



Three Rivers District Council

DEVELOPMENT & PROJECT MANAGER

PROJECT INITIATION DOCUMENT (P.I.D. Lite)

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1 Introduction

1.1 Executive Summary

- 1.1.1 The Major Projects function is suffering from a reduced resource of its single permanent member of staff as it is unable to respond in an ideal manner to the demands of existing active major projects. In the event of any potential major projects evolving to be active ones, the current resources in place that deliver major projects would be unlikely to be able to deliver it successfully.
- 1.1.2 A new post is sought within the Major Projects team to bolster its capability and resilience, of an experienced Development and Project Manager.
- 1.1.3 The new post (as a permanent member of staff) would require a budget of £110,000 for the first year, reducing to £95,000 in subsequent years.
- 1.1.4 The cost of the new post would be defrayed against individual major project budgets by at least 50%.

1.2 Project Objectives

- 1.2.1 To increase the capacity of the Major Projects team to deal with an increased and increasing number of active and speculative projects.
- 1.2.2 To ensure the successful and unimpeded delivery of major projects through an appropriate level of resource to manage projects through their entire lifecycle, where the management activities would include the full spectrum of necessary activities, such as feasibility, funding, approvals, commercial relationships with third parties, cashflow modelling, budgeting & accounting, project delivery, project monitoring, and reporting.
- 1.2.3 To reduce the exposure of the current “single point of failure” and to enable succession planning.

1.3 Current issues and priorities

- 1.3.1 The current composition of the Major Projects team is as follows:

Permanent Staff

Alan Head - part-time (22 hours), reduced from 37 hours as of Jan 2019

Contractors

Project Manager – effectively full time.
Property Consultant – c.7 hrs per week
Consultant Valuer – ad hoc

- 1.3.2 The current level of resource is not able to increase within itself and is insufficient to deliver the number of projects that are active, or could be active, in the short to medium term.
- 1.3.3 There is also the real prospect of other projects or investments coming forward in the short to medium term that are not known about at the time of writing.
- 1.3.4 At present, the number of active projects are stretching the current permanent and contracted resources available within the property department. The current level of attention on each project is not ideal, especially with regard to governance matters, where all too often the method of progressing a project in its early stages is reactive as opposed to being more orderly.
- 1.3.5 The Council places a strong reliance upon income derived from property assets and also for delivering housing (including affordable housing). This project supports the aims and objectives of the Strategic Plan, specifically:
- 2.1 “we want to improve access to and develop good quality housing”
- It will also support the recent Council resolution on a “climate emergency” through the developments which the Council brings forward having a higher than average environmental performance than those delivered by other parties.
- 1.3.6 This is also true of the following performance indicators
- CP05 – Satisfaction with Three Rivers District Council
CP46 – The perception of value for money from Three Rivers District Council

1.4 Implications of project not being complete

- 1.4.1 Without a material increase in resource availability, the ability to deliver successfully current active major projects is at risk. Furthermore, if potential major projects change their status to become active, the situation will move from “risk” to “certain”. The current situation is such that the ability to get approval to allow a major project to progress from being speculative into a live one, is precarious.
- 1.4.2 The absence of suitable resource will detract from or hinder the Council being able to deliver its ambitions to develop new housing itself, or have the ability to shape first hand new housing developments, or invest in new property-based income streams, and will see opportunities lost or unnecessarily delayed.

2 Business Case

2.1.1 Why should this project be undertaken?

- It will ensure the successful delivery of existing major projects
- It will enable the delivery of additional Major Projects in the short and medium term
- The project will reduce financial, delivery and reputational risk to the Council for major projects
- The project will remove the single point of failure risk of too many major projects hinging on a single part-time member of staff

- The project will deliver a more effective property function
- A more joined up and professional way of working
- Support the Council's ambition to deliver more housing within the District
- Improved internal and external customer service
- Enable succession planning within the Major Projects team

2.1.2 How will project success be measured?

2.1.3 Direct indicators

- Greater number of major projects, both active and speculative, able to be tackled
- Increased income/returns from Council owned or acquired assets
- Improvement in timing for major projects to come forward
- Improvement in liaison between departments
- Agreement and delivery of formalised processes and procedures for the Major Projects function
- Better 'paper trail' for governance
- Increase in number of housing units delivered within the District

2.1.4 Non direct indicators

CP05 – Satisfaction with Three Rivers District Council

CP46 – The perception of value for money from Three Rivers District Council

2.2 Project Definition

2.2.1 The PID proposal is for a new full-time, permanent post of a Development and Project Manager.

2.3 Beneficial Outputs and Outcomes

Outputs – what we will have with this proposal

- Greater number of major projects being delivered by the Council, or support provided to major projects being delivered by third parties
- Documented processes and procedures for the Major Projects function
- All functions in bringing forward, approving and delivering major projects carried out
- More effective dealing with departmental specific enquiries
- Improved responses and thus relationships with external Partners/Stakeholders

