

TUESDAY, 6 APRIL 2021

REPORT OF THE ASSISTANT DIRECTOR GROWTH AND REGENERATION**FUTURE HIGH STREET FUND (FHSF) PROGRAMME TEAM****EXEMPT INFORMATION**

Not applicable

PURPOSE

To agree new posts associated with the delivery of the FHSF programme of building works.

RECOMMENDATIONS

That the Committee:

1. Approves the creation of the following three posts:
 - Programme Manager – Grade J + Market Supplement of £7.5K – 3 years min
 - Project Officer – Grade G – 3 years min
 - Project Officer – Grade G – 2 years min
2. Authorise the Chief Executive to implement the changes.

EXECUTIVE SUMMARY

In December 2021 the authority was notified that it was one of only 15 places to receive its full ask towards its specified programme of £21.65m. There is now an immediate requirement to recruit officers to support the delivery of the programme, with government spend required no later than the end of March 2024.

The proposal is to create 3 roles as follows within a standalone FHSF team:

- 1 x FHSF Programme Manager at Grade J with a Market Supplement of £7.5k, full time temporary for a minimum contract period of 3 years.
- 2 x FHSF Programme officer at grade G, full time temporary; 1 x for a minimum 3 year contract; 1 x a 2 minimum year contract.

The Programme Manager will lead the team and report directly to the Assistant Director Growth and Regeneration.

RESOURCE IMPLICATIONS

The Programme Manager and 1 x Project officer are needed immediately to fully establish the programme within the Council and ensure that all enabling works are completed efficiently so physical development can start. Both roles will be needed for a minimum of three years, but should be given the option to extend up to a maximum of four years. A further project officer will be needed once the enabling phase is near completion. This officer will be required for a contract of two years up to a maximum of three years subject to demand.

Creating a stand-alone team for the FHSF workload will create clarity in terms of roles and structure. It is also the case that the existing regen team have significant corporate priorities to deliver against at the same time that the FHSF workload needs to be delivered. Therefore

two teams rather than one team presents a clearer approach to workload as a whole. It prevents the FHSF workload drawing all officers in and it mitigates against duplication.

A Market Supplement of £7.5k (as a fixed amount and not subject to any cost of living rise) has been deemed appropriate for the programme manager role after extensive benchmarking with other authorities and research in the private sector. The Market Supplement will allow the Council to attract a suitably qualified and experienced professional who will be able to lead the project, equivalent in the private sector to Associate Director level at a consultancy firm. A lower salary would highly likely result in less qualified, less experienced applicants that may impact on the Council's ability to deliver the programme to schedule, therefore requiring the involvement of existing officers and impacting on capacity and resources. The current Pay Policy does allow the Council to justify such a payment where necessary. Appendix 3 details the clear and transparent evidence of the market comparators in line with the Council's Market Supplement Policy.

Three years is an incredibly challenging period of time to essentially demolish large parts of the town centre and re-build it. Immediate appointment is necessary to get the workload moving and to hit the ultimate target of ensuring all FHSF money is spent by March 2024.

Finance Implications;

The Council has a headline budget of £727,912 available towards resourcing the programme, (this figure does not include external consultancy teams – e.g. design, build etc) following grant funding from MHCLG. This will cover all costs associated with the team, including redundancy costs where appropriate.

In relation to the new FHSF Team:

Project Officers:

Project Officer: 3 year contract (start June 2021)

| | | Salary | | On costs | | Total |
|------------------|---|---------------|---|-----------------|----------|-------------------|
| 2021/22 | £ | 25,299.75 | £ | 6,577.94 | £ | 31,877.69 |
| 2022/23 | £ | 35,493.00 | £ | 9,228.18 | £ | 44,721.18 |
| 2023/24 | £ | 37,398.00 | £ | 9,723.48 | £ | 47,121.48 |
| 2024/2025 | £ | 9,864.00 | £ | 2,564.64 | £ | 12,428.64 |
| Total | | | | | £ | 136,148.99 |

Project Officer: 2 year contract (Start April 2022)

| | | Salary | | On costs | | Total |
|----------------|---|---------------|---|-----------------|----------|------------------|
| 2022/23 | £ | 34,576.00 | £ | 8,989.76 | £ | 43,565.76 |
| 2023/24 | £ | 36,380.00 | £ | 9,458.80 | £ | 45,838.80 |
| | | | | | £ | 89,404.56 |

