



Ein Rhanbarth ar Waith
Education through Regional Working

Education through Regional Working

South West and Mid Wales Consortium

Statement of Accounts 2015/16

Cynghrair o 6 awdurdod lleol yw ERW a reolir gan gyd-bwyllgor cyfansoddiadol cyfreithiol.
Y nod yw gweithredu strategaeth a chynllun busnes rhanbarthol cytunedig a chefnogi gwelliant ysgolion.

ERW is an alliance of 6 local authorities governed by a legally constituted joint committee.
Its aim is to implement the agreed regional strategy and business plan to support school improvement.



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EXPLANATORY FOREWORD

Education through Regional Working is a single integrated regional professional school effectiveness service driving school improvement and learner achievement across the combined area of six local authorities in the South West and Mid Wales region within three hubs:-

- Carmarthenshire / Pembrokeshire
- Ceredigion / Powys
- Neath Port Talbot / Swansea

The ERW region has well established governance arrangements in place with a legally constituted Joint Committee holding the regional school improvement service to account for its performance in improving outcomes for learners. The Joint Committee is established through and operates under a legal agreement signed and sealed by each constituent Council on 16th July 2014. Consortium working between Directors of Education had been an ongoing relationship for a number of years prior to the formation of the Joint Committee.

Pembrokeshire County Council has been appointed as finance lead for the region. As such ERW operates under Pembrokeshire County Council's Financial Regulations, Employers Tax and VAT registration, Pension schemes, Human Resources policies (as they relate to centrally employed core staff) and all relevant accounting policies.

Powys County Council Procurement policies are followed, Carmarthenshire County Council lead on Governance and Committee Services, Ceredigion County Council lead on Legal and Monitoring Officer duties, Neath Port Talbot County Borough Council lead on Risk Management and the County of Swansea lead on Scrutiny.

SUMMARISED FINANCIAL PERFORMANCE 2015/16

The summarised financial performance provides a high level overview of the financial position of the Consortium as at 31st March 2016. Set out in the following paragraphs is the final outturn position for 2015/16 compared to the original estimate agreed by the ERW Joint Committee on the 9 February 2015 and consideration of the Central Team draft budget and funding position for 2016/17 and 2017/18 approved by the Joint Committee in February 2016.

The Draft Outturn position was reported to the ERW Joint Committee on 10 June 2016.

1. REVENUE EXPENDITURE

Central Team	2015/16		2015/16	2015/16	2014/15
	Central Team		Grants	Total	Total
	Original Estimate £000	Actual Expend £000	Actual Expend £000	Actual Expend £000	Actual Expend £000
Gross Expenditure					
Employees	379	349	850	1,199	730
Premises	20	28	-	28	19
Transport	10	6	17	23	15
Translation	10	33	60	93	19
Supplies and Services	74	55	1,879	1,934	1,200
Facilitation	10	9	-	9	43
Grants Passported to LA's	-	-	62,883	62,883	31,030
Total Gross Expenditure	503	480	65,689	66,169	33,056
Income					
Contributions from Member Authorities	(250)	(250)	-	(250)	(267)
Welsh Government Grant	(153)	(288)	(65,605)	(65,893)	(32,390)
Sports Council for Wales	-	-	-	-	(230)
Other Grant Income	-	(2)	(84)	(86)	-
Total Income	(403)	(540)	(65,689)	(66,229)	(32,887)
Net Expenditure	100	(60)	-	(60)	169
Appropriation from Reserve	(100)	(10)	-	(10)	(169)
Appropriation to Reserve	-	70	-	70	-

DRAFT BUDGET AND FUNDING POSITION 2016/17 & 2017/18

Central Team	2016/17	2017/18
	Estimated Expenditure £000	Estimated Expenditure £000
Gross Expenditure		
Employees	402	415
Premises	33	33
Transport	10	10
Translation	35	35
Supplies and Services	61	61
Facilitation	10	10
Grants Passported to LA's	-	-
Total Gross Expenditure	551	564
Income		
Contributions from Member Authorities	(250)	(250)
Welsh Government Grant	(150)	(150)
Sports Council of Wales	-	-
Total Income	(400)	(400)
Net Expenditure	151	164
Appropriation from Reserve	(151)	(164)

1.1 Commentary on the 2015/16 Revenue Performance

The ERW Consortium gross expenditure for 2015/16 totalled £66.169 million which included £62.883 million of grants being passported directly to the six constituent Local Authorities.

The ERW Joint Committee and Executive Board received regular budget reports throughout the year and were updated on additional grant resources as they became available. All Joint Committee reports can be found on the ERW website www.erw.wales.

The Central Team and their capacity to support the region has remained consistent through 2015/16. The HR Strategic Director retired in August 2015 and was not replaced until March 2016, resulting in a saving on the original budget.

In July 2015, a sub-lease was negotiated with Theatr Genedlaethol Cymru for additional rooms and space. This increased expenditure by £8k for the financial year.

Translation costs exceeded the original budget by £23k, but this was noted early during the year.

Supplies and Services savings of £19k were made during 2015/16. The main savings were External Audit which was £6k less than predicted, Communications which was £10k less due to grant funding awarded, and an £8k saving on Human Resources costs. There were additional charges for photocopier usage and printing totalling £5k

Local Authority contributions for 2015/16 have been collected from the six partners in the sum of £250k. Unlike other consortiums, ERW does not directly employ school improvement challenge advisors. They are employed by each Local Authority and work collaboratively across the three area hubs and the region as a whole as and when necessary to deliver an effective service. ERW therefore only directly employs a small administrative central team which support the Managing Director and some grant funded seconded staff. This model allows greater flexibility in delivery than employing all challenge advisors directly given the geographical area the region covers.

Contributions towards the costs of the central team were split between the six Local Authorities on the basis of pupil numbers for 2015/16:

Local Authority	% of Pupils in Region	Contribution
Carmarthenshire	20.9%	£52,250
Ceredigion	7.4%	£18,500
Neath Port Talbot	15.9%	£39,750
Pembrokeshire	14.1%	£35,250
Powys	14.4%	£36,000
City and County of Swansea	27.3%	£68,250
Total	100.0%	£250,000

These percentages were also used for apportioning reserves across the six local authorities.

£223k of the costs of the central team have been funded by various Welsh Government grants.

