

Cabinet

Report Title	Team Barrow Delivery Board
Date of Meeting	26 March 2024
Report Author	Phil Drane (Programme Director – Major Projects & Regeneration) Tifany Battersby (Programme Lead)
Director	Alison Hatcher (Assistant Chief Executive)
Lead Cabinet Member	Cllr Jonathan Brook - Leader of the Council
Why is this a key decision?	<p>1. An executive decision which is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates. YES/NO</p> <p>2. or is likely to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the Council. For these purposes, savings and expenditure are "significant" if they are equal to or greater than £500,000. YES/NO</p> <p>For clarification, no treasury management decision shall constitute a Key Decision.</p>
Wards Affected	All Furness
Identify exempt information and exemption category	N/A
Reasons for urgency (only where applicable)	N/A
Appendices (if any)	<p>Appendix A: Letter from the Department for Levelling Up, Housing and Communities (19 February 2024)</p> <p>Appendix B: Team Barrow Governance and Resource Proposals</p> <p>Appendix C: Draft Barrow Delivery Board Terms of Reference</p> <p>Appendix D: EqIA Screening</p>

1. Executive Summary

- 1.1 The purpose of this report is to seek agreement to accept funding that will support activities of the Barrow Delivery Board. The 2023 Autumn Statement announcement included up to £5 million of revenue for the establishment of a Delivery Board for Barrow with associated programme management and governance over the next three years (2024-27) and early (year one) masterplanning activity.

- 1.2 The revenue funding will enable the Council to bring in additional capacity to resource activity for each of the five workstreams reporting to the Delivery Board. This resource will sit within a Programme Management Office (PMO) for Team Barrow, hosted in the Assistant Chief Executive service. Although a grant offer has not yet been received, **Appendix A** provides confirmation of the intent from the Department for Levelling Up, Housing and Communities (DLUHC) to fund Team Barrow.
- 1.3 This report also seeks agreement for the Council to be represented on the Delivery Board by the Chief Executive. Establishing a Delivery Board for Barrow is a stated Government requirement. The Team Barrow PMO and the funding received to resource it will support the Delivery Board and its aims. It is important that the Council is represented on the Delivery Board to provide place leadership as a Team Barrow partner. **Appendix B** provides further information on the proposed governance structure and programme management. **Appendix C** sets out a first draft of the proposed Terms of Reference for the Delivery Board.

2. Recommendations

For the reasons set out in this report, Cabinet is recommended to:

- 2.1 Agree to accept up to £5 million of funding to support Barrow Delivery Board activities and delegate authority to the Chief Executive, in consultation with the Leader of the Council, Cabinet Member for Finance, Director of Resources (S151), and Chief Legal and Monitoring Officer to enter into related contracts and funding agreements in line with the letter of comfort at Appendix A;
- 2.2 Appoint the Chief Executive onto the Barrow Delivery Board; and
- 2.3 Delegate authority to the Chief Executive in consultation with the Leader of the Council, Cabinet Member for Finance, Director of Resources (S151), and Chief Legal and Monitoring Officer to agree the final Terms of Reference for the Barrow Delivery Board in line with Appendix C.

3. Information: The Rationale & Evidence for the Recommendations

Team Barrow Introduction

- 3.1 Team Barrow is a trilateral partnership between central government, Westmorland and Furness Council, and BAE Systems. The objective of Team Barrow is to enable Barrow to be a new powerhouse for the north, expanding BAE Systems' defence capability, supporting energy security, and revitalising Barrow and Furness as a place where people choose to live, work, and thrive. In delivering against this objective, it aims to take collective ownership of problems, transparency, and focus on outcomes.
- 3.2 Ultimately, Team Barrow seeks to secure investment and regeneration for Barrow and the wider region, driven by BAE Systems workforce growth from the recent AUKUS announcement and the Government's ongoing commitment to the UK submarine programme. In addition, there are other opportunities in green growth, which will drive the demand for highly skilled

jobs, which will need to be provided for by the local area. The key issue is meeting that need in the local area.

