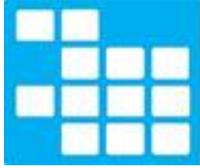


# Complete Agenda



north wales economic ambition board  
bwrdd uchelgais economaidd gogledd cymru

## Meeting

**NORTH WALES ECONOMIC AMBITION BOARD**

## Date and Time

**1.00 pm, FRIDAY, 20TH MARCH, 2020**

## Location

**Council Chamber, Bodlondeb, Bangor Road, Conwy. LL32 8D**

## Contact Point

**Annes Sion**

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(DISTRIBUTED 13/03/20)

# **NORTH WALES ECONOMIC AMBITION BOARD**

## **MEMBERSHIP OF THE JOINT COMMITTEE**

### **Voting Members**

#### **Councillors**

Hugh Evans	Cyngor Sir Dinbych
Llinos Medi Huws	Isle of Anglesey County Council
Mark Pritchard	Cyngor Bwrdesitref Sirol Wrecsam
Ian B. Roberts	Flintshire County Council
Dyfrig L. Siencyn	Gwynedd Council
Sam Rowlands	Conwy County Borough Council

### **Advisers - Non-voting**

Dafydd Evans	Grwp Llandrillo Menai
Maria Hinfelaar	Glyndwr University
Yana Williams	Coleg Cambria
Jim Jones	North Wales and Mersey Dee Business Council
Askar Sheibani	Business Delivery Board
Professor Iwan Davies	Bangor University

### **Chief Officers - Non-voting**

Annwen Morgan	Isle of Anglesey County Council
Iwan Davies	Conwy County Borough Council
Colin Everett	Flintshire County Council
Judith Greenhalgh	Denbighshire County Council
Ian Bancroft	Cyngor Bwrdesitref Sirol Wrecsam
Dilwyn Williams	Gwynedd Council

### **Officers in Attendance**

Alwen Williams	Cyfarwyddwr Rhaglen
Dafydd L. Edwards	Section 151 Officer
Iwan G. Evans	Monitoring Officer

# **A G E N D A**

## **1. APOLOGIES**

To receive any apologies for absence.

## **2. DECLARATION OF PERSONAL INTEREST**

To receive any declarations of Personal Interest

## **3. URGENT BUSINESS**

To note any items that are a matter of urgency in the view of the Chairman for consideration.

## **4. MINUTES OF THE PREVIOUS MEETING** 5 - 8

The Chair shall propose that the minutes of the meeting held on 24 January 2020 be signed as a true record.

## **5. CHAIRS UPDATE REPORT** 9

Cllr. Dyfrig Siencyn to update the NWEAB on his work in representing the Board as Chairman over the past few months.

## **6. PROGRAMME GOVERNANCE** 10 - 14

Hedd Vaughan-Evans – Operations Manager to present the proposed programme governance arrangements for the delivery of the North Wales Growth Deal.

## **7. GOVERNANCE AGREEMENT 2** 15 - 23

Iwan Evans to present the Board with and up dated GA2 Plan and report on the outcomes of the Governance Workshop.

## **8. 2020/21 BUDGET** 24 - 33

Dafydd Edwards to propose the 2020/21 Budget for the North Wales Economic Ambition Board (NWEAB).

## **9. REGIONAL ECONOMIC FRAMEWORK** 34 - 42

Alwen Williams to outline the need to refresh the North Wales Growth Vision and develop a Regional Economic Framework.

## **10. SYSTEMATIC PROGRAMME** 43 - 59

Report by Sioned E Williams, Head of Economy and Community, Gwynedd Council  
and Sian Lloyd Roberts, Regional Skills Partnership Manager.

## **11. EXCLUSION OF PRESS AND PUBLIC**

The Chairman shall propose that the press and public be excluded from the meeting during the discussion on the following item due to the likely disclosure of exempt information as defined in paragraph 12, Part 4, Schedule 12A of the Local Government Act 1972.

There is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial interests that matters related to commercial information need to be discussed without being publicised. The report deals specifically with financial and business matter and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the bodies and the Councils. This would be contrary to the wider public interest of securing the best overall outcome. For those reasons I am satisfied that the matter should be exempt in the public interest.

## **12. PROJECT BASELINE REVIEW**

(Documents to be circulated separately for Board members only)

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## NORTH WALES ECONOMIC AMBITION BOARD 24/01/20

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### Present:

Voting Members - Councillors:- Llinos Medi Huws (Isle of Anglesey County Council), Ian Roberts (Flintshire Council), Sam Rowlands (Conwy County Borough Council), Mark Pritchard (Wrexham County Borough Council) and Dyfrig L.Siencyn (Gwynedd Council) (Chair).

Advisors – Dafydd Evans (Grŵp Llandrillo Menai), Maria Hinfelaar (Glyndŵr University), Prof. David Thomas (Bangor University), Steve Jackson (Coleg Cambria), Jim Jones (North Wales Mersey Dee Business Council) and Askar Sheibani (Business Delivery Board).

Chief Officers - Annwen Morgan (Isle of Anglesey County Council), Iwan Davies (Conwy County Borough Council), Judith Greenhalgh (Denbighshire Council), Ian Bancroft (Wrexham County Borough Council), Colin Everett (Flintshire Council).

Officers in attendance - Alwen Williams (Programme Director), Dafydd Edwards (Statutory Finance Officer), Iwan Evans (Monitoring Officer), Jane Richardson (Chair of the Executive Officers Group) and Annes Siôn (Democratic Services Officer).

Alwen Williams was welcomed to her first meeting of the NWEAB as Programme Director

### **1. APOLOGIES**

Apologies were received from Cllr Hugh Evans (Denbighshire Council), Prof Iwan Davies (Bangor University), Yana Williams (Coleg Cambria) and Dilwyn Williams (Gwynedd Council).

### **2. DECLARATION OF PERSONAL INTEREST**

A declaration of personal interest was received for item 9 - Chair of the Business Delivery Board from the following:

- Dafydd Evans (Grŵp Llandrillo Menai)
- Askar Sheibani (Business Delivery Board)

It was a prejudicial interest and they left the meeting during this item.

### **3. URGENT BUSINESS**

None to note.

### **4. MINUTES OF THE PREVIOUS MEETING**

The Chair signed the minutes of the previous meeting of the NWEAB held on 15 November 2019, as a true record.

### **5. PROGRESS UPDATE REPORT**

The report was submitted by Jane Richardson - Chair of the NWEAB's Executive Officers Group.

**RESOLVED**

To note the information within the report.

## **REASONS FOR THE DECISION**

The report was presented in order to give an update on progress by the Executive Officers Group. An update was received on the appointment of four members of staff to the Programme Office, including the Programme Director. Also, it was noted that a Governance workshop would be held on 14 February 2020, and an update was given on the work of the Chair of the NWEAB.

## **DISCUSSION**

The report was submitted and it was noted that considerable work had been done since the previous meeting. It was noted that a clear focus had been highlighted during the bridging period and the roles of the NWEAB, Programme Office and Executive Group were outlined. It was noted that the Programme Director would not be chairing the Executive Group for the time being, and that Jane Richardson would continue as Chair.

It was noted that a Governance Workshop had been arranged for 14 February. It was also noted that work had been done to strengthen the relationship with Welsh Government's Regional Team and discussions were being held on how it may be possible to work together on the Regional Economic Framework and revise the Growth Vision.

It was noted that one of the next priorities would be to create a communication strategy and to decide what the Programme Office wanted to introduce in North Wales. It was stressed that a narrative was needed for North Wales and an explanation on how the Growth Vision would tie into the narrative.

During the discussion the following matters were raised:

- A member noted that they were glad that there was better collaboration with Welsh Government. The importance of creating a joint framework and the same vision was noted.
- The Executive Group was discussed, specifically the chairmanship. The need for the Programme Director to be a member was stressed, as it would be difficult to present items and chair meetings.
- The need to sign the Heads of Terms by October was stressed. It was added that a discussion would be needed at a workshop in terms of how flexible the two Governments are with projects in the first phase and second phase. It was stressed that as projects were the root of the entire programme, there was a need to be flexible. It was noted that the Government needed to be entirely clear about when the projects move to be a programme.

## **6. REVENUE BUDGET 2019/20 - THIRD QUARTER REVIEW (DECEMBER 2019)**

The report was submitted by Dafydd Edwards - Statutory Finance Officer.

### **RESOLVED**

To receive the third quarter review of the NWEAB budget for 2019/20, and agree to transfer any underspend in 2019/20 to the earmarked reserve that will be available for future years.

## **REASONS FOR THE DECISION**

A report was given on the various budget headings that were overspending / underspending and it was noted that there would be an estimated net underspend of £117,424 at the end of 2019/20, which would be transferred to the earmarked reserve set up at the end of 2018/19.

In order to work effectively, the Joint-committee (NWEAB) must be aware of its expenditure situation to date and this year's spending projections against its annual budget.

## **DISCUSSION**

The report was submitted and it was noted that the budget for 2020/21 would be discussed at the next meeting. It was added that there had not been any major changes over the last quarter. Members were guided through the spreadsheet and it was stressed that the underspend had occurred due to the delay in appointing the Programme Director. It was noted that additional income had been added for the ESF grant if the grant was approved.

It was noted that the final position would be discussed in June, and it was accepted that any underspend would be transferred to the earmarked reserve fund.

During the discussion the following matters were raised:

It was highlighted that reserves were for any further costs and to reduce the workload and demand for funding from partners.

It was asked how much money would be transferred for this year and how much was in reserve, and it was noted that £117,424 would be transferred for this year which would bring the total to £453,000.

## **7. ESF APPLICATION**

The report was submitted by Alwen Williams, Programme Director

### **DECISION**

To 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 Statutory Finance Officer to amend the structure as required within the funding envelope.

To approve the appointment dates for the staff within the staffing structure, and appoint to the Programme Office prior to the Final Deal, where those posts are affordable within the core budget and the ESF budget (as listed in clause 4.2.5 of the report).

Subject to the matters set out in the report, 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.

To delegate the authority to the Programme Director, in consultation with the Host Authority Chief Executive and the Statutory Finance Officer, to accept a WEFO grant offer based on 50% of the total project cost for the period July 2018 up until June 2023. To 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.

## **REASONS FOR THE DECISION**

The ESF grant would provide funding to the region for the development and delivery of the Growth Vision, through the establishment of a Programme Office. The Programme Office will start with a core team of officers partly funded through the ESF grant.

In terms of the budget, it was noted that it would be more cost-effective to appoint officers rather than appoint consultants on freelance contracts. It was emphasised that no appointments would be made until confirmation of the funding had been received.

## **DISCUSSION**

The report was submitted, noting that it was an update on the grant application. The posts which were part of the application were noted, as well as the dates for appointing and starting in post.

In terms of the budget, it was noted that it would be more cost-effective to appoint officers rather than appoint consultants on freelance contracts. It was emphasised that no appointments would be made until confirmation of the funding has been received.

During the discussion the following matters were raised:

- It was asked when confirmation would be given of whether or not the funding would be received. It was noted that the indications were that the application would be accepted and Conwy Council was thanked for the work of preparing the application.
- The difference between programme manager and project manager was discussed. It was stressed that these posts continued to be developed and adapted to ensure that there is no duplication, specifically when looking at the role of officers within the Regional Skills Partnership which is already operational in the region.
- In terms of receiving the funding, it was noted that once confirmation is received that funding is available, an application for back-payment would be made and then the funding would be claimed on a quarterly basis.

## **8. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED to exclude the press and public from the meeting during the discussion on the following item.

## **9. BUSINESS DELIVERY BOARD CHAIR - SHORT LIST**

### **DECISION**

That four of the candidates are eligible for short-listing for interview.

### **REASONS FOR THE DECISION**

Drawing up a short list of candidates was one of the key milestones in the process of recruiting and appointing an individual to this key post.

The meeting commenced at 1.00 pm and concluded at 2.40 pm

**CHAIRMAN**



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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD**

**20 March, 2020**

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**TITLE:** *Chair's Update Report*

**AUTHOR:** *Councillor Dyfrig Siencyn, NWEAB Chair*

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**1. PURPOSE OF THE REPORT**

1.1. To update the NWEAB on my work in representing the Board over the past few months.

**2. THE DECISION SOUGHT**

2.1. To note the information within the report.

**3. REASONS FOR THE DECISION**

3.1. To update the NWEAB.

**4. BACKGROUND AND RELEVANT CONSIDERATIONS**

4.1. Since the last NWEAB meeting, I have attended the following event(s) on behalf of the Board:

- North Wales Minister: Cross-Party Briefing Meeting - 6 March, 2020

4.2. I will provide details about the event(s) during the meeting.

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**VIEWS OF THE STATUTORY OFFICERS:**

**i. Monitoring Officer – Host Authority:**

“No observations to add from a propriety perspective.”

