

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Housing and Health and Executive Director - Commercialisation (S151)

To: Cabinet Tuesday, 21 July 2020
Council Wednesday 29th July 2020

Author: Caroline Hannon Strategic Housing Manager

Subject Resourcing of the Council's Housing Development Team

Purpose: To set out a proposal concerning the resourcing of the Council's Housing Development service which will bring two additional Housing Development Project Manager posts into the establishment to align with the authority's ambition to build new council houses and deliver new homes through its housing companies.

Recommendation for Cabinet:

- 1) That the proposal to create two additional Housing Development Project Manager posts (2 FTE) within the Council's permanent staffing establishment is supported and recommended to Council for approval.

Recommendation(s) for Council:

- 2) That two additional Housing Development Project Manager posts (2 FTE) are created within the Council's permanent staffing establishment.

1.0 BACKGROUND

1.1 The Housing Development team at South Holland District Council is a small team which provides a number of functions including delivering new affordable homes for the HRA and overseeing the management and delivery of new homes for the authority's wholly owned company Welland Homes. The type of work presently undertaken by the team includes the following:

- **Identifying new business/preparing scheme feasibilities.** A major part of the team's work includes preparing new project feasibilities. This includes a range of tasks such as commissioning and assessing technical surveys (such as ground investigations, flood risk assessments; topographical surveys); appointing external consultants (such as architects and planning consultants); community/parish engagement; and preparing financial appraisals and business cases to fulfil the necessary governance processes.
- **Contract negotiation.** Once schemes are approved through the necessary governance process, there is a period of negotiation. This can include agreeing the

specification for the homes; tendering process to select a contractor; applying for grant funding; undertaking and assessing legal due diligence.

- **On-site project management.** This task includes having full oversight and responsibility for the on-site activity. It includes full financial monitoring and risk management to ensure that schemes are delivered safely, on budget and to a high standard in accordance with the agreed specification. Stakeholder management with internal colleagues, local communities, Ward Members and Homes England (where appropriate). Responsibility for the handover process including snagging, de-snagging, rent setting and ensuring the homes are handed over with the correct documentation in place to allow immediate occupation.
- **Defects Management.** Officers are responsible for ensuring contractors fulfil their obligations relating to the contractual defects period and in-line with the property warranty. This includes monitoring the portfolio to ensure any issues that arise post-handover are identified as defects rather than standard repairs. Officers liaise with contractors and residents to ensure all defects are complete and undertake end of defects inspections and oversee the retention payment release at the end of the defects period.
- **Welland Homes management.** The service provided to Welland Homes is wide ranging and includes all of the aspects of housing development set out above. It also includes appointment, oversight, monitoring and client side management of the third-party property managing agent. The role includes hosting and servicing the Welland Homes board meetings and associated officer-led project group.
- **Sale of shared ownership dwellings.** This task includes appointment, oversight and client side management of the third party Shared Ownership Business Support partner. It involves management of the sales programme which includes maintaining up to date valuation advice, seeking internal approval for the initial sale price and approval of the purchaser's mortgage offer. The team is responsible for the appointment of a solicitor to act on SHDC's behalf, creation of the sales pack, acting as "client" in sales negotiation, document signing and sealing at completion.
- **Maintaining Homes England partnership.** Officers are responsible for maintaining relationships with Homes England and submitting funding bids for suitable schemes. Ensuring reporting is done quarterly and is an accurate reflection of progress. The team ensures grant funded schemes are compliant with all funding conditions and evidence of compliance is documented as schemes progress. Officers oversee the annual Homes England audit of grant funded schemes.

2.0 CURRENT TEAM STRUCTURE AND PERFORMANCE

2.1 The existing Housing Development structure includes 3 full-time permanent posts. However, the employees are working part-time and accordingly there are some existing staff vacancies. The existing team consists of:

- Housing Development Programme Manager (0.9 FTE);
- Housing Development Project Manager (0.6 FTE);
- Housing Development Technical Assistant (0.5 FTE).