During 2015/16, written confirmation was received from Welsh Government that they would not be seeking any repayment of specific 2014/15 grants which were unclaimed by local authorities as the ERW Consortium as a whole had overspent their allocation. This contributed £65k to reserves.

1.2 Implications and Risks

It is not anticipated that there are any unbudgeted commitments or liabilities arising from 2015/16 that the Consortium cannot meet.

2. CAPITAL INVESTMENT

There was no capital expenditure in 2015/16. Capital grants from Welsh Government are passported direct to the relevant Local Authority.

3. ASSETS & LIABILITIES

3.1 Current Assets and Current Liabilities

Total ERW debtors were valued at £1.720m, being mostly grant income due from Welsh Government. No issues have been identified in relation to the impairment of these or any other current assets.

No issues have been identified regarding the settlement of current liabilities.

3.2 Pensions Liability

ERW participates in two pension schemes - the Dyfed Pension Fund and the Teachers' Pension Fund.

3.2.1 Dyfed Superannuation Scheme, which is administered by Carmarthenshire County Council, is a funded defined benefit scheme to which both employees and the ERW Joint Committee as employers pay contributions. From April 2014 pensions are based around career average pension as opposed to final salary pensions (for the post April 2014 element only).

The scheme is subject to statutory triennial actuarial valuations to ensure that the fund can meet future obligations, the last valuation having taken place in 2013. The Dyfed Fund has seen an increase in its net deficit.

3.2.2 Implications and Risks

Under the Compact between Welsh Local Government and the Welsh Government, one of the proposed policy reviews involved considering the number and organisational structure of pension funds in Wales.

The "staging" date for auto-enrolment of staff in the Scheme has been transitionally postponed, as allowed under the regulations, until 2017.

The major risks facing the ERW Joint Committee relate to:

- The overall number of contributors to the fund relative to the number of pensioners falling significantly resulting in higher employer contribution rates.
- Any consequential increase in employer contribution rates arising from the reforms outlined above or poor economic performance of the Dyfed Fund investments.

Given the small number of employees employed by ERW its exposure to these risks is small.

3.2.3 Teachers Pension Scheme

The scheme is administered by the Department for Education. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the ERW Joint Committee's Balance Sheet.

3.2.4 Implications and Risks

The Government introduced reforms to Teachers pensions from April 2015. Future pensions will be based around career average pension as opposed to final salary pensions.

The major risk facing the ERW Joint Committee relates to:

- The consequential increase in employer contribution rates arising from the falling contributor to pensioner ratios and from the reforms outlined above.

3.3 Usable Reserves and Balances

3.3.1 General Reserve

This reserve constitutes ERW's working balance and is maintained to meet day to day operational eventualities.

3.3.2 Earmarked Reserves

These constitute balances held at the year end for specific purposes and will be used in accordance with those specific requirements. A working reserve of £100k will be created in 2016/17 in order to provide an adequate level of funding to deal with any unexpected expenditure.

4. SIGNIFICANT INTERESTS

Members of the ERW Joint Committee, Lead Officers and Officers of the Executive Board are required to declare potential conflicts of interest arising from employment and other arrangements. There are no conflicts of interests to report.

5. PAYMENTS TO AUDITORS

It is estimated that £13k will be paid to the Wales Audit Office for its work auditing the 2015/16 financial statements. All grant certification will be subject to Internal Audit as required by Welsh Government.

6. POST BALANCE SHEET EVENTS

There were no events judged as material to ERW's financial position at 31 March 2016, which occurred after the financial year end but before the initial reporting date of 31 May 2016.

Any events taking place between the 31 May 2016 and the 15 July 2016, the date the audited Statement of Accounts being authorised for issue by the S151 Officer, will be reported and approved by the ERW Joint Committee. There are no events to be reported.

Auditor General for Wales' report to the Members of Education through Regional Working Joint Committee

I have audited the accounting statements and related notes of Education through Regional Working Joint Committee for the year ended 31 March 2016 under the Public Audit (Wales) Act 2004.

Education through Regional Working Joint Committee's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement.

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 2015-16 based on International Financial Reporting Standards (IFRSs).

Respective responsibilities of the responsible financial officer and the Auditor General for Wales

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 11, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the accounting statements

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Education through Regional Working Joint Committee's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes 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.

Opinion on the accounting statements of Education through Regional Working Joint Committee

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Education through Regional Working Joint Committee as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16.

Opinion on other matters

In my opinion, the information contained in the Explanatory Foreword is consistent with the accounting statements and related notes.

Matters on which I report by exception

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

- adequate accounting records have not been kept;
- the accounting 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;
- the Governance Statement does not reflect compliance with guidance.

Certificate of completion of audit

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



**For and on behalf of
Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ**

19 July 2016

STATEMENT OF ACCOUNTS

ERW, SOUTH WEST AND MID WALES CONSORTIUM JOINT COMMITTEE

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT

The ERW Joint Committee's Responsibilities

The ERW Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this ERW Joint Committee, that officer is the Chief Finance Officer of Pembrokeshire County Council.
- To manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

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

In preparing this Statement of Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE OF CHIEF FINANCE OFFICER

The Statement of Accounts of the ERW, South West and Mid Wales Consortium Joint Committee for the year ended 31 March 2016 is contained on pages 13 to 32, and is produced in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014. The Regulations prescribe the contents of the Statement of Accounts and it is upon the contents only that the Audit opinion is expressed.

I certify the accounts present a true and fair view of the financial position of the ERW, South West and Mid Wales Consortium Joint Committee as at 31 March 2016 and its income and expenditure for the year ended 31 March 2016 and append my signature to the Statement in accordance with Regulation 10(1).



J HASWELL FCCA

Chief Finance Officer

Date : 15 July 2016

REPORTING AND APPROVAL

These accounts, initially published on 25 May 2016, will be reported to the ERW South West and Mid Wales Consortium Joint Committee for approval following the conclusion of the Annual Audit on 15 July 2016. The audit certificate is shown on pages 9 - 10.

Chair of ERW South West and Mid Wales Consortium Joint Committee

Name: Cllr. A. Thomas

A handwritten signature in black ink, appearing to read 'A. Thomas', written in a cursive style.

Offices Address: Y Llwyfan
College Road
Carmarthen
SA31 3EQ

Date: 15 July 2016

CORE FINANCIAL STATEMENTS - UNDERLYING PRINCIPLES

The application of accounting standards, concepts, critical judgements and inherent risks, and accounting policies used in preparing the core financial statements are set out in the following pages.

