



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

26th JULY, 2019

TITLE: *ESF Institutional Capacity Building Application*

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1. PURPOSE OF THE REPORT

1.1. The purpose of the report is to outline the proposal by the NWEAB to WEFO for the ESF Institutional Capacity Building fund.

2. DECISION SOUGHT

2.1. Agree to continue the development of a Business Plan to WEFO.

2.2. Agree to set up a Task and Finish Group to lead on the development of a Business Plan.

2.3. Agree to provide quarterly progress updates to the NWEAB.

3. REASONS FOR THE DECISION

3.1. As set out in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Current Position

4.1.1. The Executive Support Group have been working on a European Social Fund (ESF) application to design and build the necessary capacity for delivering the North Wales Growth Vision.

4.1.2. The initial stage of the application, the Operation Logic Table (OLT) (Appendix 1) has been complete, and WEFO have confirmed that the NWEAB can move forward into the Business Planning Stage, where we will develop the detail for delivery.

4.1.3. The OLT estimates a total project cost of up to £6 million, this 50% funded by ESF. This funding would allow us to fund posts within the Programme Office up until June 2023 with retrospection back to June 2018.

4.2. ESF Funding

4.2.1. Priority Axis 5: Public services reform and regional working

4.2.2. The funding application is for the Priority 5: Public services reform and regional working.

4.2.3. This Priority Axis is focussed around Thematic Objective (11) – Institutional Capacity Building). The justification for the priority axis is as follows: *There is an increasing evidence base pointing to the importance of institutional capacity as a factor affecting the relative success of regional investments (OECD). Having the right capacity in place can therefore magnify the effect and impact of regional investments; with ineffective arrangements having a negative effect. As such, a lack of capacity in Welsh regions risks undermining investments made across the entire suite of European Structural and Investment (ESI) programmes in Wales and beyond. Effectively operating regional arrangements can better integrate investments in places and improve the effectiveness and impact of those investments both collectively and individually.*

4.2.4. Within the funding, there is a requirement to achieve result indicators and outputs:

- *Result indicator: Number of new methods, procedures, and tools developed and disseminated.*
- *Outputs: Number of projects targeting public administrations or public services at national, regional or local level;
Number of entities* participating in projects target public administrations or public services at national, regional or local level.*

4.3. NWEAB Growth Vision Enabler Business Plan

4.3.1. In order to achieve the vision and ambition for sustainable economic growth in North Wales we need public service organisations and their workforce to be smart, resilient and connected. To tackle some of the most complex issues of poverty, inequality, austerity and service delivery innovation, and increasing expectations and responding to legislation.

4.3.2. The 4 Public service boards across North Wales are all focused on the significant work of driving health and well-being objectives and plans but there is no regional vehicle to connect, share and provide constructive challenge and support in a strategic way that then connects to the NWEAB, Regional Leadership Group, Regional Partnership Board etc.

4.3.3. Two of the key challenges are to develop

- A workforce that thinks and works in a whole systems way and
- A space to connect and facilitating new ways of thinking, approaches and testing service integration, that works across sector, organisational and system boundaries.

4.3.4. We have a single, joined-up vision for economic and employment growth for North Wales. It will be delivered through collaboration and partnership working, with a strong private sector involvement and a 'Team North Wales' approach, building close economic relationships with neighbouring areas.

4.3.5. Delivery of the Vision will demonstrate clearly how North Wales is contributing to the priorities of the Industrial Strategy and the Welsh Government's Economic Action Plan.

4.4. Programme Office – providing a 'one team North Wales' activity

4.4.1. **Working differently together – a core professional team and network of partner advisors providing professional advice, governance support, professional services and programme and project management capacity to deliver the areas shown below:**

4.4.2. Economic Development/Regeneration/Sites and Premises

4.4.2.1. Co-ordinated regional approach to economic development; the Wales National Development Framework will provide the strategic direction for the LDPs in the region; to oversee the delivery of the programme of Regeneration Projects funded through the TRI programme ensuring effective

performance monitoring, financial controls, governance arrangements and risk management at a Programme level.

4.4.2.2. To link to work being undertaken by the Regional Skills Board in terms of Skills and Employment
To link with the Business Hubs, both planned and currently operational

4.4.2.3. To establish and maintain a long term Regeneration Plan for the North Wales region, setting out regionally agreed strategic direction and priorities.

4.4.3. **Digital**

4.4.3.1. LFFN Regional Connectivity to facilitate innovation and smarter working, improvement of business competitiveness, with businesses and residents having the capacity and know-how to exploit high quality digital opportunities. Projects include the

- North Wales Digital Connectivity Project – fixed broadband and mobile infrastructure necessary to support new and existing competitive business activity in North Wales.
- Digital Signal Processing Centre Project – to transfer market-driven Research and Development activities into commercial exploitable products, processes and services for digital communication.
- Digital Skills for North Wales – aims to develop a clear delivery plan to improve the digital skills of the current and future workforce in North Wales (link to RSP and Employability Pathway).

4.4.4. **Energy**

4.4.4.1. A programme manager and officer to facilitate the joined up working and co-ordination of many small projects within communities and larger projects across the region, to enable partnership working for storing energy and generating income.

4.4.4.2. The projects within the Growth Vision will ensure that the region has world leading expertise and a network of world leading centres to boost innovation and new technology in key economic sectors, and therefore enabling new investment, growth and quality jobs in North Wales.

