



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
24th JANUARY, 2020

TITLE: *ESF (European Social Fund) Institutional Capacity Building Application*

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1. PURPOSE OF THE REPORT

1.1. The purpose of the report is to update the NWEAB on the ESF Funding Application, the revised Staffing Structure and the appointment dates.

2. DECISION SOUGHT

2.1. Approve the Staffing Structure for the Programme Office, and delegate the authority to the Programme Director in consultation with the Chief Executive of the Host Authority and the Section 151 Officer to amend the structure as required within the funding envelope.

2.2. Approve the appointment dates for the staff within the staffing structure, and appointing to the Programme Office prior to the Final Deal, where those posts are affordable within the core budget and the ESF Grant Funding.

2.3. Subject to the matters set out in the report and the decision to authorise the Programme Director to proceed with the creation of the posts and undertake the appointments process in accordance with the Host Authority's Policies and Procedures.

2.4. Delegate the authority to the Programme Director in consultation with the Host Authority Chief Executive and the Section 151 Officer to accept a WEFO (Welsh European Funding Office) grant offer based on 50% of the total project cost (£5.8 million) for the period July 2018 up until June 2023.

2.5. Confirm that the NWEAB accepts that it will contribute match funding at 50% primarily by a combination of capitalisation of project costs and core budget (from partner contributions).

3. REASONS FOR THE DECISION

3.1. Staff resources are needed in order to expedite the Growth Vision and work plan, as detailed in the following report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Background

4.1.1. The ESF Funding will provide funding to progress the development and delivery of the Growth Vision, through the establishment of a Programme Office.

- 4.1.2. The funding will allow the NWEAB to design and build the necessary capability and capacity at a regional (North Wales) level. This will support the shift towards regional governance and delivery of key functions to meet the ambitions of the North Wales Growth Vision and the Welsh Government through its own emerging Regional Framework.
- 4.1.3. The first draft of the Business Plan was submitted to WEFO on 21st November, 2019 following approval by the NWEAB on 15th November, 2019.
- 4.1.4. WEFO provided comments on the first draft Business Plan.
- 4.1.5. Following my appointment in January 2020 I have discussed the draft Business Plan and Staffing Structure with relevant officers.
- 4.1.6. The Business Plan and the staffing structure have been amended in line with the comments provided by WEFO as well as the recent discussions with officers.

4.2. Staffing Structure

- 4.2.1. Initially the Programme Office will have key personnel part-funded through ESF grant to provide a backbone to the structure. To date the following have been appointed: Programme Director, Operations Manager, Digital Programme Manager (secondment), Energy Programme Manager and Land and Property Programme Manager.
- 4.2.2. Additionally to the above, 15 posts will be appointed to the Programme Office. These will be recruited following approval of the ESF Application.
- 4.2.3. When we reported to the NWEAB back in November 2019, 4 posts (Skills Programme Manager, Growth Vision Programme Manager, ESF Project Manager and Programme Support Officer) were identified as a priority to appoint. However following discussions with the Programme Director an additional 6 priority posts have been identified, namely Digital Project Manager, Energy Project Manager, Land and Property Project Manager, Regeneration Project Manager, Senior Operational Officer and the PR and Marketing Officer. The aim is for these 10 posts in total to be appointed between April and October 2020 (subject to WEFO approval of the Business Plan).
- 4.2.4. The remaining 5 appointments to the Programme Office will take place after signing the Final Growth Deal, for the purpose of the funding application we have estimated that these will be appointed to during January 2021.

4.2.5. The list below outlines the estimated start dates of the posts within the Programme Office:

Post	Start date
Appointed:	
Programme Director	01/01/2020
Operations Manager	01/01/2020
Digital Programme Manager	18/11/2019
Energy Programme Manager	01/12/2019
Land and Property Programme Manager	01/04/2020
To be appointed between April and October 2020:	
Skills Programme Manager	01/04/2020
Growth Vision Programme Manager	01/10/2020
ESF Project Manager	01/04/2020
Programme Support Officer	01/04/2020
Digital Project Manager	01/04/2020
Energy Project Manager	01/04/2020
Land and Property Project Manager	01/09/2020
Regeneration Project Manager	01/09/2020
Senior Operational Officer	01/04/2020
PR and Marketing Officer	01/04/2020
To be appointed after Final Deal:	
Skills Project Officer	01/01/2021
Skills Project Officer	01/01/2021
Transport Programme Manager	01/01/2021
Digital Project Manager	01/01/2021
Transport Project Manager	01/01/2021

4.2.6. The ESF funding application proposed structure is included in Appendix 1.

5. FINANCIAL IMPLICATIONS

5.1. The funding start date will be back dated to July 2018, and the funding end date will be June 2023. Back dating the start date to July 2018 will allow the region to claim retrospection for the Lead Director seconded to the NWEAB, and support by the Senior Operational Officer and Administrative Support.

5.2. The funding application to WEFO is as follows:

Cost Heading	Cost
Staff Costs	£4.1 million
Simplified Costs (40%) [to cover all other expenditure within the programme office]	£1.7 million
Total Grant Expenditure	£5.8 million

5.3. The NWEAB will submit regular financial claims to WEFO to draw down the ESF grant funding.

5.4. The figures within this report are based on the eligible staff costs including eligible redundancy costs, and in accordance with WEFO grant conditions 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, these are known as Simplified Costs.

- 5.5. The total grant expenditure will be £5.8 million, of which £4.1 million are staff costs and £1.7 million simplified costs (i.e. to cover all other expenditure within the programme office). The ESF grant for the project will be £2.9 million (50% grant rate), with the remaining £2.9 million required as match funding provided by the NWEAB. The NWEAB match funding will primarily be a combination of capitalisation of project costs and core budget (from partner contributions). The exact commencement date of the capitalisation funding will form part of the Final Growth Deal negotiations.
- 5.6. If staff employment contracts aren't extended beyond the ESF Funding, redundancy costs may be applicable for this project. The total staff costs (in 5.2. above) include the eligible redundancy costs for staff whilst employed in the programme office. As previously discussed, the NWEAB will be setting aside funds in a reserve for this purpose when possible.
- 5.7. Inclusion of the 10 posts referred to in paragraph 4.2.3. above within the NWEAB budget for 2020/21 will be affordable within the core budget if the ESF grant funding is received.

6. LEGAL IMPLICATIONS

- 6.1. The applications for the funding and the acceptance of any offer of grant will be actioned by the Programme Director and the Host Authority's Section 151 Officer acting on behalf of and in accordance with the requirements of the NWEAB under GA1.

7. STAFFING IMPLICATIONS

- 7.1. As noted in the report.

8. IMPACT ON EQUALITIES

- 8.1. None.

9. CONSULTATIONS UNDERTAKEN

- 9.1. The original Business Plan and the proposed staffing structure was discussed and approved at the Executive Officers Group on 25th October, 2019. Further consultation has taken place with WEFO, officers and the Gwynedd Finance Department.

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Host Authority:

“The report sets out the appropriate considerations for the Boards decision and proposes and appropriate delegation arrangement which accords with the financing timetable. I note that the Host Authority will be committing to the grant and employing the staff within the provisions and protections of GA1.”

ii. Statutory Finance Officer (the Host Authority's Section 151 Officer):

“I have worked with the author in preparing this report and can confirm the accuracy of the financial aspects of the contents.”