1. FINANCIAL REPORTING

The International Financial Reporting and Other Standards that have been issued have been applied as required by the Code of Practice on Local Authority Accounting.

The Code of Practice requires that the ERW Joint Committee discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the code for the relevant financial year. The standards introduced in the 2016/17 Code that are relevant are:

- Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)
- Annual Improvements to IFRSs 2010-2012 Cycle
 - IFRS 2 Share-based Payment – definition of vesting condition
 - IFRS 3 Business Combinations – accounting for contingent consideration in a business combination
 - IFRS 8 Operating Segments – aggregation of operating segments
 - IFRS 8 Operating Segments – reconciliation of the total reportable segments' assets to the entity's assets
 - IFRS 13 Fair Value Measurement – short-term receivables and payables
 - IAS 16 Property, Plant and Equipment – revaluation method (proportionate restatement of accumulated depreciation)
 - IAS 24 Related Party Disclosures – key management personnel
 - IAS 38 Intangible Assets – revaluation method (proportionate restatement of accumulated amortisation)
- Amendment to IFRS 11 Joint Arrangements (accounting for Acquisitions of Interests in Joint Operations)
- Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)
- Annual Improvements to IFRSs 2012 – 2014 Cycle
 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
 - IFRS 7 Financial Instruments: Disclosures – servicing contracts
 - IFRS 7 Financial Instruments: Disclosures – applicability of the amendments to IFRS 7 to condensed Interim Financial Statements
 - IAS 19 Employee Benefits – discount rate: regional market issue
 - IAS 34 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report.'
 - Amendment to IAS 1 Presentation of Financial Statements (Disclosure Initiative)
 - The changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis

- The changes to the format of the Pension Fund Account and the Net Assets Statement

The impact of the above changes is unlikely to be material but will result in some presentational changes and these will be disclosed in the 2016/17 Financial Statements.

The Statement of Accounts set out on pages 13 to 36 have been prepared in compliance with the 2015/16 Code of Practice on Local Authority Accounting.

2. ACCOUNTING CONCEPTS

The following pervasive accounting concepts have been used in the preparation of the Core Accounting Statements:

- Accruals
- Going concern

The qualitative characteristics of financial information continue to be employed:

- Relevance
- Comparability
- Verifiability
- Timeliness
- Understandability
- Materiality
- Faithful Representation
 - Completeness
 - Neutrality
 - Free from error
- Primacy of legislative requirements

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION RISK

In applying the accounting policies set below on pages 14 to 19 the ERW Joint Committee has made judgements about the complex transactions and those involving uncertainty in future years.

Although there is a high degree of uncertainty about the future level of funding for local government, to date Education has been a priority for the Welsh Government. Therefore while some grants may be reduced and given the small number of employees directly employed by ERW, there is insufficient evidence to conclude that the Joint Committee activities will be severely impaired or reduced in future years.

In certain instances it has been necessary to estimate the changes made in the accounts using historical experience, current trends etc. Actual results may be different from the assumptions made and consequently may affect the charges made in future years' accounts.

The main risk areas are set out in the following table:

Issues appertaining to items in the current set of accounts:		
Item	Risk	Potential Affect
Contractual Obligations	Incorrect quantifications and legal challenge	Additional charge to the Joint Committee and its Partner Authorities
Pension Liability	Actuarial assumptions incorrect	Increased Employer Contributions at future date

Issues potentially impacting the accounts in the future		
Item	Risk	Potential Affect
Changes in political priorities	Reduced Funding	Reduction in service, or cessation of Regional Working
Educational Outcomes	Pupils Attainment does not Improve	Loss of future grant funding/Partner Authorities having to increase funding
Demographic Change	Assumptions Incorrect	Increased service & contractual costs
Grant Funding / Brexit	Loss of grant from Welsh Government & Europe	Reduction in service provision
Governance	Decisions not made in timely manner	Delay in improvements Budget over/under spends & loss of grant funding
Transformation/ Alternative Service Delivery	Changed ways of working do not deliver assumed financial savings	Budget over/under spend Separate accounting arrangements

Welsh Language Standard	Assumption incorrect	Increased service & contractual costs
Wellbeing of Future Generations Act	Act not considered in decision making	Cost of corrective action

4. ACCOUNTING POLICIES

The accounting policies used to prepare the Core Accounting Statements and the following Supporting Notes and Supplementary Financial Statements have been reviewed using the 2015/16 Code of Practice on Local Authority Accounting.

4.1 General

The objective of the accounting policies adopted shall be to ensure that the Statement of Accounts provides a “true and fair” view of the financial position of the ERW Joint Committee.

The accounts shall be prepared in accordance with the latest Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the Code) and adhere to the relevant Financial Reporting Standards and Practices, unless otherwise stated.

Figures shall be included in the Financial Statements using the cost convention specified by the appropriate accounting standard.

The accounting policies shall be revised as required from those of the previous year to reflect changes in reporting requirement with any such changes being disclosed.

4.2 Going Concern, Exceptional, Extraordinary Items, Prior Year Adjustments & Events After the Reporting Period

The Financial Statements shall be prepared on a going concern basis unless there is an intention by government that the services will no longer be provided.

Extraordinary items - No items of income or expense will be treated as extraordinary. All items will therefore be accommodated within one of the specified lines of the Surplus or Deficit on the Provision of Services or the Other Comprehensive Income and Expenditure.

Exceptional items – When items of income and expense are material, their nature and amount will be disclosed separately, either on the face of the Comprehensive Income and Expenditure Account or in the notes to the accounts.

Unless otherwise sanctioned by the Code, material prior period adjustments shall result in a restatement of prior year figures and disclosure of the effect.

Material events occurring after the end of the reporting period shall, if applicable at the Balance Sheet date, amend the Statement of Accounts. Other events will be disclosed with an estimate of the likely financial effect. If amended after being issued prior to the conclusion of audit the responsible financial officer shall re-certify the revised Statement of Accounts as replacing that previously issued. Materiality shall be defined as the amount estimated by the Wales Audit Office in any one year.

4.3 Leases and Lease-Type Arrangements

Recognition and Classification

Leases and similar financial arrangements shall be classified as either finance leases or operating leases. Finance leases are defined as arrangements whereby all risks and rewards incidental to ownership transfer substantially to the lessee but title may or may not eventually transfer. Operating leases shall be defined as all other lease type arrangements.

