

Post Balance Sheet items are those that arise after the Balance Sheet date. These are items that did not exist at the time the Balance Sheet was prepared but should be disclosed if they are relevant to the understanding of the accounts.

**Projected Unit Method**

An actuarial method of calculating the liabilities of a pension scheme which allows for projected future increases in pensionable pay up to retirement or date of leaving service.

**Provision**

A provision is an obligation to transfer economic benefits as a result of past events where a reliable estimate can be made of the obligation, but the amount or timing of which cannot yet be determined accurately.

**Related Party**

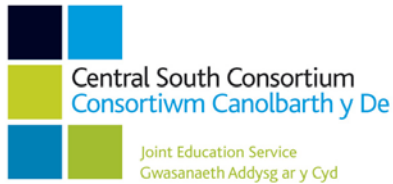
A related party exists where there is control or influence by one party over another.

**Strain on Funds**

When an employee retires early and is immediately paid a pension, without actuarial reduction, the lost contribution income and interest cost arising from the associated earlier increased cash flow is referred to as pension strain cost. The pension strain cost is determined by actuarial calculation.

**Welsh Government (WG)**

The Welsh Government is the devolved Government for Wales. The Welsh Government consists of the First Minister, Welsh Ministers, the Counsel General and Deputy Ministers. They are supported by Civil Servants who work across devolved areas of public life such as health, education and the environment.



**CENTRAL SOUTH CONSORTIUM  
REPORT FOR JOINT COMMITTEE**

**21<sup>ST</sup> MAY 2019**

**JOINT EDUCATION SERVICE**

**REPORT OF THE ACTING MANAGING DIRECTOR – 2018/19 INTERNAL  
AUDIT REPORT**

**Author: Louise Blatchford, Acting Managing Director**

**1. PURPOSE OF REPORT**

- 1.1 To consider the Internal Audit report issued by Rhondda Cynon Taf County Borough Council's Internal Audit Service to the Central South Consortium during 2018/19.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Review the Internal Audit Report issued during 2018/19 and determine whether there are any matters of governance or an internal control nature that require further action or attention.

**3. BACKGROUND INFORMATION**

- 3.1 The Central South Consortium is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of those functions.
- 3.2 One aspect of governance is the system of internal control and Rhondda Cynon Taf County Borough Council's Internal Audit Service undertake audit work each year to independently assess the adequacy of this area from a financial administrative perspective. This work is undertaken in line with the Legal Agreement for the Central South Consortium.

- 3.2 Members will be aware the Central South Consortium is also responsible for undertaking an assessment of its governance arrangements each year, including the system of internal control, the findings from which are set out in an Annual Governance Statement (AGS). The conclusions from Internal Audit’s work during 2018-19 will form part of the AGS for this period (with the AGS being reported to the 21<sup>st</sup> May 2019 Joint Committee meeting).

#### **4. INTERNAL AUDIT REPORT ISSUED IN 2018/19**

- 4.1 For the 2018/19 financial year, Rhondda Cynon Taf County Borough Council’s Internal Audit Service reviewed one core financial system in line with its approved Annual Audit Plan. Details of the outcome of the review are set out in Table 1 and a copy of the full report is included at Appendix 1.

Table 1 – Internal Audit Report Issued in 2018/19

| <b>Internal Audit Report Issued</b> | <b>Conclusions</b> | <b>Number of Recommendations Reported</b> | <b>Number of Recommendations Implemented</b> |
|-------------------------------------|--------------------|---|--|
| General Ledger                      | Effective          | 0   | 0  |

- 4.2 In addition, during the year the Internal Audit Service undertook grant certification work to ensure the expenditure being claimed by the Consortium in 2017/18 was supported with appropriate evidence and was eligible in line with the terms and conditions of the Welsh Government funding received<sup>1</sup>. The outcomes from the review were that no amendments to the ‘grant claim’ were required and the amount claimed was certified as being eligible (and confirmation of which was subsequently submitted to Welsh Government).

