

## **REPORT TO EXECUTIVE & COUNCIL**

**Date of Meeting: 14 July 2015 & 28 July 2015**

**Report of: ASSISTANT DIRECTOR CITY DEVELOPMENT**

**Title: STAFF CAPACITY IN CITY DEVELOPMENT**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

#### **Council**

#### **1. What is the report about?**

This report identifies the need for further investment in staff capacity in City Development and identifies the proposed additional budget requirements.

#### **2. Recommendations:**

That Executive recommends to Council:

- i) the creation of an additional post of Principal Project Manager (Planning) (Grade 11) and 1.6 fte additional posts of Project Support Officer (Grade 4), and funding for a series of temporary agency and a consultancy appointments.
- ii) that the relevant budgets be adjusted accordingly, the total additional expenditure is proposed to be up to £200,000 in 2015/16, it may be less and there will be ongoing revenue costs of about £24,000 in 2016/17, £49,000 in 17/18 and £75,000 pa from 2018/19 as grant funding reduces.

#### **3. Reasons for the recommendation:**

To ensure that City Development is adequately resourced to deliver the growth agenda, maximise Council income and provide an improved level of customer service.

#### **4. What are the resource implications including non financial resources.**

The proposed approach will address existing staff capacity issues and create capacity for a change process that will deliver the outcomes above.

#### **5. Section 151 Officer comments:**

The funding net of grant, if approved, will be taken from General Fund Balances in 2015-16. The costs will be included in the Council's Medium Term Financial Plan and the impact on the Council's future financial position assessed.

**6. What are the legal aspects?**

The report raises no particular issues.

**7. Monitoring Officer's comments:**

The report raises no particular issues.

**8. Report details:**

City Development implemented a redesigned structure in May 2014 that resulted in it contracting from an equivalent of 53.2 fte at the end of 2008 to 30 fte (-44%). That structure followed a redesign process that was incomplete at the time of the decision. An informed view had to be taken of the future level of resources required. Officers designed a very lean system with very little spare capacity.

The context has changed since the redesign process. City Development has become much more significant to the Council. By the end of the current medium term financial plan it will be indirectly responsible for about £10 million of income per annum and this may reach £13 million per annum if developments such as IKEA are secured early. The change process has resulted in higher sickness absence levels and there is a significant staff retention and recruitment problem.

Transformation Board on 24 June received a presentation on the situation in City Development and supported further investment in the service to secure the objectives outlined earlier. The investment is necessary to clear an existing minor planning proposal backlog that has developed due to the general under capacity and about 2.5 fte of 7.6 fte posts being presently vacant or on extended sick leave in the minor proposals team.

The proposed investment comprises 1.6 fte of additional Project Support Officer (Grade 4) and a new post of Principal Project Manager as permanent additions to the establishment and an allowance of up to £200,000 for agency staff and specialist consultant advice that will clear the existing backlog and create management, professional and support officer capacity to complete the currently stalled change process.

Permanent Posts

The service presently has an establishment of 6.3 fte Project Support Officers of which 5.9 fte are in post. It is proposed to increase this to 7.9 fte. There are presently two agency PSO staff brought in during the Land Charges backlog who will no longer be required later on in the change process. The service also has two apprentices who will reach the end of their contracts in September. The agency staff and apprentices will be able to apply for the new posts that will not be ringfenced to them.

The cost of 1.6 fte of additional Project Support Officers is £24,000 per annum including on costs. In the longer term there will be a need to review the management arrangements of the increase number of PSO's. 0.5 fte of the additional PSO resource will serve the Building Control fee earning service and will be covered within the current surplus in the formal trading account

The Council has received £50,000 in DCLG funding from the Sites Delivery Fund that was intended to speed up Section 106 negotiations and discharge of planning conditions and £95,000 from the Large Sites Infrastructure Fund that was awarded on the basis that the Council would spend it on accelerated delivery of Newcourt and on a masterplan for the Valley Parks. About £119,000 remains unspent or committed. It was originally intended to create a fixed term Grade 7 or 8 post from this funding, however, recruitment has not been possible in the current local employment market. It is important that the Council uses the funds in a way that reflects the intentions behind the successful bids.

It is proposed to create an additional post of Principal Project Manager (Planning) at Grade 11 since recruitment to a permanent post at this level is more likely to be successful. The service already has three existing equivalent posts. The new post holder will be able to accelerate development at Newcourt and reduce the heavy burden on this team that faces two major planning appeals in the Autumn and an examination into the Development Delivery DPD in the Spring. For example, one of the current postholder's current work programmes includes leading on the Exeter Flood Prevention Scheme, three district heating schemes, the Princesshay Leisure redevelopment and recent planning applications for 750 homes at Monkerton.

The cost of the additional permanent post will be about £46,000 per annum including on costs. This can be covered by the residue of the DCLG funding for about the first 2.6 years. While it is proposed to increase the size of the establishment it will still remain about 37% below the level at the end of 2008.

#### Temporary posts and consultant's advice

The service has recently employed 1.5 fte of agency planners for 3/6 months to help with the backlog and cover current staff absences/vacancies. Temporary management, professional and support staff capacity will be necessary to enable the implementation of the stalled change process. The following are proposed:

- Agency Interim Assistant City Development Manager - 3 months - Estimated £24,000.
- Agency Planner to further increase capacity in minor proposals team - 6 months - Estimated £29,000. 1.5 fte of Agency planners are already employed to address the existing backlog of work and to cover for long term sickness and two vacant posts. The additional cost of these intended 3 and 6 month contracts after allowance for the vacant posts is estimated at £26,000.
- Agency Project Support Officer capacity will be provided through the retention of two existing agency staff – assume 6 months – Estimated £24,000
- Specialist Consultancy Advice – Estimated £75,000.

Provision is already made for New Homes Bonus to be topsliced by £100,000 per annum for capacity Planning (£80,000 per annum of which is used for the New Growth Point) and £20,000 per annum for Neighbourhood Planning). It is proposed to delete Neighbourhood Planning topslice of £20,000 which is presently unused and increase the capacity topslice to allow for the permanent posts.

The proposals create additional posts that are identical to existing posts, avoiding the need for any job evaluation. The addition of new posts to an

unchanged existing structure does not trigger any specific requirements through the Organisational Change Policy. The use of an external consultant and the previous service experience of implementing a redesign should help ensure that the change programme is successful.

A detailed plan and timetable for the change programme is being prepared. It will be presented, with regular updates to PMWG.

**9. How does the decision contribute to the Council's Corporate Plan?**

The creation of additional staff capacity will help deliver the growth agenda, affordable housing, improve Council income, deliver low carbon development and improve customer service.

**10. What risks are there and how can they be reduced?**

Recruitment of planning posts is difficult due to recent recruitment of a large number of posts by other local planning authorities in the area. The use of agency staff and the grading and permanence of proposed posts maximises the opportunity to fill them.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

None

**12. Are there any other options?**

Failure to adequately resource the service will lead to a continuing build up of a backlog of work, reduced growth in the city and a decline in customer service. The proposed budget limit for 2015/16, within which officers will work, in liaison with the Portfolio holder allows some flexibility to vary resources as the project progresses.

**Assistant Director City Development**

**Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

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