In considering property leases, land and buildings shall be considered separately for classification purposes, with land with an infinite life generally being recognised as an operating lease.

Finance Leases - shall be recorded in the Balance Sheet of the ERW Joint Committee as assets and equal liabilities in the appropriate category at fair value of the property or, if lower, the present value of the minimum lease payments – the discount rate applied being that implicit in the lease. Subsequently assets are subject to revaluation and depreciation.

The finance charge shall be charged to the revenue account on a constant basis over the term of the lease.

Operating Leases - the whole of the rental payable under operating leases shall be charged to the revenue account on a straight line basis over the term of the lease.

4.4 ERW Joint Committee Reserves (Working Balances)

Classification

Reserves shall be classified as usable, being available to support future expenditure or unusable being those required for financial accounting purposes.

Usable Reserves

The ERW Joint Committee shall govern the management and use of all reserves.

The expenditure financed from reserves shall be shown, when it is incurred, in the appropriate service section of the Comprehensive Income and Expenditure Statement.

The following circumstances shall allow amounts to be reserved from revenue:

- i. Material commitments exist for goods and services not received or paid for by 31 March
- ii. Facilitation of rolling over of funding to future years to ensure the cost effective use of resources and allow for variation in service demand from year to year
- iii. To set aside resources for future developments or contingencies

Unusable Reserves

The following financial reserves shall be maintained:

- i. Pension Reserve – to reflect the position of the Scheme's Fund.
- ii. Accumulated Absences Account – to reflect the cost of paid absence entitlement due but not taken at 31 March.

Reporting

Appropriations to and from reserves shall be reported in the Movement in Reserves Statement.

4.5 Income & Expenditure

Employee Costs & Benefits

Salaries and wages shall be charged against the periods to which they relate and if necessary estimated accruals made using previous pay periods as a basis. An adjustment shall be made in the Comprehensive Income & Expenditure Account to take account of accrued leave entitlement.

Pension costs – see policy 4.7 below.

Supplies and Services Etc

The ERW Joint Committee operates a system of accruals and converted payments. Creditors will be accrued by cut off payments at the end of a predetermined period of the following year and by the inclusion of estimates for significant items remaining outstanding at this time based on quotations or past costs. An exception to this principle relates to electricity and similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy shall be consistently applied each year and therefore does not have a material effect on any year's accounts.

Income

All income due to the ERW Joint Committee shall be accounted for at the due date and recognised at fair value.

4.6 Government Grants And Other Contributions

General

Government grants and other contributions shall be accounted for on an accruals basis and when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

Revenue Grants and Contributions

Where a revenue grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant or contribution shall be recognised as a receipt in advance. When the grant conditions are met it shall be recognised in Comprehensive Income and Expenditure Statement as income and be matched in the service revenue accounts with the expenditure to which it relates.

Repayment

In the event of repayment this shall first be applied to any receipt or contribution received in advance. To the extent that the repayment exceeds any such receipt in advance, or where no receipt in advance exists, the repayment shall be recognised within the Comprehensive Income and Expenditure Statement as an expense.

4.7 Employee Benefits

Benefits during Employment

Normal remuneration costs shall be charged as an expense in the period to which they relate.

A year end accrual shall be made in the Comprehensive Income and Expenditure Statement of any material costs arising from holiday entitlement not taken. However, not being a charge for taxation purposes shall be reversed out in the Movement in Reserves Statement.

Termination Benefits

Termination benefits shall be charged in the Comprehensive Income and Expenditure Statement when the ERW Joint Committee is demonstrably committed to the termination of employment.

Pension Costs

The pension contributions paid by the ERW Joint Committee shall be charged on an accruals basis to the appropriate service revenue account and, together with the contributions made by employees, shall be paid over to the respective fund.

Dyfed Pension Fund – The accounting policies applying to the Fund shall be determined by the administering authority, Carmarthenshire County Council, who keep the accounts of the Fund and arrange for actuarial information to be provided to participating authorities.

Pembrokeshire County Council, as an employing authority for the ERW Joint Committee shall include the current service costs of pensions as calculated by the Fund's actuary in the cost of services in accordance with the requirements of Financial Reporting Standard IAS19 as this is accounted for as defined benefit scheme.

These charges shall be reversed out in the Movement in Reserves Statement and the actual contributions paid to the Fund included to ensure that the correct cost is charged to the ERW Joint Committee.

Assets and liabilities pertaining to the ERW Joint Committee shall be disclosed on the Balance Sheet.

4.8 Stocks and Works in Progress

Stocks held by the ERW Joint Committee shall be valued at the lower of cost and net realisable value.

4.9 Debtors, Bad Debt Impairment & Creditors

General Debtors shall be recognised in the Balance Sheet and measured at fair value of the amount receivable when revenue has been recognised. In the majority of cases fair value will equate to the cash value but in the case of long term debtors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

Impairment of Debts

General allowances for impaired debts shall be made in the Balance Sheet using the following guidelines (or in specific circumstances on a basis agreed with S151 Officer).

Age of Debt	%age of debt provided
Less than 1 year	50%
1 to 2 years	90%
2 to 3 years	100%

The bad debt allowance shall be reviewed at the end of each financial year against the debts outstanding and adjustments made in the Comprehensive Income and Expenditure Statement as is appropriate.

General Creditors shall be recognised in the Balance Sheet and measured at fair value of the amount payable when goods have been delivered or services rendered. In the majority of cases fair value will equate to the cash value but in the case of long term creditors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

4.10 VAT

Transactions shall be shown net of VAT to the extent that it is recoverable/payable.

4.11 Related Parties

The following disclosures shall be made in respect of material transactions with related parties not disclosed elsewhere in the Statement of Accounts:

- i. Nature of the relationship and influence exerted either by or on the ERW Joint Committee
- ii. The aggregate of transactions in the year separately showing payable and receivable amounts
- iii. Outstanding balances as at 31 March.

CORE FINANCIAL STATEMENTS – COMPONENTS AND DETAIL

The core financial statements, prepared using International Financial Reporting Standards, (IFRS) comprise of:

- The Movement in Reserves Statement – showing the movement on the different reserves held by the authority analysed between usable reserves and unusable reserves held for financial accounting purposes.
- The Comprehensive Income and Expenditure Statement - showing the accounting cost in the year of providing services measured on an IFRS basis as opposed to the cost actually funded from taxation. The reconciliation to the taxation position, as represented by the actual funds available to the ERW Joint Committee, is shown in the Movement in Reserves Statement on page 21.
- The Balance Sheet - which sets out the financial position on 31 March in terms of the value of assets and liabilities recognised by the ERW Joint Committee and the reserves held by the ERW Joint Committee
- The Cash Flow Statement - which summarises the inflows and outflows of cash and cash equivalents with third parties arising from revenue and capital transactions.