- 3.3 A central government deep dive process took place in autumn 2023 and identified a mismatch of labour supply and demand in Barrow, which presents a significant risk to delivering against the Team Barrow objective. Projected growth from BAE Systems and future opportunities in the clean energy sector cannot be supported without interventions to address local deprivation, health inequalities, levels of educational aspiration and attainment, the continued decline of working age population, infrastructure issues, and an inability to effectively attract and retain new labour and skills.
- 3.4 A programme director has recently taken up post to lead the Team Barrow work and a governance structure to make decisions, share information, and sufficiently resource the Team Barrow programme. These tasks are being undertaken with partners.

Team Barrow Governance

- 3.5 Governance of Team Barrow activities will include the creation of a Delivery Board, as announced by the Chancellor in the 2023 Autumn Statement along with a commitment for £5 million of funding to ensure local people see lasting benefits from investment in the Defence Nuclear Enterprise. This is confirmed in **Appendix A**, a recent letter from the Department for Levelling Up, Housing and Communities (DLUHC). The letter provides some degree of comfort as the Council awaits details of when this funding will be received and whether further capital funding will be announced for the early delivery of activity to support regeneration efforts in the town.
- 3.6 An independent chair of the Delivery Board is to be appointed by Government. The composition of the Delivery Board is yet to be confirmed, although it will also likely include a vice chair, representation from the Team Barrow partners (the Council, BAE Systems and Government) and other partners to ensure local accountability.
- 3.7 This report recommends that Cabinet agrees to the Council being represented on the Delivery Board by the Chief Executive. **Appendix B** sets out an overview of the governance structures to inform and resource the Barrow Delivery Board, as well as internal processes that the Programme Management Office (PMO) will also provide when reporting into Westmorland and Furness Council to ensure any decisions being made are in accordance with the Council's decision-making framework. This will include the creation of a Furness Joint Member and Officer Advisory Board. The Advisory Board is to be an informal group that updates lead members and officers on the Team Barrow programme of works (among other local updates) and provides the opportunity for the group to inform this programme of works from the Council's perspective.
- 3.8 Arrangements for the Barrow Delivery Board are forming as the outcome of the relevant Government business case is awaited. **Appendix C** provides a first draft of the proposed Terms of Reference for the Delivery Board, particularly focusing on the roles and responsibilities of the board and wider

structure for governance and staff resource. In discussion with partners, this Terms of Reference will evolve and be amended but is appended to this report to provide wider context and understanding to how Team Barrow governance is likely to function.

3.9 Both the governance structure and resource requirements for Team Barrow are underpinned by the following five workstream groups. It is proposed that each workstream has an appointed sponsor to sit on the Delivery Board and report on progress, as well as a lead officer recruited to drive delivery of projects. The five workstreams are:

- a) Economy, Masterplanning and Place;
- b) Transport;
- c) Education, Employment and Skills;
- d) Health, Equality and Wellbeing; and
- e) Community and Social Impact.

Team Barrow Funding and Resource Requirements

3.10 The Government announced up to £5 million revenue funding for Team Barrow in the 2023 Autumn Statement. Half of this funding (£2.5m) is to cover the costs of a Team Barrow Programme Management Office (PMO) that will support programme development, governance and management over the next three years (2024-27). The PMO for Team Barrow is to be hosted in the Assistant Chief Executive service.

3.11 The remaining funding is to enable Homes England to help create a masterplan for Barrow and its surrounding areas. This masterplan will be essential to identify opportunities for growth and regeneration in line with the five workstreams, both in the short and long terms. It will help secure the investment required to deliver development and link with current work to prepare a new Westmorland and Furness Local Plan.

3.12 The following table sets out an overview of the posts required within the Team Barrow PMO and the expected source of funding.

Post	Funding Source
Programme Director	W&F Council & BAE Systems
Programme Control Officer	Government
Communications Special Advisor	BAE Systems
Delivery Special Advisor	BAE Systems
Strategic Project Solicitor (Planning / Regeneration)	Government
Workstream Lead (Economy, Masterplanning & Place)	Government
Workstream Lead (Transport)	Government
Workstream Lead (Education, Employment & Skills)	Government
Workstream Lead (Health, Equality & Wellbeing)	Government
Workstream Lead (Communities & Social Impact)	Government
Project Manager (x3)	BAE Systems

- 3.13 When considering the costs of the above posts it is estimated that the annual requirement from UK Government (DLUHC and HM Treasury) would be approximately £824,000. Factoring in recruitment timeframes, this cost is expected to be reduced to approximately £618,000 in year one. Confirmation of annual funding amounts from Government is awaited.
- 3.14 In addition, the annual local partner in-kind contribution (from the Council and BAE Systems) would be approximately £660,000. The Council's contribution to that amount is for the Programme Director role. Total costs do not include the continued significant time contribution of directors and senior staff from the Council and BAE Systems, and the in-house governance and resource support provided.