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

“Nothing to add from a financial propriety perspective.”



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**REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD****20 March, 2020**

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**TITLE:** *Programme Governance***AUTHOR:** *Hedd Vaughan-Evans, Operations Manager*

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**1. PURPOSE OF THE REPORT**

- 1.1. The purpose of the report is to present the proposed programme governance arrangements for the delivery of the North Wales Growth Deal.

**2. DECISION SOUGHT**

- 2.1. Endorse the principle of adopting a programme and project management approach to the delivery of the North Wales Growth Deal, including the establishment of Programme Boards to oversee operational delivery.
- 2.2. Endorse the principle of appointing a Lead Member for each programme as a link between the North Wales Economic Ambition Board and the individual Programme Boards and to request a further paper outlining the role and the wider governance arrangements prior to a final decision on the appointment of Lead Members.
- 2.3. Approve the proposed delivery structure as set out in **Appendix 1** and delegate authority to the Programme Director in consultation with the Monitoring Officer and the Executive Support Group to implement the programme governance arrangements and make all other appointments (excluding the Lead Member role) to the Programme Boards.
- 2.4. That the existing sub-groups for Energy and Digital, will be replaced by the Programme Boards once established.

**3. REASONS FOR THE DECISION**

- 3.1. The Programme Office needs to adopt a programme governance model to ensure the successful delivery of the North Wales Growth Deal.

**4. BACKGROUND AND RELEVANT CONSIDERATIONS**

- 4.1. The North Wales Growth Deal is a complex portfolio consisting currently of 14 projects across six programmes of work, with a total value of approx. £1billion to be delivered over the next 15 years. An additional Skills Programme sits outside the terms of the Growth Deal but is a crucial component of delivering the vision for North Wales. It is to be delivered by the Programme Office, on behalf of the North Wales Economic Ambition Board, a partnership of six local authorities, two universities, two further education establishments and a business council. Given the scale and complexity of the partnership and the portfolio of work to be delivered, there is a need to establish a clear model for portfolio, programme and project governance.

4.2. It is proposed that the North Wales Economic Ambition Board adopt a delivery model based on a best practice approach to portfolio, programme and project management as set out in 'Government Functional Standard GovS 002: Project Delivery'. Portfolio, programme and project management is an integrated way of meeting an organisations ambitions, driving better decisions and increasing the likelihood of successful outcomes.

4.3. **Appendix 1** sets out the proposed governance approach.

## 5. FINANCIAL IMPLICATIONS

5.1. None at this stage.

## 6. LEGAL IMPLICATIONS

6.1. The recommendations in the report are based on a best practice model set out in 4.2 above. The North Wales Economic Ambition Board has power within GA1 to establish either statutory sub-committees or other groups to support its functions. In this case formal sub-committees are not proposed. As is highlighted in the report if the principle of the approach is approved detailed terms of reference and decision making will be developed as well as finalising the membership arrangements and governance arrangements around the advisory bodies. These will be reported to the Board for final approval.

## 7. STAFFING IMPLICATIONS

7.1. None at this stage.

## 8. IMPACT ON EQUALITIES

8.1. None at this stage.

## 9. CONSULTATIONS UNDERTAKEN

9.1. The contents of this report was discussed by the Executive Support Group on the 6<sup>th</sup> March, 2020.

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### APPENDICES:

<b>Appendix 1</b>	Developing a Portfolio, Programme and Project Governance model for the delivery of the North Wales Growth Deal
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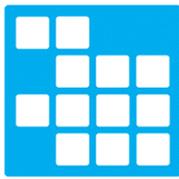
### STATUTORY OFFICERS RESPONSE:

i. **Monitoring Officer – Host Authority:**

"I have contributed to the legal section of the report. I have no further observations to add from a propriety perspective."

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

"I am generally supportive of the proposed programme governance arrangements. I trust that spending powers will be retained by the Joint Committee (NWEAB) and the Programme Director, as appropriate."



## Appendix 1:

### Developing a Portfolio, Programme and Project Governance model for the delivery of the North Wales Growth Deal

#### 1. Context

The North Wales Growth Deal is a complex portfolio consisting currently of 14 projects across six programmes of work, with a total value of approx. £1billion to be delivered over the next 15 years. An additional Skills Programme sits outside the terms of the Growth Deal but is a crucial component of delivering the vision for North Wales. It is to be delivered by the Programme Office, on behalf of the North Wales Economic Ambition Board (NWEAB), a partnership of six local authorities, two universities, two further education establishments and a business council.

Given the scale and complexity of the partnership and the portfolio of work to be delivered, there is a need to establish a clear model for portfolio, programme and project governance.

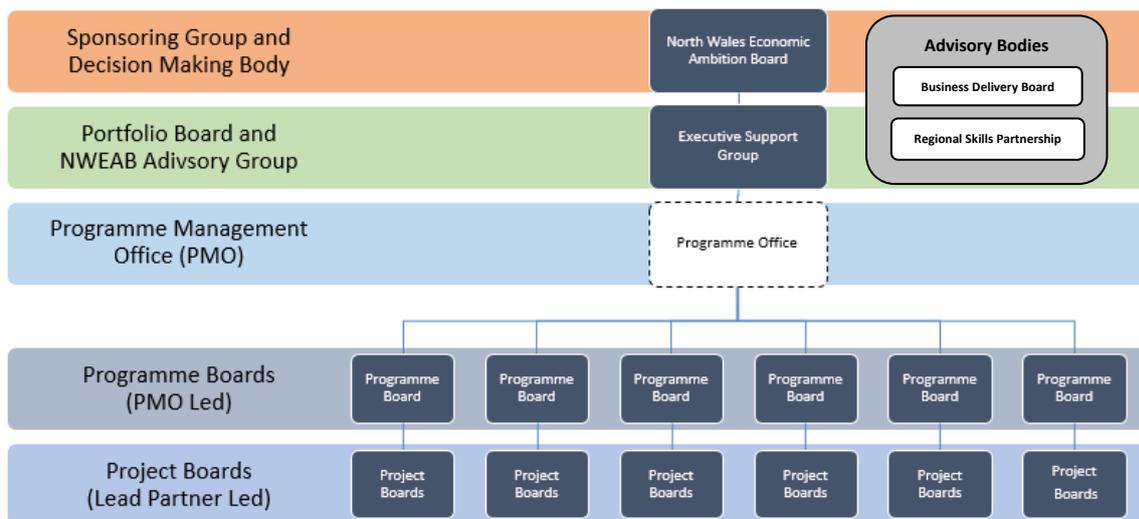
#### 2. Adopting a best practice approach

It is proposed that the NWEAB adopt a delivery model based on a best practice approach to portfolio, programme and project management as set out in 'Government Functional Standard GovS 002: Project Delivery'.

Portfolio, programme and project management is an integrated way of meeting an organisations ambitions, driving better decisions and increasing the likelihood of successful outcomes.

#### 3. Proposed Delivery Structure

The diagram below sets out a proposed delivery structure for the Growth Deal building on the existing structures put in place by GA1.



### Strategic and Portfolio Level

**NWEAB** – The NWEAB serves as both the Sponsoring Group (Organisation) and the Decision Making Body. All authority below this level is delegated to relevant parties as required through a formal NWEAB decision. Our expectation is that a member of the NWEAB would take on a Lead Member role for each of the programmes and sit on the relevant Programme Board.

**Executive Support Group** – This group continues its role as the advisory body to the NWEAB but also acts as the Portfolio Board for the Growth Deal to support and challenge the Growth Deal Programme Director to ensure delivery. Our expectation is that a member of the Executive Support Group will act as a Senior Responsible Owner (SRO) for each of the programmes and lead the relevant Programme Board.

**Programme Director** – The Programme Director is accountable to the NWEAB for the delivery of the Growth Deal portfolio.

### Programme and Project Level

**Programme Management Office (PMO)** – The PMO supports and co-ordinates activity across the programmes acting as an information hub and ensuring a consistent approach to reporting, control of risk and issues. It also acts as a valuable assurance function, providing advice and challenge to programmes and projects.

**Programme Boards** – Each programme will have a formal Programme Board and an appointed Senior Responsible Owner (SRO). These boards will be focused on the development (initially) and delivery of the agreed Programme Business Case, with a specific focus on the benefits and outcomes to be achieved. Programme Boards escalate to the Portfolio Board via the Programme Director.

**Project Boards** – Programme Boards will determine the need for specific Project Boards, however it is anticipated that all projects within the Growth Deal will require dedicated Project Boards and an appointed SRO. These boards will be focused on the development (initially) and delivery of the agreed business case, with a focus on the delivery of specified outputs. Project Boards escalate to the Programme Board.

### Programme Board Membership

Each Programme Board will have an agreed Terms of Reference setting out the remit of the Board as well as clear protocols on how conflicts of interest are dealt with.

The membership structure of the Programme Boards will be as follows:

- Senior Responsible Owner (from the Executive Support Group)
- Programme Manager (Programme Office)
- NWEAB Lead Member
- NWEAB Partner Representatives - maximum of 9 (Officers)

The Lead Member representative will act as a link between the Programme Board and the NWEAB.

The NWEAB will appoint the Lead Member representative for each Programme Board. All other Programme Board appointments to be made by the Programme Director in consultation with the Executive Support Group and the NWEAB Monitoring Officer.

Programme Boards will be structured to ensure there is a balanced representation across partners. Partner representatives appointed to the Programme Boards will be expected to have a level of seniority within their respected organisations.

#### Monitoring and Reporting Arrangements

Appropriate monitoring and reporting arrangements will be put in place at each level

#### Conflicts of Interest

As part of the development of this governance model and GA2 a Conflict of Interest Protocol will be developed. This will extend from the current Code which focuses on personal interests into the interests of organisations and bodies who may have multiple roles encompassing both the delivery of projects and the approvals and scrutiny role on a commissioning side. The Protocol will ensure that such conflicts are defined, identified and managed so as to ensure that stakeholder and public confidence in the propriety of the processes is demonstrably ensured.

### **4. Relationship with existing Sub-Committees and Sub-Groups**

#### Sub-Committees

The NWEAB has established a Transport Sub-Board which is a formal sub-committee but the NWEAB has not moved forward with the wider structure envisaged in GA1. The approach to sub-committees and sub-groups will be reviewed as part of the development of GA2 with a view to creating a model which reflects the developing understanding of the appropriate governance and accountability structure. Growth Deal programme delivery will not be managed at committee level, however appropriate monitoring and reporting arrangements between Programme Boards, and the NWEAB will be established.

#### Sub-groups

There are two informal sub-groups currently in place for the Energy and Digital programmes. It is proposed that these sub-groups are replaced by the new Programme Boards to provide more focus on delivery and clearer governance and accountability.

### **5. Relationship with Advisory Bodies\***

#### Business Delivery Group

As set out in its Terms of Reference, the Business Delivery Group (BDG) acts an advisor to the NWEAB and will play a key role in the development of programme and project business cases ensuring the views and expertise of the private sector inform the development and prioritisation of projects. The Programme Office will work with the Chair of the BDG to establish the relevant feedback and reporting mechanisms through to the Executive Support Group and the NWEAB.

#### Regional Skills Partnership

The Regional Skills Partnership (RSP) sits outside the governance structure of the NWEAB with a specific mandate from Welsh Government, however the RSP will play a key role in the delivery of the Skills Programme both as an advisor to the Board as well as providing a structure through which the Board could commission from the RSP Programme Office specific pieces of work.

*\* While only two advisory bodies are reflected here, there are a number of other advisory bodies across the region that support the work of the Board, for example the Regional Tourism Forum.*



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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

20 March, 2020

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**TITLE:** *Governance Agreement 2*

**AUTHOR:** *Iwan G. D. Evans, Monitoring Officer – Host Authority*

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### 1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to present the Board with and up dated GA2 Plan and report on the outcomes of the Governance Workshop.

### 2. DECISION SOUGHT

- 2.1. Approve the report.
- 2.2. Approve the revised Governance Agreement 2 Project Plan.

### 3. REASONS FOR THE DECISION

- 3.1. The agreement of the underlying partnership and governance framework is key to agreeing a comprehensive Governance Agreement 2 (“GA 2”). The report sets out the key outcomes of the Governance Workshop as a basis for progressing this work.

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The proposed GA2 project plan was reported to the NWEAB in May of 2019. This set out the anticipated steps for preparation of the document in preparation for signature of the final growth deal. A draft amended plan identifying the steps which have been taken and the next actions is attached to this report as **Appendix 1**. In summary, we are now in a position where the draft document prepared by our specialist advisors Pinsents has been out for comments by Partner organisations. Although we have some responses some remain outstanding.
- 4.2. GA2 is a document which primarily codifies the relationship and commitment of the parties, their responsibilities and accountability as well as establishing the supporting governance framework. I have attached a summary of the contents of GA2 as **Appendix 2** and it can be broadly split into three elements:
1. Governance
  2. Partner Relationship
  3. Legal and Technical matters
- 4.3. The work to date has enabled development of a draft GA2 which takes many elements of GA1. It also reflects the key change from GA1 to GA2 namely from supporting the bid and approval process to being an agreement around delivery of the Growth Deal and Growth Vision. It may also provide the basis for further and wider Joint Working in due course.