Supporting Notes and Supplementary Financial Statements

These comprise of:

- Notes to the core financial statements.

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the ERW Joint Committee, analysed between usable (those that can be applied to fund expenditure) and other unusable reserves. The unusable reserves include reserves that hold unrealised gains and losses that are only realised when assets are sold and reserves that hold accounting differences needed to reconcile the differences between reporting on the IFRS accounting basis and the statutory funding basis.

The (Surplus)/Deficit on the provision of services reflects the economic cost of providing the ERW Joint Committee's services, more details of which are provided in the Comprehensive Income and Expenditure Statement on the following page.

Actuals 2015/16	ERW Usable Reserves £000	ERW Unusable Reserves £000	Total ERW Reserves £000
Balance 1 April 2015	(412)	40	(372)
(Surplus) / Deficit On Provision of Services	(7)	-	(7)
Total Comprehensive Income & Expenditure (see page 22)	(7)	-	(7)
Adjustments Between Accounting Basis and Funding Basis Under Regulation (see page 28)	(53)	53	-
(Increase) / Decrease In Year	(60)	53	(7)
Balance 31 March 2016	(472)	93	(379)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practice.

The Comprehensive Income and Expenditure Statement can be summarised as follows:

- **Surplus/Deficit on Continuing Operations** – analyses by subjective groupings, the day to day income and expenditure on such items as employee remuneration, running costs of services, service specific grants, fees and charges.

In accordance with the Code requirements, the operating income and expenditure of services include the following “notional” costs that are “reversed out” in the Movement in Reserves Statement:

- current service pension costs.
- **Other Comprehensive Income & Expenditure** – shows the surplus or deficit arising from the remeasurement of pension assets and liabilities.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	Note	2014/15			2015/16		
		Gross Expend.	Income	Net Expend.	Gross Expend.	Income	Net Expend.
	Pg Ref	£000	£000	£000	£000	£000	£000
Expenditure							
Employees		674	-	674	1,234	-	1,234
Termination Benefits		76	-	76	-	-	-
Premises		19	-	19	28	-	28
Transport / Mileage		15	-	15	23	-	23
Payments to Schools for Specific Work		475	-	475	1,362	-	1,362
Supplies and Services		350	-	350	271	-	271
Consultancy		221	-	221	132	-	132
Translation		19	-	19	93	-	93
Marketing		5	-	5	-	-	-
Training/Conferences		155	-	155	148	-	148
Support Services		20	-	20	30	-	30
Repayment from LA/due to WG		17	(17)	-	-	-	-
Total Expenditure		2,046	(17)	2,029	3,321	-	3,321
Income							
Contributions from Member Authorities		-	(250)	(250)	-	(250)	(250)
Welsh Government Grant		-	(1,360)	(1,360)	-	(3,010)	(3,010)
Sports Council for Wales		-	(230)	(230)	-	-	-
Miscellaneous Grant Income		-	-	-	-	(2)	(2)
Other Grant Income		-	-	-	-	(84)	(84)
Total Income		-	(1,840)	(1,840)	-	(3,346)	(3,346)
WG Grant Passported to Member Authorities	26						
Carmarthenshire		6,177	(6,177)	-	12,946	(12,946)	-
Ceredigion		2,313	(2,313)	-	4,544	(4,544)	-
Neath Port-Talbot		5,860	(5,860)	-	10,679	(10,679)	-
Pembrokeshire		4,456	(4,456)	-	8,967	(8,967)	-
Powys		3,719	(3,719)	-	7,964	(7,964)	-
City and County of Swansea		8,505	(8,505)	-	17,783	(17,783)	-
		31,030	(31,030)	-	62,883	(62,883)	-
(Surplus)/Deficit on Continuing Operations		33,076	(32,887)	189	66,204	(66,229)	(25)
Financing & Investment Income and Expenditure							
Net Pensions Interest	28	-	-	20	-	-	18
(Surplus) or Deficit on Provision of Services		-	-	209	-	-	(7)
TOTAL COMPREHENSIVE INCOME & EXPENDITURE		-	-	209	-	-	(7)

BALANCE SHEET

This Statement shows the value at the Balance Sheet date of the assets and liabilities recognised by the ERW Joint Committee. The net assets (assets less liabilities) are matched by:

- Usable reserves comprising of the general reserve and earmarked reserves.
- Unusable reserves comprising of reserves facilitating the adjustments required between accounting basis used to prepare the Statement of Accounts and the statutory funding basis under regulation.

BALANCE SHEET AS AT 31 MARCH	Page Ref	2014/15		2015/16	
		£000	£000	£000	£000
CURRENT ASSETS:					
Short-term Debtors and Prepayments	34	5,336	-	1,720	-
Cash & Cash Equivalents	35	147	-	56	-
Total Current Assets		-	5,483	-	1,776
TOTAL ASSETS		-	5,483	-	1,776
CURRENT LIABILITIES:					
Short-term Creditors	35	(5,071)	-	(1,298)	-
Payment in Advance				(6)	
Total Current Liabilities		-	(5,071)	-	(1,304)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	412	-	472
Net Pension Fund Liability	36	(40)	-	(93)	-
TOTAL LONG TERM LIABILITIES		-	(40)	-	(93)
NET ASSETS			372	-	379
Usable Reserves					
- General Joint Committee Reserve	25	-	(348)	-	(472)
- Earmarked Joint Committee Reserves	25	-	(64)	-	-
Unusable Reserves					
- Pensions Reserve	25	-	40	-	93
TOTAL RESERVES			(372)	-	(379)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period, showing how the ERW Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating, investing and financing activities.

The amount of net cash flows arising from net operating activities is a key indicator of the extent to which operations are funded by way of grant income or from the recipients of services provided by the ERW Joint Committee.

All cash transactions are administered by Pembrokeshire County Council as ERW South West & Mid Wales Consortium Joint Committee does not operate its own bank account.

