

Resource to Deliver Income Generation Proposals

Report to:	West Devon Hub Committee
Date:	19th April 2016
Title:	Resource to Deliver Income Generation Proposals
Portfolio Area:	Cllr Bob Baldwin, Deputy Leader Business Development
Wards Affected:	All
Relevant Scrutiny Committee:	N/A
Approval and clearance obtained:	Yes
Urgent Decision:	N/A
Date next steps can be taken:	Recommendation to full Council
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Recommendations:

That the Hub Committee RECOMMEND to Council:

1. The recruitment of a permanent level four grade specialist post, shared between South Hams and West Devon, on a 60% SH / 40% WD split to support the further investigation and delivery of income generation proposals approved at Full Council on 5th April 2016, as detailed in 3.0 below

1.0 Executive Summary

- 1.1 This report sets out the rationale for the recruitment of an L4 Development Surveyor, on a 60/40 shared post basis between South Hams District Council and West Devon Borough Council and seeks Member agreement and a recommendation to Council to progress this recruitment.
- 1.2 The actual cost to WDBC for this role would be £17,600 in 2016/17, including on costs.
- 1.3 It is recommended that this amount is funded from the "Invest to Earn" earmarked reserve.

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2. Background

- 2.1. WDBC approved a number of income generation initiatives in principle at its Full Council meeting held 5th April 2016.
- 2.2. These initiatives were originally presented to the Hub Committee in a report entitled "Income Generation Proposals" on 22nd March 2016 (Exempt Report).
- 2.3. A number of asset development opportunities were outlined in the report which if pursued, would generate both recurrent revenue and one-off capital receipts.
- 2.4. Full Council also approved the creation of an "Invest to Earn" earmarked reserve, with an initial value of £372,462 made up of previously uncommitted New Homes Bonus, to fund the income generating initiatives. Additionally, it was agreed that the sum of £550,000 which was previously a Capital Budget for Affordable Housing would be reallocated as a Capital Budget for "Invest to Earn" income generating initiatives.

3.0 Proposals

- 3.1. A number of asset development opportunities were presented to Hub Committee in an exempt report, entitled "Income Generation Proposals" on 22nd March 2016. See paragraphs 3.1.9.1 to 3.1.9.4 of that exempt report for details of the specific projects.
- 3.2. In order to work up the schemes and then drive forward the asset development opportunities, it is imperative that the correct skill set and capacity is in place within the organisation. It is therefore proposed that a new Development Surveyor post is created.
- 3.3. The existing staff (3 shared posts + a Community of Practice Lead) within the Assets Community of Practice deal with the employment estate. This estate generates, after maintenance and staffing costs, a total surplus to WDBC of c.£200,000 per annum. The existing establishment are fully committed in their roles and do not have the spare capacity to take forward new asset development work.
- 3.4. The skill set of a development surveyor is different to that on the establishment. Development surveyors advise on all aspects of planning and development, taking into account a range of complex economic, social and environmental factors. They provide their clients with information to help them make informed choices about investment. Such expertise is particularly critical where development funds are coming from the public purse and careful planning and financial consideration needs to be evidenced.
- 3.5. The role of Development Surveyor will encompass all phases of the development lifecycle from site identification, acquisition, planning, liaising with architects, overseeing contractors - everything involved in the physical delivery of schemes.
- 3.6. The role will take responsibility for specific development projects in South Hams and West Devon covering a mix of commercial and

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residential property types, appraising, proposing and developing the projects.

- 3.7. Key skills for the new post would include the management of multiple projects at various stages of development, business case preparation, obtaining legal and planning consents, the procurement and co-ordination of appropriate professional and construction services, managing stakeholders, etc.
- 3.8. It is proposed to recruit a permanent level four grade specialist post, shared with South Hams, on a 60% SH / 40% WD split. SHDC approved their 60% contribution at a Special Council meeting held on 7th April 2016. The proportion to be paid by SHDC is higher as the number and complexity of projects is expected to be higher than for WDBC. This roughly equates to 3 days per week for SHDC, 2 days for WDBC.
- 3.9. If this proposal is agreed by WDBC, the recurrent cost pressure created for West Devon would be c. £17,600 pa, inclusive of on-costs.
- 3.10. If approved, this post would be funded in 2016/17 from the "Invest to Earn" earmarked reserve but would become a cost pressure from 2017/2018 onwards. It is envisaged that the funding for this role would be reviewed in 2018/2019. The role will be instrumental in delivering asset development related income opportunities across both Councils that otherwise could not be delivered. It could therefore be considered as self-funding in the medium term.
- 3.11. This post would have a focused delivery brief and would be tasked with taking forward the priority projects outlined in the exempt Income Generation Proposals report presented to Hub Committee on the 22nd March 2016.
- 3.12. It should be noted that the list of projects may evolve with time in line with market factors and other opportunities. Each project will require business planning and a business case and may require additional resources in time to ensure successful delivery – this would form part of any future detailed business case for the specific project.

4.0 Options available and consideration of risk

- 4.1. Members could opt not to recruit a development surveyor. However, this proposal is for a shared post with SHDC, meaning that WDBC would benefit from economies of scale. If WDBC opt not to recruit a development surveyor, it would need to purchase external consultancy services to support asset development opportunities and this is likely to be at significant additional cost.
- 4.2. Such consultants charge in the region of £1,000 per day. It is not considered an effective use of council resources to acquire services on a piecemeal basis given the number of asset development opportunities available to both councils at this time. The use of an external consultant in lieu of a development surveyor on the

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staffing establishment would not be cost effective after 18 days of work.

- 4.3. Each individual development project will be subject to a business case, which will consider the risk, legal and financial impact of any proposition. The development surveyor, if recruited, will be responsible for preparing that business case.

5.0 Proposed Way Forward

- 5.1. If Members approve the recommendation in this report, officers will seek to recruit a development surveyor in order to progress the initiatives outlined in the exempt Income Generation Proposals report presented to Hub Committee on 22nd March 2016.

6.0 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	If any asset development recommendation is adopted a detailed business case will need to be prepared and brought back before the Councils for approval. The full legal and financial implications must be considered as part of any business case review. The development surveyor will be well placed to prepare such a business case.
Financial	Y	At Full Council on 5 th April 2016, West Devon Members agreed a number of Income Generation Initiatives in principle. The s151 officer will ensure that any income initiative taken forward will adhere to Council guidelines and borrowing, if required and approved, will remain within prudent limits. If approved, the joint post will be funded from the "Invest to Earn" earmarked reserve in 2016/17 and then will be treated as a cost pressure from 2017/2018 onwards. South Hams approved the recruitment of their 60% share of the Level 4 Development Surveyor role at a Special Council meeting held on 7th April 2016.
Risk	Y	Risk implications will be considered on an individual project business case basis.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/A
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A
Other implications	N	N/A

Supporting Information

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Background Papers:

- Income Generation Proposals – presented to Hub Committee on 22nd March 2016 (Exempt Report). Approved by Full Council on 5th April 2016.

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted	No