4.4. A multi-disciplinary workshop was held on the 14<sup>th</sup> February, 2020 to explore key governance issues around the preparation of the GA2. It provided an opportunity to identify and understand the issues which need to be agreed or resolved between the Partners. These resolutions will then inform the completion of an agreed GA2. The following is a summary of the Key Matters which were identified and possible responses.

**5. KEY MATTERS**

Question / Comment	Proposed Response
<p><b>5.1. GOVERNANCE STRUCTURE</b></p> <p>GA1 set out a structure of possible sub-committees. This involves 5 sub-committees in total which creates a potentially significant governance structure in proportion to the current role of the NWEAB. Any governance structure will also have fit within the necessary Programme and Project Governance structures around the Growth Deal. A Transport Sub-Board has been established but no further formal Sub-Boards have as yet been established. It was considered that the NWEAB needed flexibility to create a structure which supported and promoted its functions.</p>	<p><b>The form of governance sub structures should be wholly delegated to the Economic Ambition Board in GA2.</b></p>
<p><b>5.2. BOARD MEMBERSHIP</b></p> <p>The current membership was seen as being balanced and inclusive may need to consider how other groups e.g. voluntary sector interact with NWEAB.</p>	<p><b>To review procedure rules as part of GA2 development.</b></p>
<p><b>5.3. ACCOUNTABILITY NWEAB (Partnership)</b></p> <p>Are the issues reserved to Partner bodies the right ones?</p> <p>Generally the Matters Reserved to Partners were seen as appropriate. The parameters and flexibility for the NWEAB around key decisions such as variation of Programmes and Projects needed to be defined.</p> <p>The matters reserved to Partners in GA1 include in particular:</p> <ul style="list-style-type: none"> <li>• Approval of GA2;</li> <li>• Approval and adoption of any Business Plans;</li> <li>• Agreeing any increase to a Party's affordability envelope;</li> <li>• Approval of any increase to the Parties' Contribution;</li> <li>• Approval of the Annual Budget pursuant to Clause 11.4 (Annual Budget);</li> </ul> <p>Approval of additional expenditure over and above the approved Annual Budget</p>	<p><b>GA2 establishes the concept of an “Overarching Business Plan” which is a Reserved Matter. The scope of the delegation and flexibility for the NWEAB within would be defined in that document.</b></p> <p><b>The proposed Overarching Business Plan needs to be confirmed as a task for the Overall Work Programme as it will be a key document in taking forward the Final Growth Agreement and GA2 for decision.</b></p>

<p>of the Accountable Body held on behalf of the Parties set out in Clause 11.4 (Annual Budget);</p> <ul style="list-style-type: none"> <li>• Amendments to the terms of this Agreement;</li> <li>• Creation of a local authority trading company under Local Government Act 2003.</li> </ul>	
<p><b>5.4. SCRUTINY</b></p> <p>How could regional scrutiny best work? How should call in powers be managed?</p> <p>The preferred scrutiny model was based on the existing regional Local Authority Scrutiny Committees. They were seen as key to the “backbench” relationship and communication. There was scope for creating a framework which would facilitate effective scrutiny by all Partner bodies.</p>	<p><b>To develop a Local Authority Scrutiny framework based on the six statutory current Scrutiny Committees.</b></p>
<p><b>5.5. BUSINESS DELIVERY BOARD</b></p> <p>Is the role of the Business Delivery Board clear? What should be its role in GA2 for the Growth Deal delivery stage?</p> <p>The Business Delivery Board was seen as key to the private sector relationship with the NWEAB. The governance structure is essentially in place but the development of its role and its status within the processes of the PO and NWEAB needs to be meaningfully developed.</p>	<p><b>The terms of the Business Delivery Board to be included in GA2 but with delegated authority for the NWEAB to amend as required.</b></p>
<p><b>5.6. EXECUTIVE GROUP</b></p> <p>Do the current arrangements between the Executive Group and the NWEAB work for you, e.g. the Executive Group being a clearing house for Board reports? Are the Executive support arrangements clear and working well?</p> <p>Generally the arrangements appear appropriate but there is a need to ensure that GA2 reflects the current developed practice and inter relationship with the Programme Office going forward.</p>	<p><b>The Executive Group should review the current terms of reference with a view to informing the drafting of GA2.</b></p>
<p><b>5.7. LOCK IN PERIOD</b></p> <p>Are you content with a ‘Lock in’ Period up until the first Gateway Review, with a need for 12 months’ notice?</p> <p>The concept of a lock in period was accepted but subsequent withdrawal from the Partnership would also require provisions for protecting Partners against the financial consequences.</p>	<p><b>The draft GA2 is based on this approach but detailed work needs to be done on establishing the parameters and liabilities.</b></p>

<p><b>5.8. WIDER REGIONAL WORKING</b></p> <p>How should we work with the ‘consultative groups’ and ‘stakeholder groups’ such as the Regional Skills Partnership and Tourism Partnership?</p>	<p><b>There is a need to identify the regional and other bodies who are potential consultative bodies and how and in which conditions do they support and inform the work of the NWEAB.</b></p>
<p><b>5.9. FINANCE</b></p> <p>Are the current annual partner contributions sufficient and sustainable?</p> <p>The annual contributions were set at a minimum level. If they need to be increased will we need a funding mechanism e.g. (1) equal contributions or (2) proportionate contributions? There is also a need to understand the “Supplementary Contribution and its status. Current contribution and apportionment of liabilities based on GA1 core contributions which disregards “Supplementary Contribution”. The current contributions were considered currently sufficient and GA1 allows for a maximum 5% annual increase. However the issue of indexation of future contributions needs to be addressed.</p> <p>We will need an options appraisal on the apportionment of the borrowing costs. What should we take into account e.g. shared borrowing risk?</p> <p>There are a number of complex inter-related issues around contributions to e.g. borrowing costs, proportions and commercialisation which need to be developed. There are both financial and legal issues to be addressed. These are also matters which will inform the preparation of GA2 but will also be relevant to Programmes and Projects.</p>	<p><b>Matter for Finance Officers to review and report on in accordance with the work programme.</b></p> <p><b>Programme Office, Finance and Legal Officers to review and report on options in accordance with the work Programme.</b></p>
<p><b>5.10. STAKEHOLDER ENGAGEMENT</b></p> <p>The progress towards the Final Growth Deal Agreement and GA2 is a parallel process which lead to decisions by Partner Organisations .It is important that communication with decision makers is maintained throughout the process leading up to the Final Growth Deal Agreement and GA2. There needs to be an understanding of the level of earlier clarity/certainty needed on some positions particularly around commercialisation for Business Case development.</p>	<p><b>An updated work programme needs agreed and be put in place dealing with the decision making routes.</b></p>

## **6. CONCLUSION**

6.1. The report seeks to highlight the major issues which will form the bulk of the work in formulating GA2. Other matters were also highlighted and will be addressed as part of the development of GA2.

- Managing Conflicts of interest in programme and project governance;
- Monitoring the Development of Corporate Joint-Committees and possible implications.

## **7. FINANCIAL IMPLICATIONS**

7.1. There are no specific financial implications.

## **8. LEGAL IMPLICATIONS**

8.1. The report deals with the preparation of a legal governance agreement which will have legal implications. These will be subject to specialist advice and input as they are developed.

## **9. STAFFING IMPLICATIONS**

9.1. None at this stage.

## **10. IMPACT ON EQUALITIES**

10.1. None at this stage.

## **11. CONSULTATIONS UNDERTAKEN**

11.1. The contents of this report was discussed by the Executive Support Group on 6<sup>th</sup> March, 2020.

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### **APPENDICES:**

<b>Appendix 1</b>	Revised timetable for preparation of GA2
<b>Appendix 2</b>	Summary of the contents of GA2

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### **STATUTORY OFFICERS RESPONSE:**

**i. Monitoring Officer – Host Authority:**

Author of the report.

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

“I have contributed to financial aspects in this revised Governance Agreement 2 Project Plan, both at the Governance Workshop and thereafter, and I support the proposal for the Board to approve the Plan.”

APPENDIX 1

Revised timetable for preparation of GA2

Action	Start Date	End Date	Lead	Status
Initial conference with Pinsents	13/05/2019	13/05/2019	Legal	
Circulate Initial Issues list and Questionnaire with initial draft GA1	23/08/2019	14/06/2019	Legal	
<del>Commission specific work streams/steer from Finance Exec Group and Partners</del>	20th May 2019	To be determined as part of an agreed timetabled work stream based on overall Work Programme.	Legal and relevant specialism	
<del>Review responses and prepare initial working draft GA2</del>	17/06/2019	30/06/2019	Legal	
<del>Report to Exec Group / Workshop</del>	05/07/2019	05/07/2019	Legal	
Hold Workshop with Pinsents to review responses	23/10/2019	23/10/2019		
Prepare revised second Draft GA2	Prepared and Circulated 28/11/2020	Closing Date for Responses 07/02/20	Legal	
Report on progress to Exec Group 6/2/2020		06/02/2020	Legal	
Governance Worksop on Key Issues		14/02/2020		
Report on Progress to the NWEAB		20/03/2020	Legal	
Agree Partner Contributions basis and proportional liabilities and indemnities	06/03/2020	12/06/2020 (NWEAB)	Partners Finance Officers	
Identify Options for apportionment notional borrowing costs to cover negative cash flow	06/03/2020	31/07/2020	Programme Office	
Identify Commercialisation Options for Programmes and Projects	06/03/2020	12/06/2020 (NWEAB)		
Overarching Business Plan	06/03/2020	This will be determined by development of the wider project and maturity of information and consensus on key elements which will feed into the document	Programme Office	
Draft Model for Scrutiny	20/03/2020	31/05/2020	Legal and Democratic Services	

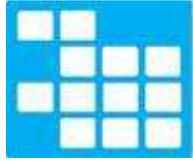
<b>Report to Scrutiny and Partners on proposed models</b>		September/October 2020	Legal and Democratic Services	
<b>Secure Agreement on final draft</b>	This will be determined by development of the wider project and maturity of information and consensus on key elements which will feed into the agreement.		Legal	
<b>Prepare final draft for confirmation and approvals.</b>	This will have to be in accordance with overall Work Programme		Legal	
<b>Complete Agreement</b>	In parallel with approvals process for Growth Deal.		Legal	

## APPENDIX 2

### GA2 Overview

No	GA2 Heading	
1	DEFINITIONS AND INTERPRETATION	
2	COMMENCEMENT, DURATION AND TERMINATION	
3	PRINCIPLES AND KEY OBJECTIVES	SCHEDULE 1 - DELEGATIONS POLICY
4	GOVERNANCE	SCHEDULE 2 - TERMS OF REFERENCE
5	DECISION MAKING	PART 1 - JOINT-COMMITTEE TERMS OF REFERENCE
6	THE HOST AUTHORITY	PART 2 - EXECUTIVE TEAM / EXECUTIVE GROUP'S TERMS OF REFERENCE
7	DUTIES OF THE HOST AUTHORITY	PART 3 - PROGRAMME OFFICES TERMS OF REFERENCE
8	DUTIES OF THE OTHER PARTIES	PART 4 – SUB-COMMITTEE TERMS OF REFERENCE
9	JOINT COMMITTEE	SCHEDULE 6 - CODE OF CONDUCT FOR NWEAB ADVISERS
10	EXECUTIVE TEAM / EXECUTIVE GROUP	
11	PROGRAMME OFFICE	
12	SCRUTINY	
13	BUSINESS PLAN	SCHEDULE 4 - HEADS OF EXPENDITURE
14	APPROVAL PROCESS	SCHEDULE 5 - ACCOUNTING PERIODS
15	COMMITMENT OF THE PARTIES AND CONTRIBUTIONS	SCHEDULE 7 - LIABILITY REPORT
16	DRAWDOWN OF THE GROWTH DEAL	
17	MITIGATION	SCHEDULE 8 - GROWTH VISION
18	LIABILITY OF THE PARTIES	SCHEDULE 9 - IMPLEMENTATION PLAN
19	WITHDRAWAL	SCHEDULE 10 - OVERARCHING BUSINESS PLAN
20	[CONSEQUENCES OF TERMINATION	SCHEDULE 11 - APPROVED BUSINESS PLANS
		SCHEDULE 12 - GROWTH DEAL
21	INTELLECTUAL PROPERTY	
22	CONFIDENTIALITY AND ANNOUNCEMENTS	
23	CONTRACTS (THIRD PARTY RIGHTS)	
24	DISPUTE RESOLUTION	
25	DATA PROTECTION	
26	FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION	
27	NOTICES	
28	GOVERNING LAW	
29	ASSIGNMENT	

30	WAIVER	
31	ENTIRE AGREEMENT	
32	COUNTERPARTS	
33	RELATIONSHIP OF PARTIES	
34	STATUTORY RESPONSIBILITIES	



north wales economic ambition board  
bwrdd uchelgais economaidd gogledd cymru

## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

20/03/2020

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**Title:** 2020/21 Budget

**Author:** Dafydd L Edwards, Host Authority Statutory Finance Officer

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### 1. Purpose of the Report

- 1.1 The purpose of this report is to propose the 2020/21 Budget for the North Wales Economic Ambition Board (NWEAB). Two scenarios have been included:-
- Scenario 1 – 2020/21 Budget without ESF Grant Funding (Appendix 1a)
  - Scenario 2 – 2020/21 Budget with ESF Grant Funding (Appendix 1b).

