

Agenda Item No:

Report To: Cabinet

Date of Meeting: 11 April 2019

Report Title: Appointment of Project Manager

Report Author & Job Title: Ben Lockwood
Director of Finance & Economy
Portfolio Holder: Cllr. Bell – Deputy Leader
Portfolio Holder for: Shareholder Representative



Summary: The Property Company Business Plan was approved at Cabinet on the 13th July 2017 proposed a significant expansion in the Property Company's residential portfolio. To enable this to continue a Project manager is now required and will be the second employee of the Property Company.

The Trading and Enterprise Board (the "Board") has supported this appointment and Cabinet are asked to recommend to Council approval of the post and remuneration package for a Project Manager.

The post will be funded directly through project delivery finance.

Key Decision: No

Significantly Affected Wards: None

Recommendations: **Recommend to Council to approve the appointment and remuneration package of a Project Manager, directly employed by A Better Choice for Property Limited.**

Policy Overview: One of the controls the Council has over the Property Company is for recruitment decisions to be made by Full Council.

The Council has an ambition to be self-funding and the property company is one tool that has been developed to contribute towards this aim.

Financial Implications: This post will be funded from project financing, by employing directly the Property Company will make a saving whilst projects are being delivered. In the event that development projects cease and there is no further demand for the role then it will be necessary to make the role redundant. It is proposed a redundancy reserve is set up to account for future redundancies to limit exposure of the company.

Legal Implications: None for the Council

Equalities Impact Assessment Not required

Other Material Implications: None

Exempt from Publication: No

Background Papers: none

Contact: ben.lockwood@ashford.gov.uk – Tel: (01233 330540)

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Introduction and Background

1. In the Property Company's Business Plan approved by the Cabinet on the 13th July 2017 the Property Company set out its vision of how it intended to significantly expand its operations.
2. In order to achieve the expansion of the Property Company it was accepted that the Property Company needed to employ a dedicated resource, the Development Manager to help develop the Property Company's portfolio, drive new business and work with developers on potential projects.
3. The Development Manager has been successful in his role bringing forward a number of projects including a number of development projects that now require project management to take forward. The Development Manager does not have available capacity to take the work forward therefore the company would like to appoint a dedicated resource with project management experience in housing development.
4. The Company is proposing to employ an experienced Project Manager to manage the whole build process through to completion. The appointment will be on a full time basis, 37 hours per week. The skills required for this role will include:
 - Good construction knowledge
 - Strong Project Management skills
 - Familiar with construction contracts such as JCT or NEC
 - Experience working within a multi-disciplinary team is essential
 - Can interpret drawings/models with an appreciation for construction standards
 - Be able to interpret site and property surveys including Geotechnical and Ecological
 - Budget management, and project costings
 - Previous experience submitting/negotiating/discharging conditions with the local authority development control.
 - An good understanding of legislation associated with development
5. The appointment of this post will ensure that projects are delivered in a timely manner to ensure project delays and additional costs consequently are minimised.

Remuneration package

6. The table below includes the proposed remuneration package for the post:

Salary of Project Manager	£40,000	37 hours per week
Car allowance	£5,000	
Other contingency costs	£5,000	Recruitment, travel, training, industry events, networking, reserve contribution

7. The Property Company Board is to meet on 8 April 2019 to confirm their approval of this appointment however there has been approval in principle from Directors and the Trade and Enterprise Board has endorsed this appointment.

Financial Impact

8. When building the projects an allocation for project management is included within the budget. With a number of developments coming forward soon, this post would be funded through existing and further allocations. Projects currently under development include the old B&Q site and Swanton House. Currently project management fees are estimated to be around £250,000 for these three main projects.
9. The Property Company will utilise the project management budgets set aside in each financial model for the developments to fund the post. This would traditionally be used to fund external consultancy however, due to the number of projects coming forward it has been proposed to recruit an experienced housing development project manager to oversee the projects. The project should result in savings in project costs due to direct recruitment.
10. The appointment of this post will ensure that projects are delivered in a timely manner to ensure project delays and additional costs as a consequence are minimised.

Implications and Risk Assessment

11. The management of this role will be undertaken by the company's Development Manager, therefore no resource implication for Council staff.
12. Funded directly through capital project finance so no risk on cashflow of the company. Reduce project management costs of projects, as more economical than the consultancy costs already factored into project financial models.
13. Future redundancy costs will be payable after 2 years, the company will setup a redundancy reserve
14. The company offers a statutory pension.

Equalities Impact Assessments

15. None

Consultation Planned or Undertaken

16. The Property Company has worked closely with the council's HR team in formulating the necessary employment documentation, policies and procedures when recruiting and employing the Development Manager.

Other Options Considered

17. As previously discussed the Property Company's Board could appoint external consultants to take this work forward however this would not deliver best value for the company.

Reasons for Supporting Option Recommended

18. To support the delivery of projects in the most cost effective way.

Next Steps in Process

19. Subject to approval by full Council, the Property Company will recruit to this post through an application and interview process with the aim of appointing a suitable candidate.

Conclusion

20. The proposals included within this report will allow the Property Company to employ its second employee in a full time role that will support the Development Manager to achieve the company's aims and objectives contained within its Business Plan.

Portfolio Holder's Views (Shareholder Representative)

21. I endorse the appointment and remuneration of this post as it supports the Company's Business Plan and will ensure projects already identified will be effectively managed and progressed in accordance with the individual business models.

Contact and Email

22. Ben Lockwood – ben.lockwood@ashford.gov.uk