#### **5. CONCLUSIONS**

- 5.1 Internal Audit play an important role in providing independent assurance on the systems of internal control operating within the Central South Consortium.
- 5.2 Based on the work undertaken by Rhondda Cynon Taf County Borough Council’s Internal Audit Service during the year, no recommendations for improvement were deemed necessary in respect of the Consortium’s internal control arrangements.

---

<sup>1</sup> Welsh Government funding i.e. Education Improvement Grant

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**21<sup>st</sup> MAY 2019**

**CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE**

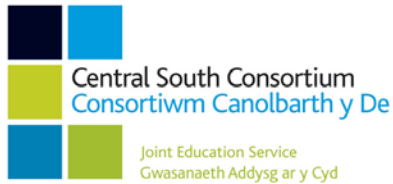
**List of background papers**

Freestanding matter

Officer to Contact:

Louise Blatchford  
Tel no. 01443 281400

Tudalen wag



**CENTRAL SOUTH CONSORTIUM  
REPORT FOR JOINT COMMITTEE**

**21<sup>ST</sup> MAY 2019**

**JOINT EDUCATION SERVICE**

**REPORT OF THE ACTING MANAGING DIRECTOR – 2018/19 FREEDOM OF  
INFORMATION REQUESTS (FOIs)**

**Author: Louise Blatchford, Acting Managing Director**

**1. PURPOSE OF REPORT**

- 1.1 To consider the Freedom of Information Requests received and responded to by Central South Consortium during 2018/19.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Review the Freedom of Information Requests received and responded to by Central South Consortium during 2018/19 and determine whether there are any matters arising that require further action or attention.

**3. BACKGROUND INFORMATION**

- 3.1 The Central South Consortium is responsible for adhering to the Freedom of Information Act 2000 which enforces rights of access applicable to all information held by public authorities. The Act applies to all information no matter how recent or how old, held by Central South Consortium, in a recorded form, at the time a request is received.
- 3.2 Responding to a Freedom of Information Request in accordance with the Act is a statutory obligation and there are consequences for Central South Consortium if it fails to comply with those obligations.

3.3 All Freedom of Information requests must adhere to the following restrictions :-

- Must be in writing, which includes faxes, e-mails and those made via social media
- Must give a name and correspondence address for the applicant. Again, an e-mail address will suffice.
- Must describe the information being requested. However, the applicant does not have to say why they require the information.

3.4 All staff within Central South Consortium will comply with the Act and be able to correctly identify a Freedom of Information Request when received. Such requests should be forwarded to the Central South Consortium Communications Team to ensure the request is logged and acknowledged. A clear decision-making structure has been established, to ensure that decisions relating to the release, or withholding, of information are taken at the appropriate level. The key steps that have to be incorporated into the process are:

- Receiving and acknowledging the requests
- Transferring to appropriate officers
- Considering whether any relevant exemptions apply
- Consulting with third parties
- Estimating and recovering costs (if applicable)
- Tracking progress
- Producing partially disclosed documents
- Authorisation to release response
- Despatching to applicant within the timeframe i.e 20 working days

#### **4 FREEDOM OF INFORMATION REQUESTS 2018/19**

4.1 For the 2018/19 financial year, Central South Consortium have received four Freedom of Information Requests. A summary of the requests are set out in Table 1. For ease of reference, Table 1 also notes the appendix referenced to the full requests received (that are appended to this report)



Table 1 – 2018-19 Freedom of Information Requests

| <b>Date Received</b> | <b>Nature of Request</b>  | <b>Date Response sent - within Timeframe?</b> | <b>Appendix Reference</b> |
|----------------------|---|---|---------------------------|
| 24 October 2018      | No of Challenge Advisers employed, school categories and CSC budget | 12 November 2018<br>Yes                       | 1                         |
| 12 December 2018     | Finance for the Consortium received from grants and LAs             | 11 January 2019<br>Yes                        | 2                         |
| 17 January 2019      | Expenditure on events   | 31 January 2019<br>Yes                        | 3                         |
| 31 January 2019      | Expenditure on events   | 26 February 2019<br>Yes                       | 4                         |

4.2 All Freedom of Information Requests were dealt with within the required timescales and no subsequent queries were received.