### 2. Decision Sought

- 2.1 To approve the 2020/21 Budget without the ESF Grant Funding (Appendix 1a).
- 2.2 To approve the 2020/21 Budget with ESF Grant Funding (Appendix 1b) if / when formal grant approval is received.
- 2.3 To ask the Board to allow the Programme Director, in consultation with Gwynedd Council's Section 151 Officer and Monitoring Officer and the Chairman, to commit up to an additional £100,000 from the earmarked reserve within the year, on the Planning, Development and Project Support heading (Scenario 1 and 2) if required in order to maintain and realise the work programme timetable for the final Growth Deal.
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### **3. Reasons for the Decision**

- 3.1 To set out the proposed budget per expenditure heading and the corresponding funding streams for the year.
- 3.2 In order to operate effectively within the funding available, the NWEAB requires an annual budget to be approved.
- 3.3 To authorise the Programme Director to incur expenditure in accordance with the approved budget.

### **4. Background and Relevant Considerations**

- 4.1 The major changes from the 2019/20 to the 2020/21 expenditure budget is an increase in staffing costs and a reduction in the external budget for project planning, development and support.
- 4.2 In the 2020/21 budget, no assumption has been made that the Growth Bid Grant Income will be received during the year, and if any income was to be received during the last quarter, it would be dealt with at the time.
- 4.3 In addition to the Base Budget, one-off virements to be funded from the earmarked reserve are required in the year, to mainly fund expenditure in the following headings:-
  - “Communications and Public Relations” – for the website, branding and communications strategy.
  - “Project Planning, Development and Support” – to develop the Full Business Cases required to reach a Final Deal with both UK and Welsh Government.
- 4.4 The ESF grant application based on staff costs is currently in the final stages of the approval process with a decision expected before the end of March 2020. This funding is crucial to ensure that the Programme Office’s work programme is achieved within the current timetable.
- 4.5 If the ESF grant application is unsuccessful, the Programme Director will present a separate report to the Board in the coming months, with a revised proposal of viable options and possible funding sources for timely completion of the Programme Office’s work programme. This may involve additional contributions from the partners.

4.6 In light of the strong view expressed by the Executive Group on 6 March 2020 to deliver the Growth Deal in a timely manner, the Programme Director and Operations Manager have requested the right to add a further additional budget to the Project Planning, Development and Support heading if required during the year. This would be funded from the earmarked reserve, thus reducing its balance to fund other one off costs in the future.

Programme Management Office - £864,110 (Scenario 1) and £1,468,420 (Scenario 2)

4.7 The budget for the Programme Management Office is based on five full time posts (Scenario 1), and twenty full time posts (Scenario 2). Further details on the staffing structure can be seen in the ESF report that was presented to the NWEAB on 24 January 2020.

<https://democracy.gwynedd.llyw.cymru//documents/s25697/Item%207%20-%20ESF%20Funding.pdf>

4.8 The Employee Expenditure Budget has been set based on the assumption that an inflationary increase of 2% will be applied to Local Government salaries in 2020/21, however this is subject to ongoing discussions.

4.9 It also includes budget for Travel and Subsistence; Training; Engagement and Meetings; Communications and Public Relations; Supplies and Services; Premises. The annual match funding contribution from all six Local Authorities towards the Regional Engagement Team is also included as well as the Transport costs that are eligible for the Public Transport (Wales) Bill Grant.

Accountable Body Support Services - £139,920 (Scenario 1) and £155,770 (Scenario 2)

4.10 The Accountable Body provides the support services required to facilitate the work of the Joint Committee, and the budget for 2020/21 includes Finance Services Support, Legal, Corporate Support and Information Technology.

4.11 The scope of the services offered, charging mechanisms and estimated costs will be included in the individual Service Level Agreements that will be agreed with each department.

- 4.12 On the whole, the Accountable Body Support Services budget are similar to 2019/20, but Scenario 2 includes the increase costs related to the ESF Grant and subsequent increase in staff numbers.

#### Joint Committee

4.13 External Legal Support - £18,000

This includes a budget for external legal support that will be mainly required when drafting the Governance Agreement 2 and with the individual programme/project business cases.

4.14 Treasury Advisory - £10,000

Input from External Treasury Advisory will be required with regard to the identification and apportionment of notional costs to cover negative cash flow etc.

4.15 External Audit Fee – £1,500

The Joint Committee's Accounts will be subject to an annual audit by Gwynedd Council's External Auditors, and an estimated budget based on fees incurred by similar small joint Committees who produce an annual return has been used.

4.16 Business Delivery Board - £20,000

In a report that was presented to the NWEAB on 17 May 2019, an annual contribution of up to £20,000 was approved to support the Business Delivery Board.

#### Funding Contributions

4.17 Partner Contributions (GA1) – (£400,000)

In accordance with Governance Agreement 1 and the proposed Governance Agreement 2, the 2020/21 Budget includes a contribution of £50,000 from the six Councils and £25,000 from the four Advisors, to give a total contribution of £400,000. The partner contributions have remained the same from 2019/20, with no inflationary increases applied reflecting what has been previously agreed as basis for the individual partners to set their budgets for 2020/21. However, the partner contributions will need to increase in future budgets to reflect the salary inflation.

4.18 Partner Contributions (Other) – (£240,000)

The budget has been set up with the assumptions that these historical contributions of equal contribution from each of the six Councils will remain in 2020/21. The Regional Engagement Team budget of £42,290 is funded from these contributions.

4.19 Public Transport (Wales) Bill Grant – (£109,890)

A public transport grant of £155,000 has been approved by Welsh Government and an estimated grant of £109,890 will remain to be claimed during 2020/21.

4.20 European Social Fund (ESF) Priority 5 funding – (£651,330)

If the ESF Grant application is approved, grant funding of £2.9m could be claimed for the period until June 2023, with the 2020/21 staff costs attracting £651,330 of this grant funding. If successful, costs could also be claimed retrospectively from July 2018 onwards.

Earmarked Reserve – (£303,640) (Scenario 1) and (£272,470) (Scenario 2)

4.21 The Third Quarter Review Report that was presented to the Board on 24 January 2020 projects a balance of £117,424 to be transferred to the earmarked reserve at the end of 2019/20, to give an estimated balance of £453,637 available for future years.

4.22 Scenario 1 budget uses £303,640 (£109,480 to balance the base budget and £194,160 to fund one-off expenditure) hence leaving a balance of £150,000 in the earmarked reserve to fund one-off costs in the future.

4.23 Scenario 2 budget uses £272,470 to fund one-off expenditure hence leaving a balance of £358,000 in the earmarked reserve to fund one-off costs in future years (includes the back-dated ESF grant).

**5. Governance Context**

5.1 As stated in Governance Agreement 1 and the suggested Governance Agreement 2, the Annual Budget is required to be prepared by the Accountable Body and agreed by the Joint Committee.

5.2 The proposed budget for 2020/21 has been prepared based on the roles, activities and responsibilities identified to date, with the expectation that the level of resources

allocated is continually reviewed and updated as the projects move forward and more information is available.

- 5.3 Regular budget monitoring reports will be presented to the Programme Management Office staff and the Executive Group. A further detailed review will also be undertaken at the end of August 2020 and November 2020 and presented to the Economic Ambition Board, with any issues highlighted and appropriate action taken.

## **6. Consultations Undertaken**

- 6.1 Appendices 1a and 1b, as well as summary of the contents of this report was presented to the Executive Group on 6 March 2020.

## **7. Appendices**

Appendix 1a – 2020/21 Economic Ambition Board Budget without ESF Grant funding.  
Appendix 1b – 2020/21 Economic Ambition Board Budget with ESF Grant funding.

### **STATUTORY OFFICERS' RESPONSE:**

**i. Monitoring Officer – Accountable Body:**

The decision sought allows the Board to provide for the apportionment of its budget in two scenarios related to the result of the ESF bid. This accords with the prior decision of the Board in relation to the staffing structure which conditional on the grant approval. I note also the request to utilise an element of the reserve funds in order to maintain momentum. The reasoning for this is set out in the report which will allow the Board to come to a decision. I agree with the form of the delegation which will give assurance in relation to the use of the resource.

**ii. Statutory Finance Officer – Accountable Body:**

Author of this report.

Scenario 1 - 2020/21 Economic Ambition Board Budget without ESF Grant funding.

Appendix 1a

	Base Budget	One-off virements	Total Budget
Expenditure	(£)	(£)	(£)
<b>Programme Management Office</b>			
Employee Expenditure (Pay, N.I. & Superannuation)	423,690		423,690
Travel and Subsistence	10,000		10,000
Training	10,000		10,000
Engagement and Meetings	11,620		11,620
Communications and Public Relations	39,460	10,540	50,000
Supplies and Services	10,000		10,000
Regional Engagement Team (RET)	42,290		42,290
Premises	13,000		13,000
Project Planning, Development and Support		183,620	183,620
Transport		109,890	109,890
<b>Programme Management Office Total</b>	<b>560,060</b>	<b>304,050</b>	<b>864,110</b>
<b>Accountable Body Support Services</b>			
Finance Services Support	93,110		93,110
Legal (includes Monitoring Officer)	20,250		20,250
Corporate Support	23,060		23,060
Information Technology	3,500		3,500
<b>Accountable Body Support Services Total</b>	<b>139,920</b>		<b>139,920</b>
<b>Joint Committee</b>			
External Legal Support	18,000		18,000
Treasury Advisory	10,000		10,000
External Audit Fee	1,500		1,500
Business Delivery Board	20,000		20,000
<b>Joint Committee Total</b>	<b>49,500</b>		<b>49,500</b>
<b>Total Expenditure</b>	<b>749,480</b>	<b>304,050</b>	<b>1,053,530</b>

	Base Budget	One-off virements	Total Budget
Income	(£)	(£)	(£)
<b>Funding Contributions</b>			
<b>Partner Contributions</b>			
Conwy County Borough Council	(50,000)		(50,000)
Denbighshire County Council	(50,000)		(50,000)
Flintshire County Council	(50,000)		(50,000)
Gwynedd Council	(50,000)		(50,000)
Isle of Anglesey County Council	(50,000)		(50,000)
Wrexham County Borough Council	(50,000)		(50,000)
Bangor University	(25,000)		(25,000)
Wrexham Glyndwr University	(25,000)		(25,000)
Coleg Cambria	(25,000)		(25,000)
Grŵp Llandrillo Menai	(25,000)		(25,000)
<b>Partner Contributions - Other</b>			
Conwy County Borough Council	(40,000)		(40,000)
Denbighshire County Council	(40,000)		(40,000)
Flintshire County Council	(40,000)		(40,000)
Gwynedd Council	(40,000)		(40,000)
Isle of Anglesey County Council	(40,000)		(40,000)
Wrexham County Borough Council	(40,000)		(40,000)
Public Transport (Wales) Bill Grant		(109,890)	(109,890)
Earmarked Reserve	(109,480)	(194,160)	(303,640) *
<b>Total Income</b>	<b>(749,480)</b>	<b>(304,050)</b>	<b>(1,053,530)</b>
<b>Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* This would leave an estimated balance of £150,000 in the earmarked reserve.

