



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD
28 JUNE, 2019

TITLE: *Programme Office Structure*

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to set out the proposed design and structure for the Programme Office during the transitional year.

2. DECISION SOUGHT

- 2.1. To approve the core structure of the Programme Office as set out in the report.

3. REASONS FOR THE DECISION

- 3.1. As set out in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Key principles for funding of the Programme Office:

- Maximise the contributions from external grants e.g. ESF Priority 5 funding.
- To keep to the minimum funding contributions from the core budget of the NWEAB.
- Aim for the Programme Office to be self-financing and commercially viable within 5 years.
- Commitment to the incremental development and growth to the Programme Office, recognising it is scalable in relation to the resources attracted to the region and requires transitional funding arrangements whilst securing resources.

4.2. Developing the Programme Office

- 4.2.1 In order to progress the development and delivery of the Growth Vision and Growth Deal, a Programme Office will be established.
- 4.2.2 The Programme Office will be responsible for supporting the activities of the North Wales Economic Ambition Board and will also be responsible for progressing key elements of the Growth Deal.
- 4.2.3 We are committed as partners in the region to working collectively and cross-sector to provide leadership and achieve the delivery of the Growth Vision.
- 4.2.4 We are also committed to a Programme Office model that is flexible and agile in its design and operations, which can evolve over time, as the policy and financial landscape changes across the region in years to come.

- 4.2.5 The purpose of the Programme Office will be to provide executive support for the North Wales Economic Ambition Board and all parts of the governance structure – to deliver the Growth Vision and Growth Deal.
- 4.2.6 It will provide professional advice on strategy and policy for all functions of the Board, and its structure – e.g. economy, transport, strategic land use planning, skills and employment.
- 4.2.7 It will also support the Board to co-ordinate and oversee service integration to achieve a more joined-up approach across key strategic functions. This will be cross-sector.
- 4.2.8 It will support the Board to plan, co-ordinate and deliver a package of strategic programmes in the region. This will include the Growth Deal projects.
- 4.2.9 It will be led by a Programme Director, who will be accountable to the North Wales Economic Ambition Board, and will have the following detailed functions:
- Co-ordinating the planning, development and delivery of a portfolio of strategic programmes and projects for the region;
 - Providing professional advice on strategy and policy for all functions of the North Wales Economic Ambition Board and its structure;
 - Develop, maintain and monitor a comprehensive performance management system and evaluation framework that will operate at both the corporate level and the project level;
 - Be responsible for the management and co-ordination of the Growth Deal Programme, gateway reviews, and the annual Business Plans, including performance and financial management of the delivery programme;
 - Provide research and analysis on impact and wider benefit realisation, as well as market trends;
 - Co-ordinate stakeholder engagement in relation to the delivery of the Growth Vision and the Growth Deal.
- 4.2.10 The Programme Office will adopt a portfolio management approach to manage programmes, projects and targets across the range of organisations. The Programme Office will have strong programme and project management skills and capacity.
- 4.2.11 The Programme Office will oversee and manage the programmes and a portfolio of projects, developing full business cases and driving projects to successful delivery.
- 4.2.12 It will also co-ordinate the Executive Officers Group – which will be the professional executive for the North Wales Economic Ambition Board. This will include Lead Officers from various partners. The Group will oversee co-ordination and joined-up working, and will review and update the Programme Risk Register.
- 4.2.13 We will make improved use of existing resources currently within the region, to collectively work on a common regional agenda and to deliver the North Wales Growth Vision and Deal.
- 4.2.14 The Programme Office will need to be structured and shaped in view of the governance arrangements of the North Wales Economic Ambition Board. It will need to be developed and evolve gradually and incrementally. The focus will have to be on pooling existing resources and deliver a more resource-efficient approach, strengthening resilience and sustainability. Its key aim will be to support the North Wales Economic Ambition Board, and to deliver the Growth Deal.

4.3. Programme Office Design

4.3.1 The Programme Office needs to be flexible in its design and operation and evolve over time as follows:

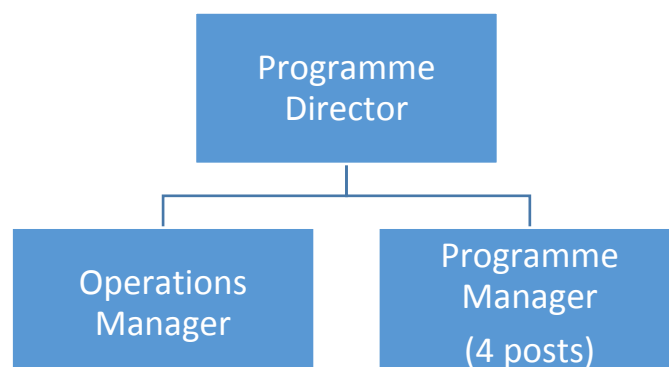
- **April 2019 to March 2020** – Transitional arrangements, developing full business cases, following signing Heads of Terms and moving towards securing resources.
- **April 2020** – Transitional arrangements evolving to a Programme Office structure which will continue to evolve over time, to meet requirements of programme and project delivery.