4. Link to Council Plan Priorities: (People, Climate, Communities, Economy and Culture, Customers, Workforce)

- 4.1 The Team Barrow objective and purpose have strong links into each of the Council Plan priorities. Delivering against this objective and purpose provides the opportunity to secure investment and improvement in relation to all of these, not just for Barrow, but for Westmorland and Furness as a whole. This supports the attraction and retention of working age population, raising education and skills levels, improving infrastructure, growing our economy and productivity, in a manner that places our communities and people at the heart of our approach.

5. Consultation Outcomes

- 5.1 Partner events, led by Simon Case (Cabinet Secretary), took place in July and October 2023, to support the development of partnership working and approach.
- 5.2 An extensive 'deep dive', led by DLUHC, took place in August 2023 over a three-week period, involving over 200 individuals in over 80 points of engagement (interviews/workshops/round tables etc.). The findings were used to identify key workstreams and areas of focus, as well as provide evidence for business case development.
- 5.3 Further consultation will be built into the masterplanning activity, which will form an early area of focus for Team Barrow and is supported by the announced Government funding.

6. Alternative Options Considered

- 6.1 The Team Barrow approach is a proactive partnership, maximising the opportunity presented by local growth to support delivery of the submarine programme and deliver local benefits. It is an active and managed approach that has the potential to address deep-rooted and difficult local challenges, whilst realising significant local, regional and national benefits.
- 6.2 An alternative to this would be a reactive non partnership approach, which would make planning and management much more difficult and far more likely to result in resource intensive responses that are operationally focused

rather than strategically planned to unlock opportunities and address our deep-rooted challenges in a manner that is inclusive and locally beneficial.

7. Reasons for the Recommendations

- 7.1 The Team Barrow programme is a once in a lifetime opportunity to deliver meaningful change in Barrow, maximising the opportunity provided by workforce growth at BAE Systems that can benefit the entire community and beyond. The Council is playing a vital part in the Team Barrow trilateral partnership, particularly in place leadership.
- 7.2 It is essential that the announced funding is accepted to establish the governance and resource required to set up the Barrow Delivery Board and progress work swiftly. It is also important that the Council is represented on the Delivery Board, contributing to local accountability.

8. Climate and Biodiversity Implications

- 8.1 As the twin climate and biodiversity concerns deepen there is a need to embed climate adaption and biodiversity gain into Team Barrow initiatives. Climate adaptation and resilience can reduce the impacts from current and future climate harm and realise benefits, such as investment in sustainable and lasting infrastructure, reducing inequalities and improving health outcomes. Each Team Barrow workstream will be expected to consider the necessary actions or interventions required to manage physical climate change risks (both direct and indirect), level up access to nature, accelerate nature recovery and build long-term resilience in ways that deliver the widest possible social, economic and environmental benefits. The Delivery Board will hold workstreams to account for delivery, monitoring and reviewing impacts and ensuring socio economic and environmental benefits are realised.

9. Legal and Governance Implications

- 9.1 This report seeks Cabinet approval to accept grant funding in the sum of £5 million as announced by the Government in the Autumn Statement 2023. Appendix A (letter dated 19 February 2024 from the Department of Levelling Up, Housing and Communities) seeks to provide assurance to the Council of that upcoming funding subject to final business case approval which is anticipated in April 2024. Legal Services will advise in due course on any terms and conditions associated with the grant funding.
- 9.2 The report also seeks approval to appoint the Chief Executive onto the Barrow Delivery Board and to delegate authority to the Chief Executive in consultation with the Leader of the Council, Cabinet Member for Finance, Director of Resources (S151), and Chief Legal and Monitoring Officer to agree the final Terms of Reference for the Barrow Delivery Board in line with Appendix C.
- 9.3 With regard to proposed recruitment to the Team Barrow Programme Management Office (as set out in Appendix B), pursuant to Part 2 Section 6 of the Officer Scheme of Delegation (paragraph 2.13) in the Constitution, the relevant Director has authority to deal with appointments below Chief Officer

level including but not limited to appointments in accordance with approved policies and the Employment Procedure Rules. Under the Council's Local Scheme of Authorisation matters concerning the recruitment of permanent staff and service structure changes (including changes to the establishment) are the proper decision of the Director.