4.4.5. **Transport**

4.4.5.1. To deliver the Region's strategic transport programme to improve regional connectivity, access to employment and for business and economic growth. Transport will be better integrated and alternatives to road based access developed. The region will be prepared for decarbonisation of our transport networks.

4.4.6. **Skills and Employment**

4.4.6.1. Information and Advice Gateway

- Pathways to Skills and Employment programme includes projects to tackle economic inactivity and deliver a more co-ordinated skills and employment advice and support service in the region. Link to RSP – Regional STEM – achieving excellence in Skills Development; North Wales Health and Social Care with Higher Education; North Wales Digital Automation; Upskilling Leadership and Systems Leadership, with links to Business North Wales Network.

4.4.6.2. Employability Pathway Project

- To develop a Regional Employability Pathway Framework, which partners in the region would sign up to and use to influence their funding, commissioning and service delivery decisions. The Framework is underpinned by the delivery of a variety of programmes and services both locally and regionally and will be complemented by the National Commissioning of the Working Wales employability programme contracts.
- Work will focus on better understanding and co-ordination of the delivery of these programmes and services within the commonality of the Framework, to make best use of available funding.
- Funding is required to stimulate the framework development and co-ordination activity.

4.4.7. Tourism

4.4.7.1. To support the delivery of strategic projects that will boost the reputation of the region as the UK capital of adventure tourism, maximising and delivering the economic value from our natural environment. Linking with the proposed North Wales Tourism and Hospitality Centre of Excellence, with a clear focus on extending the season and increasing the value base in terms of jobs, earnings and value-added. Enablement Officer required to also engage with the private sector to capitalise on the opportunities from international growth in the adventure tourism market.

4.4.8. Programme Office/ESF Project Support

4.4.8.1. Administration Officer to support the establishment and activity of a North Wales Programme Office, the main vehicle to initiate, co-ordinate and deliver the North Wales Growth Vision.

4.4.8.2. ESF Project Co-ordinator (0.5 FTE) to ensure all activity is eligible for funding via ESF, and to prepare and submit claims, maintain robust audit trails and collate evidence of outputs to report to WEFO.

4.4.9. Post Funding Estimates

4.4.9.1. The ESF Funding will contribute towards posts within the Programme Office. A draft proposal of the types of roles eligible for funding are listed below:

Post	Salary pa £ Incl on-costs	Total cost to 31/12/23 * £
Sites and Premises Programme Manager	57,200	257,400
Eco Dev/Regen/Sites and Premises - Programme Officer	49,400	222,300
Digital - Programme Manager	57,200	257,400
Digital - Programme Officer	49,400	222,300
Energy - Programme Manager	57,200	257,400
Energy - Programme Officer	49,400	222,300
Transport – Programme Manager	57,200	257,400
Transport – Project Manager	49,400	222,300
Skills - Project Officer	49,400	222,300
Skills - Project Officer	49,400	222,300
Tourism – Enablement officer (0.5 FTE)	24,700	111,150
Programme Office/ESF Project support	28,600	128,700
ESF P5 Project Co-ordinator (0.5 FTE)	19,500	87,750
Staff Cost Total	598,000	2,691,000
40% Simplified Cost		1,076,400
ESTIMATED PROJECT TOTAL		3,767,400

4.4.9.2. The above table is subject to change during the development of the Business Plan. Additionally there will be retrospection for posts during the transitional arrangements.

4.4.9.3. The NWEAB will submit regular financial claims to WEFO to draw down the ESF grant funding. These grant claims will include all eligible staff costs, and in accordance with grant conditions we will claim a standard amount calculated as 40% of the staff costs to cover all other expenditure within the project (training, indirect management costs, claim support costs, etc.), or for match funding.

4.5. Task and Finish Group

4.5.1. We will establish a Task and Finish Group to lead on developing the full Business Plan to WEFO.

4.5.2. The Task and Finish Group will consist of members of the Executive Officers Group.

4.5.3. The Task and Finish Group will report monthly on the progress to the Executive Officers Group, and present quarterly updates to the NWEAB on the Business Plan development. A copy of the Final Business Plan will be presented to the NWEAB for approval before submitting to WEFO.

5. FINANCIAL IMPLICATIONS

5.1. The ESF Funding will be one source of funding to fund the Programme Office. The Operation Logic Table (OLT) estimates at a maximum total project cost of £6 million at 50% funding. Detailed analysis on the cost and the financial contribution will be undertaken during the Business Planning stage.

5.2. The NWEAB will be required to contribute match funding of 50% towards the ESF Funding, this can be a combination of Capitalisation, Simplified Cost and other contributions. All options of match funding will be explored during the Business Planning process.

6. LEGAL IMPLICATIONS

6.1. None.

7. STAFFING IMPLICATIONS

7.1. None.

8. IMPACT ON EQUALITIES

8.1. None.

9. CONSULTATIONS UNDERTAKEN

9.1. The report was discussed and approved at the Executive Officers Group on 5th July, 2019.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“No observations to add in relation to propriety.”

ii. Statutory Finance Officer (the Accountable Body's Section 151 Officer):

"I'm advised that there's a quite high probability that NWEAB will secure the European Structural Funds (ESF) grant and that income would be a very valuable contribution towards Programme Office staffing costs.

As this report contains a broader list of posts to be employed, I note that there is a risk, after the Bid / Deal develops, at a point in time in the future there will be no need for all those staff. Therefore, we should set aside funds in a specific reserve, which should be earmarked for potential redundancy costs. We will consider this in the financial plan for 2020/21 and beyond."