## **5 CONCLUSIONS**

5.1 Central South Consortium is in compliance with the Freedom of Information Act 2000 and recognises the importance of its obligations.

## Appendix 1

Afternoon [REDACTED]

Many thanks for your request, please find the information below and attached.

### Staffing

- The number of Challenge Advisers employed by the CSCJES in 2017/2018 – **33 people / FTE =24.5**
- The number of Challenge Advisers employed by CSCJES for 2018/19 – **33 people / FTE = 26.1**

### Budget

- The overall budget allocated to the CSCJES 2017/2018 - **£86,780,000**
- The overall budget allocated to the CSCJES for 2018/2019 - **£77,779,000**
- The total budget spent on staffing the Challenge Advisor service within CSCJES (including training, expenses and sickness) in the last financial year (17/18) - **£1,840,000**
- Within the last financial year (17/18), what percentage of the CSCJES' overall budget was spent on the Challenge Adviser service? – **2.1%**
- The amount of budget allocated for the Challenge Adviser service in current financial year (18/19) (including training, expenses and sickness) - **£1,783,000**

### Capability

- Information regarding how individual Challenge adviser performance is monitored and the process in place for addressing underperformance
  - **Challenge Adviser Standards**
  - **Regular 1:1 meetings with line manager**
  - **Performance Management**
  - **Joint School visits with line manager**
  - **Reports and documents quality assured by line manager**
  - **Set activities for the year to complete**
- The percentage of Challenge Advisers who were placed on capability or equivalent form of under performance monitoring during 2017/2018 - **None**

### National Categorisation

- **Please see attached**

Kind regards

Sian

**Siân Johnson**

Rheolwraig Marchnata a Chyfathrebu / Marketing and Communications Manager



**Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De  
Central South Consortium Joint Education Service**

Canolfan Menter y Cymoedd, Parc Hen Lofa'r Navigation, Abercynon, CF45 4SN  
Valleys Innovation Centre, Navigation Park, Abercynon, CF45 4SN  
Ffôn/Tel: 01443 744500 Gwefan/website: [www.cscjes.org.uk](http://www.cscjes.org.uk)

Cadwch i fyny â'r newyddion a'r datblygiadau rhanbarthol a chenedlaethol diweddaraf trwy danysgrifio i e-fwletin y Consortiwm [yma](#).

**Keep up to date with the latest news and developments from the region and nationally by signing up to the Consortium e-bulletin [here](#).**

**Sent:** 23 October 2018 16:32

**To:** CSCCommunications <[Communications@cscjes.org.uk](mailto:Communications@cscjes.org.uk)>

**Subject:** Freedom of Information Request

HI,

Please would it be possible to obtain the following information from yourselves, described below, for a research article I'm undertaking:

**Staffing**

- The number of Challenge Advisors employed by the CSCJES in 2017/2018
- The number of Challenge Advisors employed by CSCJES for 2018/19

**2. Budget**

- The overall budget allocated to the CSCJES 2017/2018
- The overall budget allocated to the CSCJES for 2018/2019
- The total budget spent on staffing the Challenge Advisor service within CSCJES (*including training, expenses and sickness*) in the last financial year (17/18)
- Within the last financial year (17/18), what percentage of the CSCJES' overall budget was spent on the Challenge Adviser service?
- The amount of budget allocated for the Challenge Adviser service in current financial year (18/19) (*including training, expenses and sickness*)