CASH FLOW STATEMENT	2014/15		2015/16	
	£000	£000	£000	£000
Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow				
Net (Surplus)/Deficit on the provision of services	-	209	-	(7)
Adjustments to net surplus or deficit on the provision of services for non-cash movements				
Pension fund adjustments	(40)		(53)	-
Movements in revenue debtors, creditors, stocks etc.	1,904	1,864	151	98
Net Cash Flow from Operating Activities	-	2,073	-	91
NET (INCREASE)/DECREASE IN CASH & CASH EQUIVALENTS	-	2,073	-	91
Cash & cash equivalents at the beginning of reporting period	2,220	-	147	-
Cash & cash equivalents at the end of reporting period	147	-	56	-
INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(2,073)	-	(91)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

1. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND REGULATORY FUNDING BASIS

Actuals	2014/15		2015/16	
	ERW Usable Reserves	Unusable Reserves	ERW Usable Reserves	Unusable Reserves
	£000	£000	£000	£000
Amounts included in Total Comprehensive Income and Expenditure required by regulation to be excluded to arrive at the funding position				
Pension Cost Adjustment	(112)	112	(106)	106
Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position				
Employers contributions to pension schemes	72	(72)	53	(53)
Net Adjustment Required	(40)	40	(53)	53

2. USABLE RESERVES

Useable Reserves	Balance 1 April 2015	Contrib'n to Revenue Accounts	Contrib'n from Revenue Accounts	Balance 31 March 2016
	£000	£000	£000	£000
Earmarked Reserves	(64)	64	-	-
General Reserve	(348)	10	(134)	(472)
Total Useable Reserves	(412)	74	(134)	(472)

3. UNUSABLE RESERVES

The transactions in the unusable reserve accounts summarised below can be found in more detail on page 25.

	Balance at 1 April 2015	Movement in Year	Balance at 31 March 2016
	£000	£000	£000
Pensions Reserve	40	53	93
Total Unusable Reserves	40	53	93

NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

1. REVENUE GRANTS

The table below sets out specific grant income from Welsh Government and Other Grant Awarding Bodies subsequently passported to the Member Authorities.

	2014/15 Total	Grants Allocated Direct to Authority 2014/15	Grants Held Centrally 2014/15	2015/16 Total	Grants Allocated Direct to Authority 2015/16	Grants Held Centrally 2015/16
	£000	£000	£000	£000	£000	£000
Pupil Deprivation Grant	(17,648)	(17,648)	-	(21,008)	(20,953)	(55)
School Effectiveness Grant	(7,582)	(7,200)	(382)	-	-	-
14-19 Learning Pathways	(2,797)	(2,707)	(90)	(1)	(1)	-
Welsh in Education Grant	(1,779)	(1,779)	-	-	-	-
Schools Challenge Cymru – Tranche 1	(790)	(635)	(155)	(571)	(529)	(42)
Regional Collaboration Fund	(520)	(510)	(10)	(358)	(348)	(10)
GCSE / Milan	(360)	-	(360)	(679)	-	(679)
Physical Literacy	(230)	-	(230)	-	-	-
Band 4/5 Schools	(170)	(170)	-	-	-	-
Lead Practitioner & Emerging Schools	(162)	(162)	-	-	-	-
Consortia Attendance Grant	(150)	(130)	(20)	-	-	-
Welsh Bacallaureate	(75)	-	(75)	(50)	-	(50)
New Areas of Learning	(75)	-	(75)	-	-	-
Learning in Wales Digital CPD	(71)	-	(71)	(71)	-	(71)
Pupil Deprivation Cap. Building Grant	(50)	-	(50)	-	-	-
GCSE Professional Learning Schools	(45)	(45)	-	-	-	-
Mentoring for Headteachers	(43)	-	(43)	(49)	-	(49)
Literacy, Numeracy & MFL	(25)	(25)	-	(255)	-	(255)
Lead Pract. & Emerging Schools - ALN	(19)	(19)	-	-	-	-
Higher Level Teaching Assistants	(17)	-	(17)	(28)	-	(28)
Yr 6 National Numeracy Tests	(5)	-	(5)	(5)	-	(5)
Education Improvement Grant	-	-	-	(40,419)	(39,137)	(1,282)
Schools Challenge Cymru – Tranche 2	-	-	-	(1,455)	(1,359)	(96)
Pioneer Schools	-	-	-	(488)	(488)	-
MFL School of Excellence	-	-	-	(121)	-	(121)
Learning in Digital Wales Cap. Building	-	-	-	(83)	-	(83)
GCSE Yr9 Cross Curricula	-	-	-	(70)	-	(70)
Lit. & Numeracy for Special Schools	-	-	-	(50)	-	(50)
Mathematics Events	-	-	-	(45)	-	(45)
Support for New Headteachers	-	-	-	(42)	(42)	-
Securing Teacher Assessment Prog.	-	-	-	(33)	-	(33)
GCSE Drama & Music	-	-	-	(26)	(26)	-
Total Revenue Grants	(32,613)	(31,030)	(1,583)	(65,907)	(62,883)	(3,024)
Non SLA grants awarded by WG	(7)	-	(7)	(7)	-	(7)
Total All Grants Offered to ERW	(32,620)	(31,030)	(1,590)	(65,914)	(62,883)	(3,031)

The above revenue grants have been accounted as follows during the year:

	2014/15	Grants Directly Allocated to Authority	Grants held Centrally	2015/16	Grants Directly Allocated to Authority	Grants held Centrally
	£000	£000	£000	£000	£000	£000
Welsh Government Grants Income	(32,390)	(31,030)	(1,360)	(65,829)	(62,883)	(2,946)
Sports Council of Wales Income	(230)	-	(230)	-	-	-
Qualifications Wales	-	-	-	(50)	-	(50)
Education Achievement Service (EAS)	-	-	-	(33)	-	(33)
Routes into Language	-	-	-	(1)	-	(1)
GwE Consortium	-	-	-	(1)	-	(1)
Grants Credited As Income in Year	(32,620)	(31,030)	(1,590)	(65,914)	(62,883)	(3,031)

2. PENSION COSTS

The ERW Joint Committee participates in two pension schemes:

2.1 The Dyfed Superannuation Scheme, which is administered by Carmarthenshire County Council, is a funded defined benefit scheme to which both employees and the ERW Joint Committee, through Pembrokeshire County Council as employers, pay contributions. The scheme operates under the legislation appertaining to Local Government Pensions.