Outcomes

- More robust staffing structure for the Major Projects team
- Resilience in the delivery of major projects
- Better communication, development and sharing of information between departments
- Ability to respond to new major project propositions
- Ability to generate project appraisals in-house as opposed to relying on external parties

3 Project Costs

3.1 Project costs

Recurring revenue costs

- 3.1.1 Soft market testing with recruitment agencies show that experienced Residential Development Managers on a permanent contract can command salaries in the order of £70,000. This would put the post at the TRDC grade of M4, plus a likely market supplement. This is equivalent to the current permanent Development Manager's compensation. Taking into account 'on costs' of employer's NI and superannuation contributions, the overall revenue cost of the post would be c. £90-95,000.
- 3.1.2 As an alternative to a permanent resource, an interim resource could be considered. In this instance the daily rate of a consultant is c. £500-650 + VAT, giving an annual cost of c. £115-150,000. This rate is strong as it includes an agency mark-up. The extra cost burden of using a consultant could be reduced if a candidate could be sourced without use of an agency, or if the interim resource was not full-time but limited to 3 or 4 days per week.

One-off revenue costs

- 3.1.3 If the permanent staff option is pursued, it is highly likely that a recruitment agency will be needed to source a suitable candidate. Their fee would likely to be in the order of 15-20% of one year's salary, which would be c.£10-14,000 + VAT.

3.2 Financial viability

- 3.2.1 Given that the post is anticipated to deal with both active and speculative major projects, and to carry out a project management function for the active projects, a time apportioned cost of the post could be included within the budget of active projects. This would defray the revenue burden and ensure that projects took account of the actual overhead cost to the Council of delivering a major project.
- 3.2.2 It is estimated that at least 50% of the cost of the post could be defrayed through individual project budgets. The remainder of the cost of the post could be seen as restoring what used to be a full-time resource (up to end 2018) back up to that level (i.e. 2x part-time being the same as 1x whole time equivalent).

3.3 Resources and skills

- 3.3.1 The resources and skills required to deliver the project are those of carrying out the recruitment of a member of staff. These resources and skills are available in-house.

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Has the project been agreed by the Head of ICT?

Yes	
No	n/a

3.4 Equalities

Is this project responding to an Equality Impact Assessment?

Yes	
No	n/a

If yes, please provide brief details of the EIA...

Has an [Equality Impact Assessment](#) been undertaken for this project?

Yes	
No	n/a

If yes, what are the outcomes and how do these link to the project?

3.5 Data Protection Impact Assessment (DPIA)

Has a [Data Protection Impact Assessment](#) be completed for this project?

Yes	
No	n/a

If yes, please attach a copy
If no, why not?

3.6 Risks

[Risk Management Strategy](#)

Nature of Risk	Consequence	Suggested Control Measures	Response (tolerate, treat, terminate, transfer)	Risk Rating (combination of likelihood and impact)
Continued 'reactive' nature of major projects' evolution and approval	Possible project failure, opportunity missed, or unnecessary delay to benefits realisation	In accordance with this PID	Treat as per PID recommendation	Unmitigated Risk Rating 9 Residual risk is significantly reduced if PID is implemented, down to Risk Rating 4

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Nature of Risk	Consequence	Suggested Control Measures	Response <i>(tolerate, treat, terminate, transfer)</i>	Risk Rating <i>(combination of likelihood and impact)</i>
Business continuity owing to single point of failure arising from a single specialist permanent staff member	Possible project failure, opportunity missed, or unnecessary delay to benefits realisation	In accordance with this PID	Treat as per PID recommendation	Unmitigated Risk Rating 9 Residual risk is significantly reduced if PID is implemented, down to Risk Rating 4
Inability to bring forward any new major projects until existing projects complete or their resource impact reduced	Inability to realise benefits from carrying out additional major projects	In accordance with this PID	Treat as per PID recommendation	Unmitigated Risk Rating 6 Residual risk is significantly reduced if PID is implemented, down to Risk Rating 3

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Very Likely ----- Likelihood ----- Remote	Low	High	Very High	Very High
	4	8	12	16
	Low	Medium	High	Very High
	3	6	9	12
Low	Low	Medium	High	
2	4	6	8	
Low	Low	Low	Low	
1	2	3	4	
----- Impact -----> Unacceptable				

Impact Score
 4 (Catastrophic)
 3 (Critical)
 2 (Significant)
 1 (Marginal)

Likelihood Score
 4 (Very Likely (≥80%))
 3 (Likely (21-79%))
 2 (Unlikely (6-20%))
 1 (Remote (≤5%))