The total cost of employing 2 project officers as above will be **£225,553.55**

Programme Manager:

Programme Manager: 3 year contract (start June 2021)

| | | Salary | | On costs | | Total |
|---------|---|---------------|---|-----------------|---|-------------------|
| 2021/22 | £ | 42,537.00 | £ | 11,059.62 | £ | 54,525.87 |
| 2022/23 | £ | 59,227.00 | £ | 15,399.02 | £ | 75,865.02 |
| 2023/24 | £ | 61,825.00 | £ | 16,074.50 | £ | 79,138.50 |
| 2024/25 | £ | 15,795.75 | £ | 4,106.90 | £ | 20,212.40 |
| | | | | | | £226,024.8 |

The total cost of the Programme team will be **£451,578.33** for the minimum contract duration.

There is currently an Interim programme manager in place from March 2021 to end of May 2021, at a cost of **£26,325k**.

Incurring these costs will leave a balance of **£250,006.67** as a contingency for further resource and to cover any applicable redundancy costs at the end of the project

Extending all three internal project officers for a further year, should it be necessary, until end of June 2025 will cost an additional **£178,373.79**

LEGAL/RISK IMPLICATIONS BACKGROUND

These are new posts created to deliver specific high profile projects for the Borough Council. The timeline for delivering against FHSF spend is incredibly challenging and there is absolutely no flexibility in the delivery. Appointments need to be made immediately.

There is a risk that the salaries are not high enough to attract private sector experience. Benchmarking has been undertaken and it is felt that the salaries are appropriately remunerated. We are however seeing a very high level of new private sector construction opportunities fuelled by the considerable investment by Government into building/construction projects such as FHSF, Towns Deal and major housing delivery sites. The scale of urban change in the Country has never been so high and the ripple effect has meant that skilled individuals with the right experience are in high demand. Until we test these jobs with the market it is unknown if we can recruit.

Sustainability Implications

None.

Background Information

In December 2021 the authority was notified that it was one of only 15 places to receive its full ask towards its specified programme of £21.65m. There is now an immediate requirement to recruit officers to support the delivery of the programme, with government spend required no later than the end of March 2024.

Officers will need to be in place for a period of no more than 4 years, with contracts terminating at the earliest from the end of March 2024.

There are 5 project components that require project managing as well as the overall management of the programme to comply with internal and external regulations and guidance. These projects are outlined as follows:

- Relocation of Southern Staffordshire College to a new build on the site of the current Co-op department store.
- Refurbishment of the locally listed section of the Co-op department store into an Enterprise Centre
- Enhancements of the area around the Castle gatehouse and market properties, including relocation of Nationwide to the former Peel Café.
- Refurbishment and demolition of parts of Middle Entry including the introduction of a new semi-permanent structure for startups and niche businesses.
- Refurbishment of St Editha's square.

The total programme cost is circa £40million with additional funding from the College, Department for education and the Council. The majority of the work will be procured and contracted out to a multi-disciplinary team with individual external project managers, however

there is a direct need to recruit an internal team to manage all aspects of the programme delivery as the accountable body in receipt of funding.

At a minimum the team will have to:

- Liaise with Government, providing relevant regular financial and monitoring returns.
- Manage all project governance including reporting into ; Government; programme board; funders; project groups; external partners; stakeholders; cabinet; scrutiny; full council; ELT; CMT.
- Closely Monitor all programme spend against project cash flow.
- Procure, contract and oversee all professional teams.
- Manage all design, enabling and approval works for projects.
- Liaise with professional teams seeking relevant advice and seeking approval for significant changes and decisions.
- Lead project teams from a Council perspective ensuring projects are meeting the necessary requirements for time, cost and quality.
- Ensure accountability, transparency and scrutiny of decision making and roles.

External advice has been sought in designing the correct structure for the team, as well as benchmarking against similar roles in other authorities. Based on the procurement of external project management teams to lead the operational delivery of the projects, 3 officers are deemed to be the optimal number required, with support from the Head of EDR and the Assistant Director Regeneration in specific areas. There is a maximum available budget set out within the FHSF bid of circa £727,912 for internal roles, including interim support.

Job descriptions for the two roles are appended to this report.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

FHSF Business Case Submission – Full Council; 21st July 2020

APPENDICES

Appendix 1 – Programme Manager Job profile

Appendix 2 – Project Officer Job profile

Appendix 3 – Market Supplement benchmarking