10. Human Resources Health Wellbeing and Safety Implications

- 10.1 This report seeks approval to accept funding to resource the Team Barrow Programme Management Office (as set out in Appendix B), which will be used to recruit, among other things. Subject to final Government business case approval anticipated in April 2024 and Legal Services advice on terms and conditions associated with the grant funding, the Human Resources team is prepared for the recruitment process that will be necessary to resource Team Barrow work. This is consistent with the urgency to move forward with Team Barrow objectives and support the Delivery Board.

11. Financial Implications

- 11.1 In respect of any external funding arrangements, it is the responsibility of the relevant Chief Officer, in consultation with the Section 151 Officer, to ensure that adequate financial management arrangements are in place prior to the Council entering into an external funding arrangement. The processes to ensure adequate financial management arrangements will be determined by the Section 151 Officer and must be consistent with the terms and conditions of the funding agreement.
- 11.2 In respect of Team Barrow, the £5m revenue financial support has not yet been formally agreed by DLUHC or HM Treasury but the Council has received a letter of assurance that this funding will be made available once the final business case for the wider Team Barrow investment has been approved (see Appendix A).
- 11.3 The funding agreement for the £5m is expected to be provided by DLUHC in April 2024. Any additional announcements of capital / revenue funding for Team Barrow are expected to have their own grant agreements associated with them.
- 11.4 The Council will ensure that the appropriate assurance and monitoring of the funding received is in place and this will be included in the financial quarterly monitoring to Cabinet and also to the Barrow Delivery Board. This will be delivered as part of the overall Programme Control resource as proposed in Appendix B. The Council will also provide project assurance as required by DLUHC / HM Treasury.
- 11.5 Presently the only recruitment that has taken place is for the Programme Director and the funding for that has been agreed by the Council and BAE. If any further recruitment to the PMO is started before the grant agreement is received and accepted by the Council this will be at risk with the Council taking responsibility for any costs incurred should the final business case not be approved. Discussions with DLUHC and HM Treasury are ongoing to confirm how this financial risk will be managed as part of the grant agreement.

- 11.6 The total annual cost of the PMO is expected to be approximately £1.48m. Advertisement of up to seven posts is proposed before 1 April 2024. The annual cost of this is £823,915. This will be at risk and if the grant agreement is not received and the overall Team Barrow business case not approved by HM Treasury then the Council and BAE will be responsible for those costs. The Council has earmarked reserves that could be utilised if this risk materialises but all steps to manage the risk and prevent that situation occurring are being put in place.
- 11.7 In addition to the DLUHC / HM Treasury funding the Council already has a Planning Performance Agreement (PPA) in place with BAE Systems to ensure that any additional costs incurred by the Council to deliver on the BAE growth and development programme are fully funded. For example, the Programme Director role is partly funded by the Council and partly funded by BAE Systems through the PPA. This has been agreed for the period of three years, and the Council is liable for the full cost of the post thereafter.
- 11.8 The support to the Team Barrow programme that is being provided by the wider leadership team and enabler/ resources services within the Council is not at this stage chargeable to the PMO costs or recoverable from the £5m revenue funding. This has been requested and the final grant agreement will determine if this is possible.

12. Equality and Diversity Implications

- 12.1 Addressing inequality and disadvantage is a key theme of Team Barrow work. This theme will shape the development of the programme through the Delivery Board and Workstream Groups. The Barrow Delivery Board will be charged with developing and agreeing the programme objectives, priorities and measures, which in turn will guide the work of the Workstream Groups.
- 12.2 An Equality Impact Assessment (EqIA) Screening has been carried out, see **Appendix D**. This has determined that it is not possible to identify programme impacts at this stage, as the programme priorities and workstreams are still being developed. However, it is intended that the Team Barrow programme and use of funding contribute towards reducing inequalities in Barrow, therefore it is expected to have a positive impact on groups with protected characteristics.
- 12.3 The expectation is that a full EqIA will be required and will be used to inform the programme development process.

13. Background Documents

- 13.1 None.