	Base Budget	One-off virements	Total Budget
Expenditure	(£)	(£)	(£)
<b>Programme Management Office</b>			
Employee Expenditure (Pay, N.I. & Superannuation)	933,740		933,740
Advertising and Assessment of Candidates		10,000	10,000
Travel and Subsistence	20,000		20,000
Training	10,000	10,000	20,000
Engagement and Meetings	15,000		15,000
Communications and Public Relations	37,530	62,470	100,000
Supplies and Services	10,000	10,000	20,000
Regional Engagement Team (RET)	42,290		42,290
Premises	17,500		17,500
Project Planning, Development and Support		180,000	180,000
Transport		109,890	109,890
<b>Programme Management Office Total</b>	<b>1,086,060</b>	<b>382,360</b>	<b>1,468,420</b>
<b>Accountable Body Support Services</b>			
Finance Services Support	98,110		98,110
Legal (includes Monitoring Officer)	20,250		20,250
Corporate Support	26,060		26,060
Information Technology	11,350		11,350
<b>Accountable Body Support Services Total</b>	<b>155,770</b>		<b>155,770</b>
<b>Joint Committee</b>			
External Legal Support	18,000		18,000
Treasury Advisory	10,000		10,000
External Audit Fee	1,500		1,500
Business Delivery Board	20,000		20,000
<b>Joint Committee Total</b>	<b>49,500</b>		<b>49,500</b>
<b>Total Expenditure</b>	<b>1,291,330</b>	<b>382,360</b>	<b>1,673,690</b>

	Base Budget	One-off virements	Total Budget
Income	(£)	(£)	(£)
<b>Funding Contributions</b>			
<b>Partner Contributions</b>			
Conwy County Borough Council	(50,000)		(50,000)
Denbighshire County Council	(50,000)		(50,000)
Flintshire County Council	(50,000)		(50,000)
Gwynedd Council	(50,000)		(50,000)
Isle of Anglesey County Council	(50,000)		(50,000)
Wrexham County Borough Council	(50,000)		(50,000)
Bangor University	(25,000)		(25,000)
Wrexham Glyndwr University	(25,000)		(25,000)
Coleg Cambria	(25,000)		(25,000)
Grŵp Llandrillo Menai	(25,000)		(25,000)
<b>Partner Contributions - Other</b>			
Conwy County Borough Council	(40,000)		(40,000)
Denbighshire County Council	(40,000)		(40,000)
Flintshire County Council	(40,000)		(40,000)
Gwynedd Council	(40,000)		(40,000)
Isle of Anglesey County Council	(40,000)		(40,000)
Wrexham County Borough Council	(40,000)		(40,000)
Public Transport (Wales) Bill Grant		(109,890)	(109,890)
European Social Fund (ESF) Priority 5 funding	(651,330)		(651,330)
Earmarked Reserve		(272,470)	(272,470) *
<b>Total Income</b>	<b>(1,291,330)</b>	<b>(382,360)</b>	<b>(1,673,690)</b>
<b>Net Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* This would leave an estimated balance of £358,000 in the earmarked reserve (includes the back-dated ESF grant).



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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

20 March, 2020

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**TITLE:** *Team North Wales – Working Together*

**AUTHOR:** *Alwen Williams, Programme Director*

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### 1. PURPOSE OF THE REPORT

- 1.1. To outline the need to refresh the North Wales Growth Vision and develop a Regional Economic Framework.

### 2. DECISION SOUGHT

- 2.1. To approve the Terms of Reference for Regional Working in North Wales.
- 2.2. To approve the proposed programme of activity to deliver a refresh of the North Wales Growth Vision and the development of a Regional Economic Framework.

### 3. REASONS FOR THE DECISION

- 3.1. As outlined in the report.

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. The Executive Support Group and Welsh Government regional team have agreed and propose that the Welsh Government and the North Wales Economic Ambition Board work together to refresh the North Wales Growth Vision and to co-design and develop a Regional Economic Framework.
- 4.2. Officers from the Programme Office and Welsh Government have been working on a Terms of Reference (**Appendix 1**) that sets out how we will work together in partnership to develop and then deliver against a single common North Wales Regional Economic Framework.
- 4.3. **North Wales Growth Vision**
- 4.3.1 The “Growth Vision for the Economy of North Wales” was adopted in September 2016. The vision set out a collective and strategic ambition for North Wales for infrastructure development; skills and employment; and business growth.
- 4.3.2. The Executive Support Group have identified the need to refresh the Growth Vision. The refresh will build on and update the current vision, and will consider what has changed since 2016 and our ambition for 2035. This is timely, especially in light of major external changes that will impact the North Wales region, namely exiting the EU and the net zero target by 2050 and Welsh Government announcing a climate change emergency.

4.3.3. Through the work developing the North Wales Growth Deal we have a great spirit of collaboration in the region, which can be further developed to respond to the opportunities and challenges facing North Wales. We also recognise the need to bring in additional partners to work with us on some of the priority areas identified, for example the foundation economy and the rural economy.

4.3.4. The refreshed North Wales Growth Vision will align and execute a shared narrative for the region that amplifies and reinforces the richness and opportunity, our culture, landscapes and language.

#### 4.4. **Regional Economic Framework**

4.4.1. The Welsh Government's Economic Action Plan outlines the basis for a regional approach to economic development. The Economic Action Plan is shaped by key principles, one being Regional Working, with a need to deliver a stronger regional voice through a regionally-focussed model of economic development, building upon and enhancing existing cross-government work with the regions.

4.4.2. A Chief Regional Officer has been appointed in North Wales, with a role to deliver a regional economic framework that will identify regional priorities and opportunities within the region.

4.4.3. The Regional Economic Framework will provide a single coherent view of the needs of opportunities in North Wales that can directly influence and inform national policies and interventions. It is also intended that the REF, under the refreshed Growth Vision for North Wales, will clearly articulate our respective roles and responsibilities in delivering against the vision.

#### 4.5. **Programme of Activity**

4.5.1. To support the ambition to co-deliver and co-design the refreshed Growth Vision and developing a Regional Economic Framework, we have a proposed programme of activity (see details in **Appendix 2**).

### 5. **FINANCIAL IMPLICATIONS**

5.1. None.

### 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 draft Terms of Reference: Working Together for North Wales was discussed by the Executive Support Group on 07/02/2020, and the Proposed Programme of Activity was discussed by the Executive Support Group on 06/03/2020.

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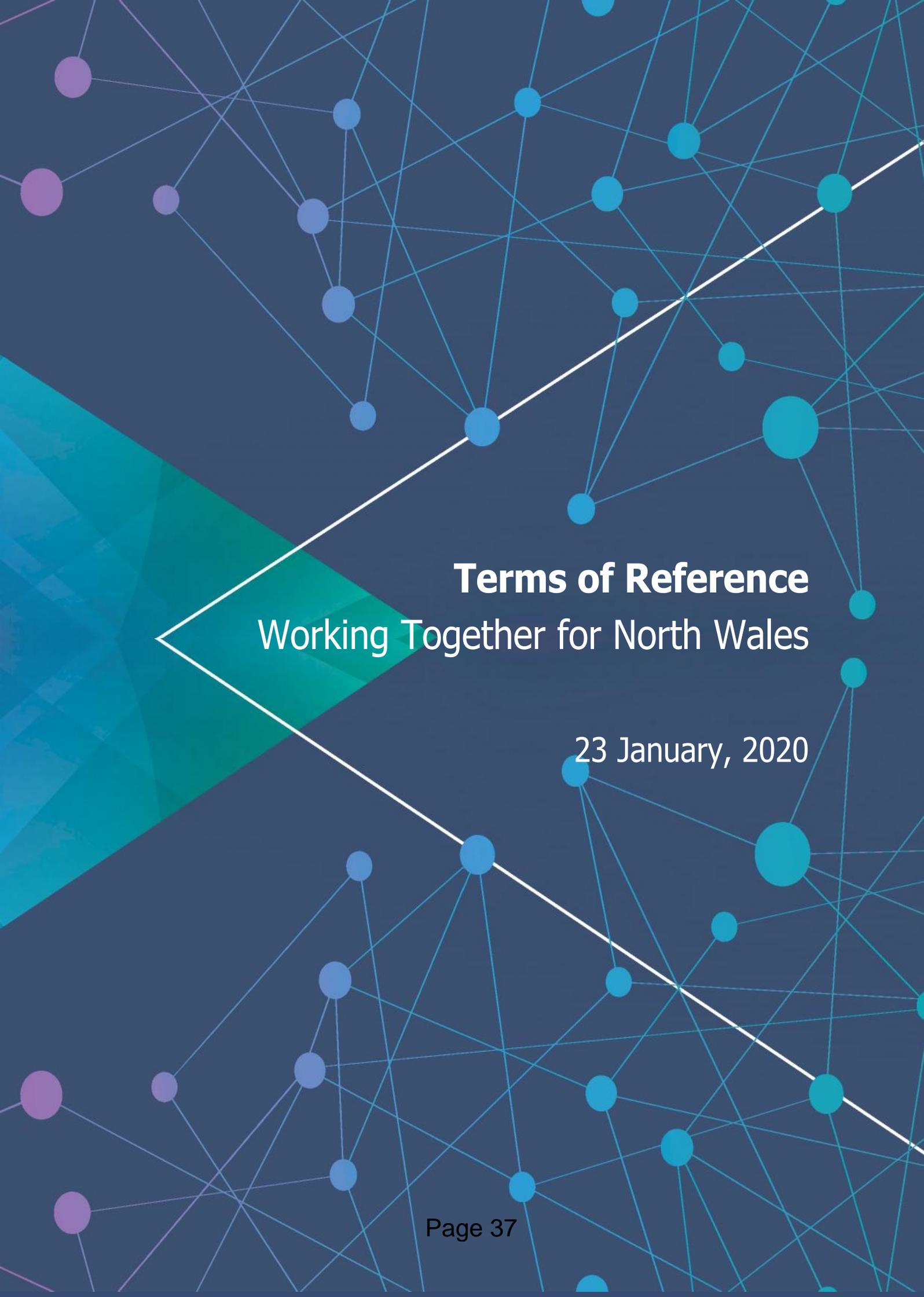
**APPENDICES:**

- |                   |                                       |
|-------------------|---------------------------------------|
| <b>Appendix 1</b> | Terms of Reference – Regional Working |
| <b>Appendix 2</b> | Proposed Programme of Activity        |

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**STATUTORY OFFICERS RESPONSE:**

- i. **Monitoring Officer – Host Authority:**  
“No observations to add in relation to propriety.”
  
- ii. **Statutory Finance Officer (the Host Authority’s Section 151 Officer):**  
“Nothing to add from a financial propriety perspective.”



# **Terms of Reference** Working Together for North Wales

23 January, 2020

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## BACKGROUND

It was agreed that Welsh Government and the North Wales Economic Ambition Board will work together to define and develop a **Regional Economic Framework**. The framework will outline how governments and partners will collaborate to drive economic growth for the region which includes delivery of the North Wales Growth Deal ambitions.

It was agreed at the Executive Officer Group attended by the WG's Regional Officer that all parties will work together to:

- re-fresh the current North Wales Growth Vision; to consider what has changed since it's conception in 2016 and what our ambitions are for North Wales by 2035;
- co-design and agree the Regional Economic Framework;
- work collaboratively and in partnership on a shared programme of work to achieve the above, including working with other key partners (who may not have been involved to date).

## PURPOSE

This paper sets out Terms of Reference on how the **Welsh Government**, and the **North Wales Economic Ambition Board**, and as required other partners, will work in partnership to develop and then deliver against a single common North Wales Regional Economic Framework.

We will co-develop a regional Economic Framework that will:

- align and execute a shared narrative for North Wales that amplifies and reinforces the richness of opportunity, our culture, landscapes and language – this will be referred to as the North Wales **Growth Vision**.
- Illustrate the joined-up economic action plan that achieves the shared **Growth Vision** for the region.
- Set out the approach and plan to deliver the **Growth Deal** for which the Heads of Terms were agreed by Welsh and UK Government and the North Wales Economic Ambition Board in November 2019, ensuring that we align on wider opportunities and challenges e.g. foundational economy, rural areas etc.
- Our ambition is that the Regional Economic Framework will provide a single coherent view of needs and opportunities in North Wales that can directly influence and inform national policies and interventions such as National & Regional Investment Framework, National Development Framework, emerging national Transport Strategy, Sector Deals, Strength in Places, challenge funds etc.

This document sets out the guiding principles and high level plan for how we work together to deliver the Growth Deal and importantly, the wider shared economic ambitions for the region; supporting a sustainable, resilient, inclusive and growing economy for North Wales

## GUIDING PRINCIPLES

The way we work is underpinned by the **seven Well-being Goals for Wales** and in accordance with **the sustainable development principle**.

- We recognise that the priorities for North Wales are not subordinate to those of the Nation. The approach respects subsidiarity and democratic accountability at all levels and partners will work jointly to address any conflicting priorities as they arise.
- Initiatives will be co-designed through partnership working and collaboration across the public, private, third sectors and with social partners.