**3. Capability**

- Information regarding how individual Challenge advisor performance is monitored and the process in place for addressing underperformance
- The percentage of Challenge Advisors who were placed on capability or equivalent form of under performance monitoring during 2017/2018

**4. National Categorisation**

- The number of Green schools within the CSCJES 2016/2017

- The number of Green schools within the CSCJES in 2017/2018
- The number of yellow schools within the CSCJES in 2016/2017
- The number of yellow schools within the CSCJES in 2017/2018
- The number of Amber schools within the CSCJES in 2016/2017
- The number of Amber schools within the CSCJES in 2017/2018
- The number of Red Schools within the CSCJES in 2016/2017
- The number of Red schools within the CSCJES in 2017/2018

Name and address recorded below. Response by email is fine.

Many thanks,

[Redacted]

[Redacted]

## Appendix 2

Hi ■■■

Please find attached a spreadsheet containing the information you require.

If you have any further questions, please get in touch.

Kind regards

Steve

### Regional Consortia Response - CSC

1) The financial contribution of each of the Local Authorities in your region to the consortium in pounds (£s).

| Local Authority | Amount in £s 2017-18 | Amount in £s 2018-19 |
|-----------------|----------------------|----------------------|
| BCBC            | 621,381              | 605,892              |
| CBC             | 1,435,669            | 1,413,526            |
| MTCBC           | 254,827              | 246,603              |
| RCTCBC          | 1,087,779            | 1,066,087            |
| VOGCBC          | 586,223              | 574,053              |

2) The financial contribution of Welsh Government to your regional school improvement services to support the running of the consortium in the financial years 2016-17, 2017-18. This should include all monies except those given in grants which are intended to be given to schools.

|  | Amount in £s 2017-18 | Amount in £s 2018-19 |
|--|----------------------|----------------------|
| Welsh Government Funding (outside of Grants listed below) to support the running of the Regional Consortia | 0                    | 0                    |

3) For each of the following grants given to the consortium please identify in pounds (£s):

- The amount of money received from the Welsh Government
- The amount of money given to schools in the region

| Grant                           | Amount of money in £s from Welsh Government | Amount delegated to schools in £s from the monies given by WG |
|---------------------------------|---|---|
| <b>2017/2018</b>                |   |   |
| School Improvement Grant (SIG)* | 45,677,495                                  | 43,262,818  |

|  |                   |                   |
|--|-------------------|-------------------|
| RSSG   | 2,961,911         | 1,762,542         |
| Pupil Development Grant (PDG)  | 30,467,400        | 29,848,629        |
| PDG (Lead Regional PDG Adviser)  | 50,000            | 0                 |
| Year 2-6 National Numerical Reasoning Tests 2017                             | 5,000             | 5,000             |
| Advisory Team on Delivery of FP Nursery Provision for 3-4 year olds          | 3,784             | 3,784             |
| LiDW   | 150,462           | 91,730            |
| School Challenge Cymru   | 78,945            | 78,945            |
| Support for children and young people's informal use of Welsh                | 77,800            | 25,000            |
| Pioneer Schools Network & Professional Learning & Curriculum and Development | 2,080,715         | 1,349,465         |
| Seren Pre 16   | 0                 | 0                 |
| Seren Post 16  | 0                 | 0                 |
| <b>Total</b>   | <b>81,553,512</b> | <b>76,427,914</b> |

\* LA match to School Improvement Grant £3,061,582

| Grant | Amount of money in £s from Welsh Government | Amount delegated to schools in £s from the monies given by WG |
|-------|---|---|
|-------|---|---|

**2018/2019**

|   |                   |                   |
|---|-------------------|-------------------|
| RCSIG (inc School Improvement Grants)** | 45,182,300        | 43,320,569        |
| Pupil Development Grant (PDG)           | 31,501,321        | 30,974,331        |
| PDG (Lead Regional PDG Adviser)         | 100,000           | 0                 |
| Seren Pre 16                            | 0                 | 0                 |
| Seren Post 16                           | 0                 | 0                 |
| <b>Total</b>                            | <b>76,783,621</b> | <b>74,294,900</b> |