A composite employer's contribution rate used in 2015/16 was calculated by the Fund's actuary based on the valuation as at 31 March 2013 for all employees of the ERW Joint Committee who are members of the scheme.

The Fund was valued as at 31 March 2013 & the results of this valuation are reflected in the 2015/16 Accounts.

The disclosures set out below are required by International Accounting Standard 19 (IAS 19), which employs slightly different assumptions than those used in the actuarial valuation, are also produced by the Fund's actuary at each financial year end.

IAS 19 requires most assets to be valued at "realisable values" i.e. bid values, as opposed to "fair values" (in effect, mid-market values).

Interest on Assets

This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.

The Net Interest Cost is calculated as interest on pension liabilities less the interest on assets.

Expenses

Administration expenses are recognised as a separate item within the pension cost. Investment expenses are treated as a loss on asset and so recognised via Other Comprehensive Income and Expenditure.

2.2 Teachers Pension Scheme

The scheme is administered by the Department for Education. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the ERW Joint Committee's Balance Sheet.

Revenue Transactions

Comprehensive Income And Expenditure Statement Entries included in Net Operating Expenditure	2014/15		2015/16	
	£000	£000	£000	£000
Interest on Pension Liabilities	149	-	98	-
Interest on Plan assets	(129)	-	(80)	-
	-	20	-	18
Current Service Cost	-	92	-	88
	-	112	-	106
Statement of Movement on the Council Fund Balance Entries				
Reversal IAS 19 Entries Above:	-	(112)	-	(106)
Actual Charges Paid In Year				
Actual Amount Charged For Period	72	-	53	-
	-	72	-	53
	-	(40)	-	(53)

3. EXCEPTIONAL COSTS

There were no exceptional costs incurred in the period.

4. REMUNERATION DETAILS

4.1 The following tables set out the disclosure of remuneration for ERW Joint Committee Senior Staff as follows:

- Managing Director and Other Senior Staff including pension contributions or equivalent payments. The total contribution rate for employer pension contributions was 15.3% for 2014/15 and 15.4% for 2015/16.
- Other Employees receiving remuneration of £60,000 or more (not including employer pension contributions) in bands of £5,000.

Senior Officers		Gross Salary, Fees & Other Emoluments	Employer Pension Contributions to Local Government Pension Scheme	Benefits in kind
		£	£	£
Managing Director	2014/15	70,958	10,856	-
	2015/16	79,430	12,221	-
Other Employees		Number Of Employees		
Remuneration Band	2014/15	2015/16		
£65,000 - £69,999	0	1		
£100,000 - £104,999	1	0		

There are other senior officer roles within the ERW South West and Mid Wales Consortium Joint Committee who are not employed by the Consortium and they do not receive any remuneration through the additional roles that they carry out on behalf of the region. They include

Lead Chief Executive	- Carmarthenshire
Lead Director of Education	- Ceredigion
S151 / Chief Finance Officer	- Pembrokeshire
Monitoring Officer	- Ceredigion

Also on the Executive Board are the other five Directors of Education from Carmarthenshire, Neath Port Talbot, Pembrokeshire, Powys and Swansea.

For information on the remuneration of the above individuals and seconded staff members, users should refer to the respective Local Authority statement of accounts.

4.2 Termination Benefits

The following table identifies payments comprising of statutory and voluntary redundancy costs, pension contributions in respect of added years and pension strain and other ex gratia payments.

Redundancy & Other Termination Costs	2014/15				2015/16			
	No's			£000	No's			£000
	Compulsory	Other	Total		Compulsory	Other	Total	
£0 - £20,000	-	-	-	-	-	-	-	-
£20,001 - £40,000	1	-	1	35	-	-	-	-
£40,001 - £60,000	-	1	1	41	-	-	-	-
Total	1	1	2	76	-	-	-	-
Pension Costs - Capital Settlement (Current Year)	2014/15				2015/16			
	No's			£000	No's			£000
	Band				Band			
£0 - £20,000			-	-			-	-
£20,001 - £40,000			-	-			-	-
Total			-	-			-	-

5. AUDIT FEES

The following amounts are estimated as payable to the Wales Audit Office for the year:

	2014/15 £000	2015/16 £000
Fees payable to Wales Audit Office with regard to external audit services carried out by the Appointed Auditor for the year.	14	13
Fee payable for the certification of grant claims and returns	-	-
Total	14	13

6. RELATED PARTIES

Related parties refers to bodies or individuals that have the potential to control or influence the ERW Joint Committee or to be influenced or controlled by the ERW Joint Committee thereby possibly constraining the ability of the ERW Joint Committee or the other party to operate independently.

There are other instances where Executive Board Members, lead officers and Members of the ERW Joint Committee may attend meetings of the third party bodies but do not have the direct ability to exercise control, however, the opinions they express may influence decisions and policy.

6.1 Material Relationships

The following material relationships have been identified where material influence exists.

6.1.1 UK and Welsh Government

The UK and Welsh Governments, have the responsibility for the statutory framework and provide the majority of the ERW Joint Committees funding, much of which is subject to specific terms and conditions. The bodies can, therefore, exert effective control over the operations of the ERW Joint Committee. Details of grants received are set out on page 26. Grant receipts outstanding at 31 March 2016 are set out on page 34.

7. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The Comprehensive Income and Expenditure Statement is prepared using the accounting policies set out on pages 16 to 19 to meet the requirements of the Code of Practice on Local Authority Accounting.

Decisions about resource allocation are taken by the Joint Committee on the basis of budget reports prepared on a different basis using the service groupings set out in SERCOP.

In particular:

- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than the current service cost of benefits accrued in the year.

7.1 Net Cost of Services Analysed by Income and Expenditure Type

This reconciliation shows how the figures in the Net Revenue Summary (page 4) relate to the amounts included in the Comprehensive Income and Expenditure Statement (page 22).