- We share a single vision for North Wales and articulate this consistently through our narrative.
- We encourage a culture of high challenge coupled with high support to drive outstanding results for North Wales and we jointly measure and share success.
- Our plans are ambitious and long-term. They consider key challenges that will impact the region e.g. net zero carbon, Artificial Intelligence, Industry 4.0, demographics, Brexit and the political context.
- We will work in accordance with, and cognisant of, priorities at local, sub-regional, regional, national and UK level.
- Information will be shared in an open and transparent way across departments and governments about projects or investments that will impact and strengthen the region, across various policy and Ministerial portfolios, but are separate to our scope of work together. (i.e. Active Travel investment, 21st Century schools programme).
- We will seek to ensure that growth stimulates social development that is inclusive and is dispersed across our communities to ensure equity and parity.
- Where appropriate we will actively seek external thought leadership to challenge/validate our benchmark position and our ambition and vision.
- We will work jointly to influence how Welsh Government, UK Government, regional and local partners delivers in the region, ensuring that the voice of North Wales is heard and reflected in all of our activity.
- We will actively engage with the communities of North Wales to promote and involve them as progress is made to deliver a smart, resilient and connected region.

## PROGRAMME OF WORK AND PRIORITIES

The high level plan informs the detailed forward plan managed by the Programme Office:

High level plan			
Category	Action	Timeframe	Lead
<b>Joint Development Work</b>	Develop and agree detailed programme of engagement and activity	Mar-April	Programme Office & CRO Office
	Regional Development Seminar - understand and evaluate the evidence that will inform the refreshed Growth Vision and Regional Economic Framework	May	
	Futures Workshops – WG and NWEAB working together in North Wales to develop vision/strategic approach	May-June	
	Regional Development Seminar to launch the refreshed Growth Vision and the REF	Dec	
<b>Growth Vision</b>	Prepare report to NWEAB on refreshed Growth vision	March	NWEAB, Executive Group and CRO Office
	NWEAB to set priorities and future direction of Economic Growth through refreshed Growth Vision	May	
	Develop first draft updated Growth Vision	May-June	
	Exec Officers Group review draft Growth Vision	June	
	Refreshed Growth Vision presented to NWEAB for approval	July	
	Refreshed Growth Vision presented to 6 Councils for approval	September/October	

<b>Regional Economic Framework</b>	Develop Terms of Reference	End Jan	Welsh Gov and NWEAB
	Develop draft Regional Economic Framework	June-Oct	
	Draft Regional Economic Framework ready to present at NWEAB board / Minister for Economy, Transport & North Wales	Nov	
<b>Growth Deal</b>	Programme office Training for 5 Case business model	April	Programme Office
	Develop final business cases	End October	
	Communication strategy and plan	April	
	Create illustrative change roadmap for the programme of work		
	Conduct stakeholder analysis, map and plan	Feb-March	

DRAFT

## APPENDIX 2:

### **Proposed programme of activity to assist in refreshing the North Wales Growth Vision and developing a North Wales Regional Economic Framework**

To support the ambition to co-deliver and co-design the refreshing of the North Wales Growth Vision and developing a North Wales Regional Economic Framework we have developed a proposed programme of activities.

The proposed programme of activity aims at launching the refreshed Growth Vision during September 2020, and then the Regional Economic Framework during December 2020. To shape the development of both documents we have identified a series of activities for partners to get involved in the process of shaping both processes.

- Two Regional Development Seminar will be arranged at the beginning and the end. The first Seminar will focus on regional working, the challenges, risks, opportunities and examples of best practice, as well as review current emerging sectors, infrastructure strengths and constraints, maintaining an overall focus on delivering against the Wellbeing of Future Generation Act. The second Regional Development Seminar will be the launch event for the Regional Economic Framework.
- A set of regional workshops will be arranged to facilitate futures activity. Futures thinking is a systematic approach, identifying long term issues and challenges shaping future development of policy area and exploring and modelling implications for future policy.

A series of key decision and endorsement points have been identified, these will include endorsement by the NWEAB, individual Councils and Welsh Government.

A detailed proposed programme of activity is included overleaf.



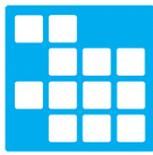
Draft Proposed Programme of Activity (N.B: options to take forward activities virtually will be considered in tandem with the planning of events listed below).

**Draft Work Programme for Refreshing the North Economic Wales Vision and Developing the Regional Economic Framework (REF)**

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Develop, Test & Agree Detailed Programme of Engagement & Activity									
	Procure External Contractors									
	Ongoing Independent Project Facilitation									
		Confirm date, Ministerial attendance at Regional Development Session (OECD style) and confirm invite list	Regional Development Seminar #1: Initiation							
		Develop Young People's Panel	Launch of Young People's Panel							
		Confirm date for Futures Workshops and issue invites	Thematic Futures Workshops							
					Overarching Futures Workshop					
			Ongoing Refresh of the Vision							
						Refreshed Joint Vision Considered & Endorsed by Partners				
						Ongoing REF Development, Testing & Refinement				
						Additional Workshops (as required)				
								Refreshed Vision Launched		
								REF User / Stakeholder Engagement Activity		
									REF Considered & Endorsed by Partners	
										Regional Development Seminar #2: REF Launch

Page 42

Key Joint Endorsement & Review Points (NWEAB & WG)	NWEAB 20/03/20			NWEAB 12/06/20	NWEAB to approve draft GV 31/07/20 // Draft signed off by Minister ET&NW		NW Cab Committee TBC Full Councils - TBC	NWEAB 02/10/20		Present the REF to the NWEAB 11/12/20 / Signed off by Minister ET&NW
					Exec to review draft GV 05/07/20					



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## REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

20 March, 2020

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**TITLE:** *sySTEMatic Programme*

**AUTHOR:** *Sioned E Williams, Head of Economy and Community, Gwynedd Council*  
*Sian Lloyd Roberts, Regional Skills Partnership Manager*

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### 1. PURPOSE OF THE REPORT

- 1.1. The North Wales Regional Skills Partnership (RSP) has developed the sySTEMatic Programme on behalf of the NWEAB. The NWEAB in its Proposition Document (October, 2018), tasked the North Wales Regional Skills Partnership (RSP) to scope and develop options for the programme. The purpose of the report is to report back to the Board and to seek guidance on the preferred option.

### 2. DECISION SOUGHT

- 2.1. Agree to the principle of the sySTEMatic Programme, and for the RSP and the Programme Office to continue developing the project and negotiating with Welsh Government and partners on a financial package to fund the programme.
- 2.2. It is recommended that the NWEAB identify the Option that will deliver the best outcomes for the most affordable cost and request that that model then be further developed, with more detailed costings, for future agreement and adoption.

### 3. REASONS FOR THE DECISION

- 3.1. As stated in the report.

### 4. BACKGROUND AND RELEVANT CONSIDERATIONS

#### 4.1. Skills and Employment Programme

- 4.1.1. The Skills and Employment programme forms one of the enabling strategic programmes within the North Wales Economic Ambition Board's Growth Vision. The projects that fall within the Skills and Employment programme are a critical part of the group of key inter-related and co-dependant projects to deliver the Growth Vision. The programmes and projects are being managed in a co-ordinated way, in order to deliver greater impact in terms of ambition and use of resources within the Growth Deal and Vision in the Region.
- 4.1.2. The Programme includes a package of projects to tackle economic inactivity and deliver a more co-ordinated skills and employment advice and support service in the region. The successful delivery of the Programme will enable people to access support more easily and effectively to help them upskill and gain employment, ensuring a robust local workforce is available to meet future employment needs and opportunities in North Wales. A particular focus will be given to those who are inactive and to young people who will be inspired to access opportunities and exciting careers in North Wales.

4.1.3 The Skills and Employment programme consists of 5 projects:

- Information and Advice Gateway
- Employability Pathway
- Regional STEM
- Digital Skills for North Wales
- North Wales Health and Social Care

4.1.4. The NWEAB tasked the RSP to develop the 5 projects identified above.

4.1.5. The RSP have developed a proposal for the delivery of the STEM Programme, as outlined below.

4.1.6. **Case for change**

4.1.6.1. The current and emerging North Wales economy will be increasingly dependent on a workforce that is skilled in STEM-related subjects. This was highlighted in the North Wales Skills and Employment Plan 2019-2022. The lack of STEM pipeline from schools to Further Education and Higher Education has been highlighted as a challenge for employers in the region, with employers across all sectors reporting difficulty in recruiting and attracting sufficient numbers of applicants to post and apprenticeship opportunities.

4.1.6.2. There is wide recognition that there are a myriad of extra-curricular STEM experiences available to school and college pupils in North Wales – however, it is also widely accepted that there is no-coordination or overall planning with this provision, and hence learners do not gain maximum benefit from the efforts and expenditure. There is also a strong anecdotal evidence that the numbers of young people choosing STEM related subjects is low.

4.1.6.3. The sySTEMatic programme will work with schools, colleges, HE, employers and those already providing STEM experiences to learners in order to create a framework and co-ordination of STEM experiences to ensure that learners can benefit from existing, and new, interventions in a more planned and systematic manner. It will drive a fundamental step change in the STEM experiences of learners from 3 - 19 years of age across North Wales.

4.1.7. **Programme Purpose and Aims**

4.1.7.1. The overall aims for the programme is to inspire young learners in STEM subjects at a young age and maintain enthusiasm to ensure that a greater number of learners:

- Choose STEM subjects at 14 years of age and 16 years of age
- Actively consider and choose STEM-related careers in North Wales
- Respond positively to the skill requirements of current North Wales companies
- Develop a STEM-aware and STEM skilled workforce that will attract additional important employers to the area

4.1.8. **The Objectives of the programme are:**

- **To develop a Framework of STEM experiences** that will allow all schools and colleges in North Wales to easily identify and access additional experiences for their learners that:
  - Are relevant to their curriculum and learning at that time;
  - Provide progression from previous experiences;
  - Are of a high quality;
  - Are, wherever possible, in the language of the learners' tuition.

- To develop a planning, co-ordination and delivery on a “sub-regional” basis – this will provide more local solutions to more local situations and challenges. Sub-regional Planning Groups will be established to guide the work – these will change into sub-regional Steering Groups once the development is launched;
- **To develop a STEM Hub** in sub-regions. Essentially the STEM Hubs will have two main functions:
  - To be a focal point for delivery, with access to specialist resources not widely available
  - To co-ordinate and promote the delivery within the sub-region, providing a service to schools and employers to ensure high quality experiences and cost-effective use of the Hub. This will also include delivery in other recognised centres within the sub-region to facilitate access by learners.
- STEM Hubs will not be new, additional facilities, but rather a location/facility located within existing regional facilities. While no discussions have been held thus far, it is envisaged that the following locations could be suitable to be a location for STEM Hubs (subject to discussion and agreement):
  - **North West Wales** - M-SParc (Gaerwen); Pontio (Bangor); Coleg Menai (Llangefni), Coleg Meirion-Dwyfor (Dolgellau)
  - **Central North Wales** - Glyndwr Optic, Coleg Llandrillo (Rhos)
  - **North East Wales** - Techniquet (Wrexham), Coleg Cambria (Connah’s Quay), AMRC Cymru
- To support schools in North Wales as they plan, and deliver, the new “Curriculum for Wales 2022”
- Provide support to schools and colleges in ensuring that every pupil in North Wales has access to suitable STEM experiences on an (at the very least) annual basis. Experience has shown that differing schools and colleges respond in differing ways to the offer of additional STEM experiences for learners. An essential part of the SySTEMatic programme is that it is a ‘whole North Wales’ approach. All key bodies in North Wales will agree to work together towards the same goal in line with the ‘North Wales Regional STEM Statement (**Appendix 1**)’. The statement lays out clearly the vision and goals of the development along with the responsibility of all key partners and parties.