4.4. Core Structure

4.4.1 As stated above the Programme Office structure will develop and evolve over time by the Programme Director. The core structure of the Programme Office will include the following posts:

- **Programme Director** – to lead and direct the continued development and delivery of the Growth Vision and its governance.
- **Operations Manager** – to manage the business and finance operations of the growth vision including performance management, staff management and governance.
- **Operations Support Officer** – with a responsibility of the administrative work for the Programme Office. *(The need for this post will depend on the administrative work load.)*
- **Programme Managers** – to lead on and manage development and delivery of programmes and projects within the Growth Vision and support the governance arrangements. Four Programme Managers will be appointed during the transitional year. Each Programme Manager will have responsibility for an individual programme:
 - **Digital Programme Manager** – to lead on the Digital Programme, including the Digital Connectivity Project and Digital Signal Processing Centre.
 - **Energy Programme Manager** – to lead on the Low Carbon Energy Programme, including the Trawsfynydd Power Station Project, Morlais, Smart Local Energy Network Project and the Nuclear Centre of Excellence.
 - **Land and Property Programme Manager** – to lead on the Land and Property Programme, including the Regional Land and Property Joint Venture and the Holyhead Gateway project.
 - **Project Development Programme Manager** – to lead on the development of the projects within phase 2.

4.4.2 Transitional Year Structure



- 4.4.3. The Regional Engagement Team (RET) will work in parallel and provide support for the Programme Office. Two Engagement Officers will be appointed soon to the RET.
- 4.4.4. Additionally to the structure above, the Skills and Employment Programme report includes a request for contribution for up to £50,000 to fund a temporary post. The NWEAB will commission the Regional Skills Partnership to lead on the development of two of the projects within the Skills and Employment Programme (*See detailed information in the Skills and Employment Programme report.*)
- 4.4.5. Communications is another key role for the Programme Office, currently the NWEAB commission a consultant to undertake the PR work. During the transitional year we foresee us continuing with this commission, and reviewing the arrangement for April 2020 onwards.
- 4.5. Appendix 1 includes details of the Estimated Funding Profile for the Programme Office during the transitional year and 2020/21; a recruitment timetable for the posts outlined above; the resource available within the Programme Office and Lead Organisations to support with the development of the Full Business Cases.

5. FINANCING THE CORE STRUCTURE

- 5.1. There are a range of funding streams feeding into the Growth Vision, some of which may be used to subsidise the programme office costs e.g. ESF funding application.
- 5.2. The potential to capitalise salaries will depend on the nature of the work being performed and the issue of a 'Direction by Welsh Government' (as part of the deal) or an 'official letter' from Welsh Government which indicates flexibilities in the use of our funding. The ability to charge staff costs to a capital grant will also depend on the associated grant conditions (or as part of the deal). The final decision regarding capitalisation of specific salaries rests with the Host S151 Officer.
- 5.3. The Budget for 2019/20 includes a total budget of £246,480 for staff for the transitional year. This is based on 3 full-time posts (Programme Director, Operations Manager and an Operations Support Officer). There is also a Project Planning, Development and Support budget of £319,800. Members will recall that the Budget Report submitted to the Board on the 15th March, 2019 stated that *"although the budget has been calculated based on external input, there will be flexibility to use part of this budget to appoint Programme Managers (if this can be done without a resource commitment beyond the Board's resources)."*
- 5.4. Appendix 1 includes an estimated funding profile for the transitional year and 2020/21.
- 5.5. Within the estimated funding profile we include information on the length of the posts (temporary/permanent). The posts noted as temporary will be appointed to complete a specific piece of work. The posts noted as permanent, will be appointed initially on a temporary basis for example the Digital Programme Manager will be appointed for a year and this reviewed at the end of the period. No permanent posts will be offered until we sign Heads of Terms.
- 5.6. ESF Funding**
 - 5.6.1 The Executive Officers Group have been working on a European Social Fund (ESF) application to design and build the necessary capability and capacity for delivering the North Wales Growth Deal. Currently the initial stage of the application has been complete and we are waiting confirmation from WEFO to move forward into the Business Planning stage, where we will develop the detail for delivery.

- 5.6.2 The application for funding is for a total project cost of up to £6million, this 50% funded by ESF. This funding would allow us to fund posts within the Programme Office up until 2022/23, with retrospection back to June 2018.

6. LEGAL IMPLICATIONS

- 6.1. Governance Agreement 1 provides that the Economic Ambition Board has a “core” annual budget based on Partners contributions. Decisions to increase those contributions are reserved to the Partners. Decisions by the Economic Ambition Board involving expenditure should be based this “core” budget or be financed from other sources which are available to it. The Accountable Body will assume the role of legal employer for any staff employed in accordance with decisions of the Board. Governance Agreement 1 also provides that the Accountable Body will be indemnified by the Partners against any costs falling on it by virtue of its undertaking this role.

7. STAFFING IMPLICATIONS

- 7.1. None at this stage.

8. IMPACT ON EQUALITIES

- 8.1. None at this stage.

9. CONSULTATIONS UNDERTAKEN

- 9.1. This report was discussed and approved by the Executive Officers Group on 14/06/2019.

APPENDICES:

Appendix 1 Programme Office Planning

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“The legal summary in the report summarises the position from a propriety perspective.”

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

“I have worked with the author in preparing this report and I can confirm the accuracy of the financial figures therein. Resources are required now in order to make progress with the Programme.

These Programme Office salary costs are committed on the basis of capitalisation, partial grant funding, etc., as identified in parts 4.1 and 5.6 of the report and set out in Appendix 1. Those preferred funding sources will probably be available, but cannot confirmed at this point in time.

If necessary, the ongoing cost of the core structure proposed here is still affordable within the Board’s core resources, using 2019/20 contributions and reserves brought forward.

However, Board members need to be mindful of that each partner organisation would contribute on the basis of 'GA1 shares' towards any financial risk (including potential redundancy costs) materialising as a result of alternative funding streams (capitalisation order, grant funding) eventually not being secured."