Actual Income & Expenditure 2015/16	ERW Central Team £000	ERW Specific Grants £000	Total £000
Local Authority Contributions	(250)	-	(250)
Government Grants	(288)	(65,605)	(65,893)
Other Grant Income	(2)	(84)	(86)
Total Income	(540)	(65,689)	(66,229)
Employee Costs	349	850	1,199
Other Operating Costs	101	1,956	2,057
Support Services	30	-	30
Grants Passported to LA's	-	62,883	62,883
Total Costs	480	65,689	66,169
Net Cost of Services	(60)	-	(60)
Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement			
Net Cost of Services			(60)
Add Financial Adjustments not included in management reports			53
Remove amounts not in Comprehensive Income and Expenditure Statement			-
Net Cost of Services Comprehensive Income and Expenditure Statement			(7)

7.1 Net Cost of Services Analysed by Income and Expenditure Type Continued

Actual Income & Expenditure 2014/15	ERW Central Team £000	ERW Specific Grants £000	Total £000
Local Authority Contributions	(250)	(17)	(267)
Government Grants	(236)	(32,154)	(32,390)
Sports Council of Wales	-	(230)	(230)
Total Income	(486)	(32,401)	(32,887)
Employee Costs	407	323	730
Other Operating Costs	113	1,163	1,276
Support Services	20	-	20
Grants Passported to LA's	-	31,030	31,030
Total Costs	540	32,516	33,056
Net Cost of Services	54	115	169
Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement			
Net Cost of Services			169
Add Financial Adjustments not included in management reports			40
Remove amounts not in Comprehensive Income and Expenditure Statement			-
Net Cost of Services Comprehensive Income and Expenditure Statement			209

7.2 Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the preceding table relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement							
Actual Income & Expenditure 2015/16	Service Analysis	Financial Adjustments	Not In Comp Inc & Exp	Alloc'n of Recharges	Net Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000	£000
Local Authority Contributions	(250)	-	-	-	(250)	-	(250)
Interest & Investment Income	-	-	-	-	-	-	-
Government Grants and Contributions	(65,893)	-	-	-	(65,893)	-	(65,893)
Other Grant Income	(86)	-	-	-	(86)	-	(86)
Total Income	(66,229)	-	-	-	(66,229)	-	(66,229)
Employee Costs	1,199	35	-	-	1,234	-	1,234
Other Operating Costs	2,057	-	-	30	2,087	-	2,087
Support Services	30	-	-	(30)	-	-	-
Grants Passported to LA's	62,883	-	-	-	62,883	-	62,883
Interest Paid	-	-	-	-	-	18	18
Total Costs	66,169	35	-	-	66,204	18	66,222
(Surplus)/Deficit on Provision of Services	(60)	35	-	-	(25)	18	(7)

7.2 Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement Continued

Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement							
Actual Income & Expenditure 2014/15	Service Analysis	Financial Adjustments	Not In Comp Inc & Exp	Alloc'n of Recharges	Net Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000	£000
Local Authority Contributions	(267)	-	-	-	(267)	-	(267)
Interest & Investment Income	-	-	-	-	-	-	-
Government Grants and Contributions	(32,390)	-	-	-	(32,390)	-	(32,390)
Sports Council of Wales	(230)	-	-	-	(230)	-	(230)
Total Income	(32,887)	-	-	-	(32,887)	-	(32,887)
Employee Costs	730	20	-	-	750	-	750
Other Operating Costs	1,276	-	-	20	1,296	-	1,296
Support Services	20	-	-	(20)	-	-	-
Grants Passported to LA's	31,030	-	-	-	31,030	-	31,030
Interest Paid	-	-	-	-	-	20	20
Total Costs	33,056	20	-	-	33,076	20	33,096
(Surplus)/Deficit on Provision of Services	169	20	-	-	189	20	209

8. DEBTORS AND CREDITORS

8.1 Debtors and Prepayments

All amounts included as assets are shown at market (fair) value.

	Net 1 April 2015 £000	Gross 31 March 2016 £000	Impairment Allowance £000	Net 31 March 2016 £000
Amounts falling due in one year:				
Welsh Government	5,336	1,720	-	1,720
Local Authorities & Schools	-	-	-	-
Other Debtors	-	-	-	-
Total Debtors	5,336	1,720	-	1,720

8.2 Creditors

	Balance 31 March 2015			Balance 31 March 2016		
	Short Term Creditors	Revenue Grants Receipts in Advance	Total Creditors	Short Term Creditors	Revenue Grants Receipts in Advance	Total Creditors
	£000	£000	£000	£000	£000	£000
Amounts falling due in one year:						
Welsh Government	-	-	-	-	-	-
Local Authorities & Schools	(5,071)	-	(5,071)	(1,298)	(6)	(1,304)
Other Creditors	-	-	-	-	-	-
Total Creditors	(5,071)	-	(5,071)	(1,298)	(6)	(1,304)

8.3 Further Breakdown of Short-Term Creditor Analysis

Grant Payments Owed to Creditors	2014/15 £000	2015/16 £000
Current Liabilities		
Welsh in Education Grant	1,779	-
School Effectiveness Grant	63	-
Learning in Digital Wales CPD Programme	29	6
14-19 Learning Pathways	2,511	3
Regional Collaboration Fund	174	197
Higher Level Teaching Assistants	6	-
Schools Challenge Cymru	211	670
Mentoring of Headteachers	19	-
GCSE / Milan	67	82
Physical Literacy	64	6
Areas of Learning	31	-
Welsh Baccalaureate	36	6
Education Improvement Grant	-	225
National Professional Qualification of Headteachers	-	11
Literacy & Numeracy for Special Schools	-	35
Modern Foreign Languages	-	10
GCSE Music & Drama	-	26
Pupil Deprivation Grant	-	5
Total Current Liabilities Revenue Grants	4,990	1,282
Other Creditors		
Central Team	64	16
Powys Underspend to go Back to WG	17	-
Total Creditors Owed 31 March	5,071	1,298

9. CASH AND CASH EQUIVALENTS

	Balance 31 March 2015 £000	Balance 31 March 2016 £000
Cash in Hand	147	56
Bank Call Accounts	-	-
Cash Overdrawn	-	-
Total Cash and Cash Equivalents	147	56

10. PENSIONS RESERVE

The Pensions Reserve relates to the Dyfed Pension Scheme (see page 7) and absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

The debit balance on the Pensions Reserve reflects the shortfall at a point in time between the benefits earned by past and current employees and the resources in terms of pension fund assets required to meet them. The statutory arrangements for managing the Fund should ensure that funding will have been set aside by the time the benefits come to be paid.

	2014/15 £000	2015/16 £000
Balance 1 April	-	40
Remeasurements of Pension Liabilities and Assets	-	-
Reversal of items chargeable to the surplus/ deficit on the provision of services in the Comprehensive Income and Expenditure Statement	112	106
Employers pension contributions and other direct payments in the year	(72)	(53)
Balance 31 March	40	93