#### 4.1.9. Options for delivery

4.1.9.1. It is considered that some key aspects of the **sySTEMatic** Programme are central to all options. These are:

- The agreed Regional STEM Statement
- The requirement for more localised (sub-regional) planning, co-ordination and delivery

4.1.9.2. Following discussions at the North Wales Regional Skills Partnership, it is considered that 2 options exist:

<b>Option 1</b>	Developing a regional approach based on 3 sub-regions (North West Wales, Central North Wales and North East Wales), building on the STEM Gogledd project where it operates
<b>Characteristics of this Option</b> <ul style="list-style-type: none"> <li>• A regional STEM Statement would be adopted, along with the roles and responsibilities of the differing organisations</li> <li>• 3 sub-regional Planning Groups (changing into Steering Groups) would be established to create a STEM Framework for that sub-region</li> </ul>	

<ul style="list-style-type: none"> <li>• In sub-regions where STEM Gogledd operates, the Planning and Steering Groups would be driven by STEM Gogledd (with additional funding from this development)</li> <li>• In sub-regions where STEM Gogledd does not operate, new arrangements would be put in place as described in this document</li> <li>• A STEM Hub would be established within each sub-region</li> <li>• Each STEM Hub would be staffed as described in the document – in areas where STEM Gogledd operates, the level of additional funding would not be as much as in other areas.</li> </ul>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• A regional approach and direction</li> <li>• More localised planning and delivery</li> <li>• Develops stronger localised employer/education links</li> <li>• Provides ways of overcoming barriers in participation by some schools</li> <li>• Built-in co-ordination with the STEM Gogledd project</li> </ul>	<ul style="list-style-type: none"> <li>• Requires buy-in and engagement by all organisations to ensure success</li> <li>• Careful planning and recording of expenditure and performance would be required to ensure that WEFO are content with the performance of the STEM Gogledd project</li> <li>• In Central North Wales, STEM Gogledd only operates in Conwy (not in Denbighshire) and hence complications could arise in this sub-region</li> </ul>
<p><b>Other Comment</b></p> <p>It is considered that this Option would make savings in the delivery areas where STEM Gogledd operates, and for the period it operates – up to 2023 (with an extension, if approved).</p> <p>It is estimated that this saving would be in the order of £450,000pa for 3 years, giving a reduction of £1,350,000 in both the 5 Year and 10 Year cost.</p> <p>This would result in a funding ask of:</p> <p>5 Years - £10.15m</p> <p>10 Years - £20.55m</p>	

<b>Option 2</b>	Developing a regional approach based on 2 sub-regions (North West Wales and North East Wales), building on the STEM Gogledd project where it operates
<p><b>Characteristics of this Option</b></p> <ul style="list-style-type: none"> <li>• A regional STEM Statement would be adopted, along with the roles and responsibilities of the differing organisations</li> <li>• 2 sub-regional Planning Groups (changing into Steering Groups) would be established to create a STEM Framework for that sub-region.</li> <li>• In North West Wales (where STEM Gogledd operates), the Planning and Steering Groups would be driven by STEM Gogledd (with additional funding from this development)</li> <li>• In North East Wales, a new arrangement would be put in place as described in this document</li> <li>• A STEM Hub would be established within each sub-region</li> <li>• Each STEM Hub would be staffed as described in the document – in areas where STEM Gogledd operates, the level of additional funding would not be as much as in other</li> </ul>	

areas. Also, additional Liaison staff would be required in both STEM Hubs as the level of interactions would be higher.																							
<b>Strengths</b>	<b>Weaknesses</b>																						
<ul style="list-style-type: none"> <li>• A regional approach and direction</li> <li>• More localised planning and delivery</li> <li>• Develops stronger localised employer/education links</li> <li>• Provides ways of overcoming barriers in participation by some schools</li> <li>• Built-in co-ordination with the STEM Gogledd project</li> </ul>	<ul style="list-style-type: none"> <li>• Requires buy-in and engagement by all organisations to ensure success</li> <li>• Careful planning and recording of expenditure and performance would be required to ensure that WEFO are content with the performance of the STEM Gogledd project</li> <li>• Could create access problems for schools as the specialist equipment in STEM Hubs would be further away from some schools</li> <li>• Could dilute the important element of local delivery and employer/education relationships</li> </ul>																						
<p><b>Other Comment</b></p> <p>It is considered that this Option would lead to some cost reductions (if only 2 STEM Hubs were established) but some of the delivery costs linked to the 3<sup>rd</sup> Hub would need to be retained:</p> <p><b>Estimated Cost Reductions</b></p> <table border="1"> <thead> <tr> <th></th> <th>Approx. 5 Year Reduction</th> <th>Approx. 10 Year Reduction</th> </tr> </thead> <tbody> <tr> <td>Capital Expenditure</td> <td>£334k</td> <td>£475k</td> </tr> <tr> <td>Operational Expenditure</td> <td>£3,137k</td> <td>£6,659k</td> </tr> <tr> <td>Delivery costs (STEM Gogledd)</td> <td>£1,350k</td> <td>£1,350k</td> </tr> </tbody> </table> <p><b>Estimated Cost Increases</b></p> <table border="1"> <thead> <tr> <th></th> <th>Approx. 5 Year Reduction</th> <th>Approx. 10 Year Reduction</th> </tr> </thead> <tbody> <tr> <td>Retention of 3<sup>rd</sup> Liaison Officer</td> <td>£176k</td> <td>£390k</td> </tr> <tr> <td>Training Costs</td> <td>£2,146k</td> <td>£4,574k</td> </tr> </tbody> </table> <p>An estimate of the net effect of the above would be a 5 Year reduction of £2,229,000 and a 10 Year reduction of £3,520,000.</p> <p>This would result in a funding ask of:</p> <p>5 Years - £8.4m</p> <p>10 Years - £18.4m</p>				Approx. 5 Year Reduction	Approx. 10 Year Reduction	Capital Expenditure	£334k	£475k	Operational Expenditure	£3,137k	£6,659k	Delivery costs (STEM Gogledd)	£1,350k	£1,350k		Approx. 5 Year Reduction	Approx. 10 Year Reduction	Retention of 3 <sup>rd</sup> Liaison Officer	£176k	£390k	Training Costs	£2,146k	£4,574k
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4.1.9.3. It is difficult to identify a clear preferred option. The Strengths and Weaknesses highlighted above are very real ones, as is the funding requirement for each viable option.

4.1.9.4. It is recommended that the NWEAB identify the Option that will deliver the best outcomes for the most affordable cost and request that that model then be further developed, with more detailed costings, for future agreement and adoption.

## **5. FINANCIAL IMPLICATIONS**

5.1. The funding package on the preferred option will need to be discussed with Welsh Government and within the wider discussion on the Growth Vision and regional investment funding.

5.2. A draft funding profile for the options is included in **Appendix 2**.

5.3. At present, there is no claim for any financial resources from the NWEAB.

## **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 sySTEMatic programme was been discussed by the Executive Support Group on the 07/02/2020 and the RSP Board Meeting on 29<sup>th</sup> January 2020. A task and finish group was established to scope the programme and options in more detail, which included employers, schools, FE and HE partners.

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### **APPENDICES:**

**Appendix 1** North Wales STEM Statement

**Appendix 2** Funding Profile

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### **STATUTORY OFFICERS RESPONSE:**

**i. Monitoring Officer – Host Authority:**

“I will present any comments in relation to propriety at the meeting.”

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

“Comments will be submitted verbally, as necessary, at the Joint Committee (NWEAB) meeting.”

## **ANNEX 2**

### **Draft North Wales Regional STEM Statement**

*Note – This Statement is applicable for Options 2, 3 and 4*

# North Wales Regional STEM Statement

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*The North Wales STEM Statement relates to all the additional interventions and experiences that bring STEM subjects to life for 3-19 year-old learners. The STEM Framework will enrich, extend and support the more formal school-based curriculum and aim to enthuse and inspire young learners.*

## The Vision

Helping to empower future generations through STEM to develop interesting and rewarding careers and grow a dynamic and innovative North Wales economy. This will be done by providing all North Wales learners with world class STEM experiences and opportunities.

## Goals

- To enthuse and inspire young learners in STEM by enriching, extending and supporting the school-based experiences of young learners by providing high-quality, co-ordinated interventions, wherever possible in the language of their school/college tuition
- To raise awareness of the available progression routes for study in STEM areas in North Wales
- To ensure real-life experiences and to raise the awareness of the employment possibilities in North Wales in its widest sense;
  - by developing partnerships with regional employers, large and small, so that they can form part of the extended provision, and also develop greater relationships with their local schools
  - by promoting self-employment and technical entrepreneurship
  - by promoting work in STEM areas in education and research
- To ensure Diversity, Equity and Inclusion in all STEM activities and programmes, breaking down traditional barriers and gender stereotyping
- To ensure ways of providing experiences to learners that overcome socio-economic factors of differing areas, financial restraints facing schools etc. - breaking down any barriers to access
- To ensure that all young learners have access to the extended STEM activities
- To engage all key partners in the planning and delivery of the STEM Framework
- To “influence the influencers” (schools, parents and teachers) to ensure widespread engagement with the Framework.

## Roles and Responsibilities

### Schools (Secondary and Primary) and Colleges

- Ensure that all pupils have access to appropriate STEM experiences from the Framework at least once per school year, with a target of 1 per school term (in the case of 16-19 learners, this will refer to those following STEM programmes of study)
- Identify a STEM Co-ordinator within the school/college who will promote and drive the work
- Ensure that the experience is related to the pupils’ curriculum at that time and that it also builds on, and extends, the young learners’ current school-based learning

- Ensure that the experience provided to pupils provides progression from previous experiences
- Work with local/regional employers and Careers Wales to enhance their pupils' awareness of STEM based careers
- Work with the North Wales Colleges, Universities and Careers Wales to enhance their pupils' awareness and understanding of progression in STEM at 16 years of age and 18 years of age – to include Apprenticeships
- To promote and support teachers Continual Professional Development in STEM and matters related to the STEM Framework
- Work to ensure that the additional STEM experiences are in the language of the pupils' school tuition, wherever possible

### **Local 14-19 Networks**

- Promote the **sySTEMatic** experiences and interventions to all members of the networks
- Actively promote engagement by all schools and colleges with the **sySTEMatic** programme
- Seek ways of further enhancing the work for the benefit of the learners

### **Employers**

- Work with local/regional schools and Careers Wales to enhance their pupils' awareness of STEM based careers
- Work with the school to ensure that all pupils have access to suitable STEM experiences from the Framework
- Where possible provide funding to support STEM activities for schools and promote the activities (be they in the schools, employer sites or in a STEM Hub)
- Work with the school to ensure that the experience is related to the pupils' curriculum at that time and that it also builds on, and extends, the young learners' current school-based learning
- Work to ensure that the additional STEM experiences are in the language of the pupils' school tuition, wherever possible

### **Providers of extended STEM experiences (including employers, HEIs, FEIs and other projects)**

- Work with local/regional schools to enhance their pupils' awareness of STEM based careers
- Work with the school to ensure that all pupils have access to suitable STEM experiences from the Framework
- Where possible provide funding to support STEM activities for schools and promote the activities (be they in the schools, providers facilities or in a STEM Hub)
- Work with the school to ensure that the experience is related to the pupils' curriculum at that time and that it also builds on, and extends, the young learners' current school-based learning
- Work to ensure that the additional STEM experiences are in the language of the pupils' school tuition, wherever possible

### **Careers Wales**

- Work with the STEM Hubs, schools, employers and colleges to promote STEM employment and careers in North Wales (and beyond)

### **GWe**

- Promote and support the STEM Framework and its development
- Promote the provision with North Wales' schools at leadership and delivery levels

- Provide the necessary challenge to schools to ensure effective engagement
- Promote and arrange staff CPD that is supportive of, and aligned with, the STEM Framework

### **NWEAB**

- Work with member Local Authorities, and their education departments, to ensure that all schools across North Wales are aware of the importance of the STEM Framework and also to ensure engagement from schools across the region
- Provide support funding, where possible and work with Welsh Government to access additional funding to support the development
- Place a requirement on the Regional Skills Partnership to promote, support and evaluate the development on an on-going basis

### **Regional Skills Partnership**

- Promote, support and evaluate the success of the development on an on-going basis by developing suitable metrics and measures
- Work to ensure engagement by all relevant employers in the region
- Work with differing STEM-related bodies, organisations and projects to ensure engagement and support

### **Welsh Government**

- Support the North Wales RSP in promoting and supporting the STEM Framework, including financially
- Work with differing STEM-related bodies, organisations and projects to ensure engagement and support
- Work with national bodies (CBI, FSB etc) to ensure engagement and support

## **Intended Outcomes**

*Annual targets to measure the success of the programme will be set at a sub-regional level. These targets will then form part of the sub-regional delivery plans and will be monitored quarterly by the Regional Skills Partnership. It is anticipated that the measurable targets will relate to the outcomes below:*

- A fundamental step change to access to STEM enrichment activities for all learners of all interests and abilities, and from all backgrounds
- A consistent inclusion of learners into STEM activities across all schools and ages
- An embedded Framework and arrangements (including the STEM Hubs) with long term support, that will enshrine these experiences and opportunities for young people for the next 20 years
- A greater number of young learners choosing to follow STEM courses at 16 years of age, 19 years of age and, in time, an educational career in STEM
- An increased interest in STEM-based Apprenticeships (at all levels, including Degree Apprenticeships)
- Greater success reported by employers in recruitment to STEM related employment and career paths
- Enhanced relationships between employers and schools across North Wales
- A positive impact on North Wales economy

## Estimated Capital Costings

The figures below are per centre.