\*\* LA match to School Improvement Grant £2,989,022

I am writing to you under the Freedom of Information Act 2000 to request the following information:

1. The financial contribution of each of the Local Authorities in your region to the consortium in pounds (£s).

| Local Authority | Amount in £s 2017-18 | Amount in £s 2018-19 |
|-----------------|----------------------|----------------------|
|                 |                      |                      |
|                 |                      |                      |
|                 |                      |                      |
|                 |                      |                      |
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|                 |                      |                      |
|                 |                      |                      |

2. The financial contribution of Welsh Government to your regional school improvement services to support the running of the consortium in the financial years 2016-17, 2017-18. This should include all monies except those given in grants which are intended to be given to schools.

|  | Amount in £s 2017-18 | Amount in £s 2018-19 |
|--|----------------------|----------------------|
| Welsh Government Funding (outside of Grants listed below) to support the running of the Regional Consortia |                      |                      |

3. For each of the following grants given to the consortium please identify in pounds (£s):
  - a. The amount of money received from the Welsh Government
  - b. The amount of money given to schools in the region

| Grant                          | Amount of money in £s from Welsh Government | Amount delegated to schools in £s from the monies given by WG |
|--------------------------------|---|---|
| LAC                            |   |   |
| PDG                            |   |   |
| RSSG                           |   |   |
| SCC                            |   |   |
| New Deal                       |   |   |
| Pioneer School.                |   |   |
| Any other Grants, please list: |   |   |
|                                |   |   |
|                                |   |   |
|                                |   |   |
|                                |   |   |

Please provide this information in electronic form to my email address.

If it is not possible to provide the information requested due to the information exceeding the cost of compliance limits identified in Section 12, please provide advice and assistance, under the Section 16 obligations of the Act, as to how I can refine my request. If you can identify any ways that my request could be refined, I would be grateful for any further advice and assistance.

If you have any queries please don't hesitate to contact me via email or phone and I will be very happy to clarify what I am asking for and discuss the request, my details are outlined below.

Thank you for your time and I look forward to your response.

██████████



## Appendix 3

Hello

Thank you for your Freedom of Information Request dated 17 January 2019. However, unfortunately we are unable to provide you with the information that you have requested. This is due to our Finance Team estimating the cost of locating and retrieving the required information would exceed the "appropriate limit" as stated in the Freedom of Information (Appropriate Limit and Fees) Regulations 2004 i.e. in excess of £450 and the 18 hour time limit.

Since 2015-16 Central South Consortium have held many events and the information you request on attendees, location, consultants and specific spend on food etc is not held in one central location. Therefore this would involve our Finance Team spending a significant amount of time interrogating our financial ledger and searching through manual records.

It may be that we can supply some of the information required if you refine or reduce your request to a more manageable proportion, thus reducing the workload to meet the aggregate cost within the "appropriate limit". However, any reformulated requests would need to be resubmitted and will be treated as a new FOI request.

Kind Regards  
Alyson

### Alyson Price

Rheolwr Busnes Cynorthwyol / Assistant Business Manager  
Rhif Uniongyrchol / Direct Line: 01443 281409



#### Gwasanaeth Addysg ar y Cyd Consortiwm Canolbarth y De Central South Consortium Joint Education Service

Canolfan Menter y Cymoedd, Parc Hen Lofa'r Navigation, Aberpennar, Abercynon, CF45 4SN  
Valleys Innovation Centre, Navigation Park, Mountain Ash, Abercynon, CF45 4SN  
Ffôn/Tel: 01443 281411 Gwefan/website: [www.cscjes.org.uk](http://www.cscjes.org.uk)

Helo

Hoffwn wneud cais am yr wybodaeth isod o dan y Ddeddf Rhyddid Gwybodaeth:

A fydddech mor garedig â darparu'r wybodaeth am y 3 blynedd diwethaf: 2015/16; 2016/17; 2017/18

#### • Digwyddiadau

Cyfanswm y gwariant bob blwyddyn ar ddigwyddiadau gan gynnwys cyfarfodydd staff, hyfforddiant staff, cynadleddau a digwyddiadau tebyg

Cyfanswm y gwariant bob blwyddyn ar fwyd a lluniaeth mewn digwyddiadau

Manylion digwyddiadau unigol gan gynnwys 1) enw/math o ddigwyddiad 2) lleoliad 3) cyfanswm gwariant 4) gwariant penodol ar fwyd a lluniaeth

• **Siaradwyr Gwadd**

Manylion y taliadau i siaradwyr gwadd yn eich digwyddiadau gan gynnwys 1) enw'r siaradwr gwadd 2) natur y cyfraniad 3) lleoliad y digwyddiad 4) y ffi/taliad

• **Deunyddiau Brandio**

Cyfanswm gafodd ei wario ar ddeunyddiau brandio bob blwyddyn e.e. deunydd ysgrifennu, mygiau ac ati, gan gynnwys manylion unrhyw wariant dros £300

• **Ymgynghorwyr**

Nifer yr ymgynghorwyr sydd wedi derbyn cytundeb gennych chi bob blwyddyn a chyfanswm gwariant ar ymgynghorwyr yn y blynnyddoedd hynny

Rwy'n hapus i dderbyn yr wybodaeth ar e-bost ac os oes angen eglurhad neu drafodaeth ar unrhyw beth yn y cais hwn, mae croeso i chi gysylltu â fi.

Os oes unrhyw rhan o'r wybodaeth rwy'n chwilio amdano eisioes yn gyhoeddus, a fydddech mor garedig â fy nghyfeirio ato.

Diolch yn fawr



Hello

I would like to make the following request for information under the Freedom of Information Act:

Please provide information for the past 3 years: 2015/16; 2016/17; 2017/18

• **Events**

Total spending each year on events (including staff meetings, staff training, conferences and similar).

Total spend each year on food and refreshments at events

Details of individual events including 1) name/type of event 2) location 3) total expenditure 4) specific spend on food and refreshments

• **Guest Speakers**

Details of payments to guest speakers at your events including 1) name of recipient, 2) nature of contribution, 3) location of event 4) fee

• **Branded Materials**

Total amount spent on branded materials each year e.g. stationery, mugs etc including details of any expenditure over £300

• **Consultants**

Number of consultants contracted by you each year and total expenditure on consultants in those years

I am happy to receive this information by email. If anything in this request requires clarification or discussion, please don't hesitate to contact me.

If any of the information I am seeking is already in the public domain, please direct me to this.

Many thanks

A black rectangular redaction box covering the signature of the sender.

## Appendix 4

Annwyl **Sian**

Gweler isod ymateb i'ch cais rhyddid gwybodaeth diweddaraf. Yn anffodus nid oes gennym hawl i rannu ewnau'r siaradwyr gwadd oherwydd rhesymau sy'n ymwuend â GDPR.

Os oes angen gwybodaeth bellach, mae croeso ichi gysylltu â ni.

1. Details of individual conferences/staff events including 1) name/type of event 2) location 3) total expenditure 4) specific spend on food and refreshments

| Details of Individual conferences / Staff Events |               |                              |                   |   |
|--|---------------|------------------------------|-------------------|---|
| Name   | Type of event | Location                     | Total Expenditure | Specific spend on food and refreshments |
| HLTA Conference                                  | Conference    | Raddison Blue Hotel, Cardiff | £ 9,022           | £ 3,600                                 |
| PDG CLA  | Conference    | Cardiff City Stadium         | £ 52,058          | £ 7,555                                 |
| MFL KS2 Event                                    | Conference    | Cardiff City Stadium         | £ 9,460           | £ 4,830                                 |
| EAL Conference                                   | Conference    | Cardiff City Stadium         | £ 19,419          | £ 5,160                                 |
| ALN Conference                                   | Conference    | CSC - Ty Dysgu               | £ 3,854           | £ 2,595                                 |
| Governor Conference                              | Conference    | Cardiff City Stadium         | £ 15,080          | £ 10,500                                |

Where applicable **Total Expenditure** includes the cost to release school based staff to attend the conference/event.