- 2.2 When additional resources are required it is possible to utilise the services of housing development consultants. Currently, the authority is utilising one interim consultant on a part-time basis to provide some additional capacity to the team, however, this is a more expensive staffing solution with consultants being procured on a daily rate and a move to permanent resourcing is proposed.
- 2.3 As part of a recent review of the structure and resourcing of the 'Growth' and 'Property and Delivery' teams across the Growth and Commercialisation Directorate it has been proposed to create capacity and generate opportunities to deliver more. This included the provision of two additional Housing Development Project Manager posts limiting the need to procure consultants on a daily rate and enabling the authority to deliver a broader range of housing projects.
- 2.4 The main issue for the team has been one of capacity. Whilst the Housing Development team has successfully managed eight schemes since 2017/18, as set out in the table below, strengthening the team to fill vacant posts and recruit two new Housing Development Project Managers is likely to enable the authority to deliver a more comprehensive development and acquisitions programme.

Scheme name	Delivery vehicle	Number of dwellings	Timescale	Development type	Progress
Walters Close, Spalding	Welland Homes	15	Properties completed 2017/18	Acquisition of completed dwellings from developer, with discount on OMV.	Complete
Tennants Close, Long Sutton	Welland Homes	5	Properties completed 2018/19	Acquisition of completed dwellings from developer, with discount on OMV.	Complete
Pankhurst Close, Spalding	Welland Homes	10	Properties completed in May 2019.	Welland Homes design and build contract.	Complete
Acquisition of S106 homes from Ashwood (Moulton, Cowbit, Donington)	HRA	18	Properties completed in phases from March 2019 to March 2020.	Acquisition of completed dwellings from developer, with discount on OMV due to S106 agreement.	Complete
Small Drove, Weston	HRA	34	Properties completing in phases from March 2020	Design and build contract.	Contract Signed. In Progress

Bentley Court, Spalding	Welland Homes	5	Purchase complete	Acquisition of completed dwellings from developer, with discount on OMV.	Complete
Wignals Gate, Holbeach	HRA	19	Properties completing in phases from August 2020 through to October 2022	Acquisition of completed dwellings from developer, with discount on OMV due to S106 agreement.	Contract due to be signed July 2020
Kensington Close/ Bakewell Street, Donington	HRA	7	Purchase complete	Acquisition of completed dwellings from developer, with discount on OMV.	Complete

3 OPTIONS FOR FUTURE SERVICE DELIVERY

- 3.1 Officers have been exploring a number of options concerning service delivery. The proposal to enhance the resources in the housing development team will enable the authority to deliver a broader programme of projects.
- 3.2 The options considered have ranged from 'do nothing' (i.e. not filling vacant posts and delivering the service with 2FTE), filling vacant posts to deliver the service with 3FTE, procuring interim housing development staff (paid on a daily rate) and bringing new permanent posts into the establishment.
- 3.3 In exploring these options, officers have given detailed consideration to:
- The nature of the service, the most appropriate model for delivery,
 - Current resource requirement emanating from the council's current programme of activity in relation to the existing housing development programme;
 - The authority's ambitions as identified in the Corporate Plan to build new council houses and deliver new homes through our housing companies; and
 - Timescales associated with some of the potential options (notably the timescales involved in bringing new staff into the establishment and the recruitment process).
- 3.4 Following consideration of all of the options, a delivery strategy is proposed based around filling vacant posts and the creation of two additional Housing Development Project Managers to sit within the establishment. This arrangement, would provide the team with a total resource of 5FTE.
- 3.5 It is anticipated that this level of resourcing would enable the authority to continue to deliver the existing programme and deliver schemes through an enhanced number of delivery routes including direct development, grant funded projects and making best use of SHDC land assets. Whilst the team is already delivering some schemes of this nature, it is only

possible for the current resource to manage a small number of projects at any one time. The additional resource will enable multiple schemes to be managed simultaneously.

- 3.6 The proposal will also build resilience into a team which only has one individual in each job role. The service is currently susceptible to the impact of any staff absences, however short-term they may be.
- 3.7 The existing Housing Development Project Manager and the two additional post holders will report into the existing Housing Development Programme Manager. Strengthening the team at Project Manager level will enable the existing Housing Development Programme Manager, who has been acting as both a Programme Manager and a New Business Project Manager, to focus solely on their substantive role.
- 3.8 In advance of any additional recruitment, officers will focus solely on a programme of S106 acquisitions for the HRA and market acquisitions for Welland Homes. Some limited support will continue to be provided by an interim housing development consultant.
- 3.9 Whilst the recruitment of additional interim housing development consultants would be a quicker process than bringing new permanent employees into the structure, it is felt that the most effective use of resources and appropriate approach for the best long-term outcome for the service would be to take the time to recruit permanent staff.