	Year 1 set-up Cap-Ex	Yr 2	Yr 3	Yr 4	Yr 5	5 Year TOTAL
Building renovation & modification	150,000	0	0	0	0	150,000
Training equipment	55,000	0	0	0	0	55,000
Furniture	8,000	0	0	0	0	8,000
IT Hardware	18,000	0	0	0	0	18,000
Annual Capital Costs	231,000	25,000	25,500	26,010	26,530	334,040

Inflation	2%
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Page 54

	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	10 Year TOTAL
Building renovation & modification	0	0	0	0	0	150,000
Training equipment	0	0	0	0	0	55,000
Furniture	0	0	0	0	0	8,000
IT Hardware	0	0	0	0	0	18,000
Annual Capital Costs	27,061	27,602	28,154	28,717	29,291	474,866

## Operational Cost Estimates

Estimated Costings based on Project Commencement on 1/4/20

*The figures below are per centre.*

	20/21 Financial Year	21/22 Financial Year	22/23 Financial Year	23/24 Financial Year	24/25 Financial Year	5 Year TOTAL
<b>Heading</b>						
<b>Staffing</b>						
Manager	£43,750	£44,625	£45,518	£46,428	£47,356	
Liaison Officer	£18,750	£38,250	£39,015	£39,795	£40,591	
Admin Support	£25,000	£25,500	£26,010	£26,530	£27,061	
Costs and travel	£8,000	£8,200	£8,364	£8,531	£8,702	
<b>Total Staffing</b>	<b>£95,500</b>	<b>£116,575</b>	<b>£118,907</b>	<b>£121,285</b>	<b>£123,710</b>	<b>£575,976</b>
<b>Rent/Services etc</b>						
Rent/Rates	£30,000	£30,600	£31,212	£31,836	£32,473	
Services from Host authority	£10,000	£10,200	£10,404	£10,612	£10,824	
Services etc	£15,000	£15,300	£15,606	£15,918	£16,236	
<b>Total Rent/Services</b>	<b>£55,000</b>	<b>£56,100</b>	<b>£57,222</b>	<b>£58,366</b>	<b>£59,534</b>	<b>£286,222</b>
<b>Other Admin</b>						
Consumables	£5,000	£5,100	£5,202	£5,306	£5,412	
Other	£5,000	£5,100	£5,202	£5,306	£5,412	
<b>Total Other Admin</b>	<b>£10,000</b>	<b>£10,200</b>	<b>£10,404</b>	<b>£10,612</b>	<b>£10,824</b>	<b>£52,040</b>
<b>Information Technology</b>						
ICT Consumables	£2,000	£2,040	£2,081	£2,122	£2,165	
Licences	£4,000	£4,080	£4,162	£4,245	£4,330	
Software	£0	£0	£0	£0	£0	
<b>IT Total</b>	<b>£6,000</b>	<b>£6,120</b>	<b>£6,242</b>	<b>£6,367</b>	<b>£6,495</b>	<b>£31,224</b>
<b>Marketing and Promotions</b>						
Launch and Initial Communications	£12,000	£0	£0	£0	£0	
Initial Marketing Advice/Work	£10,000	£0	£0	£0	£0	
Exhibitions/Conferences/Marketing	£0	£2,000	£2,040	£2,081	£2,122	
Printing etc	£3,000	£3,060	£3,121	£3,184	£3,247	
<b>Marketing and Promotions TOTAL</b>	<b>£25,000</b>	<b>£5,060</b>	<b>£5,161</b>	<b>£5,264</b>	<b>£5,370</b>	<b>£45,855</b>
<b>Training Costs</b>						
Delivery costs (incl Facilitator)	£440,000	£450,000	£459,000	£468,180	£477,544	
School Support Costs	£250,000	£255,000	£260,100	£265,302	£270,608	
Translation Costs	£50,000	£51,000	£52,020	£53,060	£54,122	
Training materials/consumables	£25,000	£25,000	£25,500	£26,010	£26,530	
<b>Training Costs Total</b>	<b>£740,000</b>	<b>£781,000</b>	<b>£796,620</b>	<b>£812,552</b>	<b>£828,803</b>	<b>£3,958,976</b>
<b>TOTAL EXPENDITURE</b>	<b>£931,500</b>	<b>£975,055</b>	<b>£994,556</b>	<b>£1,014,447</b>	<b>£1,034,736</b>	<b>£4,950,294</b>

	25/26 Financial Year	26/27 Financial Year	27/28 Financial Year	28/29 Financial Year	29/30 Financial Year	2nd 5 Year Total	10 Year Total
<b>Heading</b>							
<b>Staffing</b>							
Manager	£48,304	£49,270	£50,255	£51,260	£52,285		
Liaison Officer	£41,403	£42,231	£43,076	£43,937	£44,816		
Admin Support	£27,602	£28,154	£28,717	£29,291	£29,877		
Costs and travel	£8,876	£9,053	£9,235	£9,419	£9,608		
<b>Total Staffing</b>	<b>£126,185</b>	<b>£128,708</b>	<b>£131,282</b>	<b>£133,908</b>	<b>£136,586</b>	<b>£656,669</b>	<b>£1,232,646</b>
<b>Rent/Services etc</b>							
Rent/Rates	£33,122	£33,785	£34,461	£35,150	£35,853		
Services from Host authority	£11,041	£11,262	£11,487	£11,717	£11,951		
Services etc	£16,561	£16,892	£17,230	£17,575	£17,926		
<b>Total Rent/Services</b>	<b>£60,724</b>	<b>£61,939</b>	<b>£63,178</b>	<b>£64,441</b>	<b>£65,730</b>	<b>£316,012</b>	<b>£602,235</b>
<b>Other Admin</b>							
Consumables	£5,520	£5,631	£5,743	£5,858	£5,975		
Other	£5,520	£5,631	£5,743	£5,858	£5,975		
<b>Total Other Admin</b>	<b>£11,041</b>	<b>£11,262</b>	<b>£11,487</b>	<b>£11,717</b>	<b>£11,951</b>	<b>£57,457</b>	<b>£109,497</b>
<b>Information Technology</b>							
ICT Consumables	£2,208	£2,252	£2,297	£2,343	£2,390		
Licences	£4,416	£4,505	£4,595	£4,687	£4,780		
Software	£0	£0	£0	£0	£0		
<b>IT Total</b>	<b>£6,624</b>	<b>£6,757</b>	<b>£6,892</b>	<b>£7,030</b>	<b>£7,171</b>	<b>£34,474</b>	<b>£65,698</b>
<b>Marketing and Promotions</b>							
Launch and Initial Communications	£0	£0	£0	£0	£0		
Initial Marketing Advice/Work	£0	£0	£0	£0	£0		
Exhibitions/Conferences	£2,165	£2,208	£2,252	£2,297	£2,343		
Printing etc	£3,312	£3,378	£3,446	£3,515	£3,585		
<b>Marketing and Promotions TOTAL</b>	<b>£5,477</b>	<b>£5,587</b>	<b>£5,698</b>	<b>£5,812</b>	<b>£5,929</b>	<b>£28,503</b>	<b>£74,358</b>
<b>Training Costs</b>							
Delivery costs (incl Facilitator)	£487,094	£496,836	£506,773	£516,909	£527,247		
School Support costs	£276,020	£281,541	£287,171	£292,915	£298,773		
Translation Costs	£55,204	£56,308	£57,434	£58,583	£59,755		
Training materials/consumables	£27,061	£27,602	£28,154	£28,717	£29,291		
<b>Training Costs Total</b>	<b>£845,380</b>	<b>£862,287</b>	<b>£879,533</b>	<b>£897,124</b>	<b>£915,066</b>	<b>£4,399,389</b>	<b>£8,358,365</b>
<b>TOTAL EXPENDITURE</b>	<b>£1,055,431</b>	<b>£1,076,540</b>	<b>£1,098,070</b>	<b>£1,120,032</b>	<b>£1,142,432</b>	<b>£5,492,505</b>	<b>£10,442,799</b>

**Data**

<b>Manager</b>			
Salary	35,000	Initial Conference(s) to launch	10,000
Employment costs (@25%)	8750		
TOTAL	43,750	Delivery costs per annum to include employer costs	
		Costs	440,000 Average
<b>Admin Support</b>			
Salary	20,000		
Employment costs (@25%)	5000		
TOTAL	25,000		
<b>Liaison Officer</b>			
Salary	30,000		
Employment costs (@25%)	7500		
TOTAL	37,500		
Employment overheads	25%		
Cost inflation (incl salary)	2% per annum		

**Note**  
*Airbus contributes ~£350k pa to this work. As an estimate, it is considered that all other NE Wales contribute a total similar to this as would all NW employers. This gives an average of £350k per sub-region pa.*

## TOTAL REGIONAL COST v INCOME ESTIMATES

(for 3 Sub-regional STEM Hubs)

Financial Period		CAPITAL EXPENDITURE			OPERATIONAL EXPENDITURE			TOTALS			TARGET NUMBERS	
		Estimated Cap-Ex (2% inflation)	Growth Deal/WG/via NWEAB Ask	Private sector contrib.	Estimated OpEx (@2% inflation)	Growth Deal/WG/via NWEAB Ask	Private sector contrib.	Total Cost	Total Private Sector Contribution (incl. "In kind")	Total Growth Deal/WG/via NWEAB ask	Forecasted students interventions as part of regional STEMatic programme (based on 1 interaction per Year)	Cost per head per interaction
Start	End											
Ebr-20	Maw-21	£693,000	£693,000	£0	£2,794,500	£1,744,500	£1,050,000	£3,487,500	£1,050,000	£2,437,500	1000	£3,488
Ebr-21	Maw-22	£75,000	£75,000	£0	£2,925,165	£1,875,165	£1,050,000	£3,000,165	£1,050,000	£1,950,165	45000	£67
Ebr-22	Maw-23	£76,500	£76,500	£0	£2,983,668	£1,933,668	£1,050,000	£3,060,168	£1,050,000	£2,010,168	90000	£34
Ebr-23	Maw-24	£78,030	£78,030	£0	£3,043,342	£1,993,342	£1,050,000	£3,121,372	£1,050,000	£2,071,372	90000	£35
Ebr-24	Maw-25	£79,591	£79,591	£0	£3,104,208	£2,054,208	£1,050,000	£3,183,799	£1,050,000	£2,133,799	90000	£35
<b>5 YEAR TOTAL</b>		<b>£1,002,121</b>	<b>£1,002,121</b>	<b>£0</b>	<b>£14,850,883</b>	<b>£9,600,883</b>	<b>£5,250,000</b>	<b>£15,853,004</b>	<b>£5,250,000</b>	<b>£10,603,004</b>	<b>316000</b>	
											Average Cost per Head	£50
<b>10 YEAR TOTAL</b>		<b>£1,081,711</b>	<b>£1,081,711</b>	<b>£0</b>	<b>£31,328,398</b>	<b>£20,828,398</b>	<b>£10,500,000</b>	<b>£32,410,109</b>	<b>£10,500,000</b>	<b>£21,910,109</b>	<b>766000</b>	<b>£42</b>

Estimated number of school/college pupils in North Wales (STEM related courses for post-16)

90,000

Number of interventions if all pupils have 1 per year

90,000

Number of interventions if all hit target of 1 per term

270000

## **SUMMARY CAPITAL AND OPERATIONAL COSTS FOR THE THREE STEM HUBS**

*For a 5 Year and a 10 Year basis*

Financial Year	Period	Hub 1		Hub 2		Hub 3		TOTAL		TOTAL
		Cap-Ex	Op-Ex	Cap-Ex	Op-Ex	Cap-Ex	Op-Ex	Cap-Ex	Op-Ex	
20-21	12 months	£231,000	£931,500	£231,000	£931,500	£231,000	£931,500	£693,000	£2,794,500	£3,487,500
21-22	12 months	£25,000	£975,055	£25,000	£975,055	£25,000	£975,055	£75,000	£2,925,165	£3,000,165
22-23	12 months	£25,500	£994,556	£25,500	£994,556	£25,500	£994,556	£76,500	£2,983,668	£3,060,168
23-24	12 months	£26,010	£1,014,447	£26,010	£1,014,447	£26,010	£1,014,447	£78,030	£3,043,342	£3,121,372
24-25	12 months	£26,530	£1,034,736	£26,530	£1,034,736	£26,530	£1,034,736	£79,591	£3,104,208	£3,183,799

<b>Accumulative</b>	<b>5 Years</b>	<b>£334,040</b>	<b>£4,950,294</b>	<b>£334,040</b>	<b>£4,950,294</b>	<b>£334,040</b>	<b>£4,950,294</b>	<b>£1,002,121</b>	<b>£14,850,883</b>	<b>£15,853,004</b>
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*Total Accumulative*

*£5,284,335*

*£5,284,335*

*£5,284,335*

*£15,853,004*

*£15,853,004*

<b>Accumulative</b>	<b>10 Years</b>	<b>£474,866</b>	<b>£10,442,799</b>	<b>£474,866</b>	<b>£10,442,799</b>	<b>£474,866</b>	<b>£10,442,799</b>	<b>£1,081,711</b>	<b>£31,328,398</b>	<b>£32,410,109</b>
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