2. Details of payments to **guest speakers/hosts** at your events including 1) name of recipient 2) nature of contribution 3) location of event 4) fee

| Details of payments to guest speakers/hosts at your events |                        |                              |                      |             |
|--|------------------------|------------------------------|----------------------|-------------|
| Name   | Nature of contribution | Location of event            | Fee - Guest Speakers | Fee - Hosts |
| HLTA Conference  | Keynote speaker        | Raddison Blue Hotel, Cardiff | £ 1,403              | £ 738       |
| PDG CLA  | Keynote speaker        | Cardiff City Stadium         | £ 964                | £ 5,171     |
| MFL KS2 Event  | n/a                    | Cardiff City Stadium         | £ -                  | £ 4,535     |
| EAL Conference   | n/a                    | Cardiff City Stadium         | £ -                  | £ 3,855     |
| ALN Conference   | n/a                    | CSC - Ty Dysgu               | £ -                  | £ 1,194     |
| Governor Conference  | n/a                    | Cardiff City Stadium         | £ -                  | £ 2,705     |

| Key  |                                   |
|------|-----------------------------------|
| HLTA | Higher Level Teaching Assistant   |
| PDG  | Pupil Development Grant           |
| CLA  | Children Looked After             |
| MFL  | Modern Foreign Languages          |
| EAL  | English as an Additional Language |
| ALN  | Additional Learning Needs         |

Cofion cynnes



**Gwasanaeth Addysg ar y Cyd Consortium Canolbarth y De  
Central South Consortium Joint Education Service**

Canolfan Menter y Cymoedd, Parc Hen Lofa'r Navigation, Abercynon, CF45 4SN  
Valleys Innovation Centre, Navigation Park, Abercynon, CF45 4SN  
Ffôn/Tel: 01443 744500 Gwefan/website: [www.cscjes.org.uk](http://www.cscjes.org.uk)

Cadwch i fyny â'r newyddion a'r datblygiadau rhanbarthol a chenedlaethol diweddaraf trwy danysgrifio i e-fwletin y Consortium [yma](#).

**Keep up to date with the latest news and developments from the region and nationally by signing up to the Consortium e-bulletin [here](#).**

**Sent:** 31 January 2019 13:15

**To:** 'Price, Alyson'

**Cc:** Williams, Lloyd (Ty Dysgu); Flynn, Craig

**Subject:** RE: Cais Rhyddid Gwybodaeth----- Freedom of Information Request

Hello

I would like to make the following request for information under the Freedom of Information Act:

Please provide information for the period 2017/18

**Spending on conferences and staff events**

- 1) Details of individual conferences/staff events including 1) name/type of event 2) location 3) total expenditure 4) specific spend on food and refreshments
- 2) Details of payments to **guest speakers/hosts** at your events including 1) name of recipient 2) nature of contribution 3) location of event 4) fee

I am happy to receive this information by email. If anything in this request requires clarification or discussion, please don't hesitate to contact me.

If any of the information I am seeking is already in the public domain, please direct me to this.

Many thanks



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**21<sup>st</sup> MAY 2019**

**CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE**

**List of background papers**

Freestanding matter

Officer to Contact:

Louise Blatchford  
Tel no. 01443 281400

Ar gyfrif paragraff(au) 12 Rhan 1 o Atodlen 12A  
o Deddf Llywodraeth Leol 1972.

Document is Restricted

Tudalen wag