4 **OPTIONS**

- 4.1 **'Do Nothing'**. Under the 'do nothing' option, new posts will not be brought into the establishment. Vacant posts could be filled (subject to successful recruitment) but additional resources beyond the 3 FTE will not be available. If the 'do nothing' option was pursued, the authority can continue to have a moderate housing development programme likely to focus on one design and build project at any time alongside a small programme of acquisitions.
- 4.2 **That two new Housing Development Project Manager posts are added to the Council's establishment (recommended)**. Under this option, two new Housing Development Project Manager posts will be added to the establishment as a means of enabling the authority to deliver a greater number of development projects. Furthermore, and in addition to the creation of the new posts, officers will also seek to recruit to longstanding vacant posts within the team arising from having part-time staff employed in full-time roles (amounting to 1.0 FTE). If all posts can be recruited to, this will increase the resource available in the Housing Development team from 3 FTE to 5 FTE."

5 **REASONS FOR RECOMMENDATION(S)**

- 5.1 To enable the housing development team to deliver a greater number of housing projects for Welland Homes and the HRA.

6 EXPECTED BENEFITS

6.1 It is anticipated that the major benefit, delivered through the report recommendation, will be a level of officer resource commensurate to increasing the delivery of the authority's housing development programmes for the HRA and Welland Homes, that being a programme focused on and including (but not exclusive to) the following;

- Direct development projects;
- Identifying schemes eligible for Homes England grant funding;
- Delivering permanent housing solutions for rough sleepers or those at risk of homelessness as per any jointly produced MHCLG action plan;
- Identifying options for best use of SHDC land assets;
- Programme of acquisitions of newbuild or existing housing;
- Acquisition of land assets; and
- Preparation of a holistic Housing Development Strategy.

7 IMPLICATIONS

7.1 Corporate Priorities

7.1.1 The recommendation contained within the report will make a notable contribution to the realisation of the Council's corporate priority around 'Your Home.'

7.1.2 The proposal would support the "delivery of housing solutions to meet local needs and aspirations."

7.1.3 The recommendation supports the Council's objective to "build more council houses".

7.1.4 The recommendation supports the Council's objective to "deliver new homes for our residents through our housing companies".

7.1.5 The recommendation supports the Council's objective to "ensure that our residents are enabled to live in high quality housing no matter the tenure."

7.2 Financial

7.2.1 The report recommendation carries with it a number of financial implications.

7.2.2 The new posts will fit SHDC salary grade H and will benefit from an essential car user allowance. The estimated total cost of both posts, including on-costs, is anticipated to be c£101k per annum.

7.2.3 The posts will be funded from the HRA and for 2020/21 from the in-year HRA surplus.

7.2.4 New capital funded HRA housing schemes include a project management fee which can be used to offset the salary of the new posts.

7.2.5 Any services provided by SHDC officers for Welland Homes are paid for by the company and accordingly, the income from the company will offset the salary costs.

7.2.6 Once the new officers are in post, the authority will no longer have to rely on the services of interim housing development professionals who provide services on a daily rate which is a more expensive form of resource provision.

7.3 Staffing

7.3.1 The report carries with it staffing implications through the proposed creation of two additional posts on the SHDC establishment and recruitment to existing vacant posts (vacancies arising from having part-time staff employed in full-time roles).

7.3.1 If the recommendation is supported, recruitment will commence as quickly as possible.

8 WARDS/COMMUNITIES AFFECTED

8.1 All

9 ACRONYMS

9.1 HRA – Housing Revenue Account

9.2 FTE – Full Time Equivalent

Background papers:- None

Lead Contact Officer

Name and Post: Caroline Hannon Strategic Housing Manager

Telephone Number

Email: Caroline.Hannon@breckland-sholland.gov.uk

Key Decision: N

Exempt Decision: N

This report refers to a Discretionary Service

Appendices attached to this report:

None