

Purpose of this business case

This business case sets out the rationale for recruiting two new roles within the Affordable Workspace Programme (AWS):

- **Affordable Workspace Programme Manager (PO8)**
- **Affordable Workspace Commercial Manager (PO8)**

The case draws directly on the approved Inclusive Economy Reorganisation Business Case (2025), the Affordable Workspace Internal Audit follow-up (FWU25-2, July 2025), the draft Affordable Workspace Strategy (October 2025), and the preceding Internal Audit review of Affordable Workspace provider arrangements (AD24-2, October 2024). Taken together, these sources demonstrate a clear and compelling need to materially strengthen programme management, commercial capability, risk management and governance. Crucially, the proposed roles are not limited to providing professional oversight; they bring hands-on senior capacity, applying professional expertise directly to programme delivery, commercial decision-making, risk mitigation and problem-solving across the portfolio.

Doing so represents a strong value for money proposition: investing in experienced programme and commercial managers enables the Council to actively shape decisions, intervene early, negotiate robustly and resolve issues before they crystallise into cost, delay or failure. The cost of these roles is modest relative to the value of S106 funding under management, the long-term liabilities associated with head leases, service charges and business rates, and the financial exposure evidenced through recent audit findings. By embedding practical expertise within the programme, rather than relying solely on assurance, escalation or external advice, the Council reduces dependency on reactive intervention and consultancy, lowers the likelihood of operator failure, unmanaged liabilities, prolonged void periods or legal challenge, and strengthens compliance with Financial Regulations. In this context, the proposed appointments are not additional overheads but a necessary, operationally focused control investment to protect public funds, secure stronger commercial outcomes and ensure the programme remains financially sustainable, well-governed and resilient to market volatility.

Strategic context

Draft Affordable Workspace Strategy (2025)

The draft Affordable Workspace Strategy commits the Council to:

- Delivering and managing a significantly expanded pipeline of affordable workspace secured through planning obligations and other mechanisms.
- Ensuring the programme is financially and commercially stable, with robust modelling of risk, liabilities and long-term sustainability.

- Strengthening operator commissioning, performance management and social value delivery.
- Integrating financial, commercial and asset planning with programme governance and impact measurement over the next five years.

The Strategy explicitly recognises that the affordable workspace market is commercially complex and highly cyclical, and that delivery at scale requires sustained programme leadership, commercial expertise and disciplined risk management.

Inclusive Economy Reorganisation (2025)

The approved Reorganisation Business Case confirms that:

- The Affordable Workspace portfolio has grown rapidly in scale, complexity and financial exposure, particularly through head leases, service charge liabilities and operator risk.
- Previous resourcing and operating models are no longer proportionate to the commercial, governance and assurance demands of the programme.
- My role as the new Assistant Director of Affordable Workspace, will be supported by strengthened operational leadership through a Programme Manager and a Commercial Manager.

The new structure is expressly designed to address gaps highlighted through audit, governance review and operational experience, and to ensure AWS S106 funding is deployed transparently, lawfully and in accordance with corporate financial regulations.

Drivers for change

1. Findings from Internal Audit (AD24-2 and FWU25-2)

The Internal Audit review AD24-2 (October 2024), triggered by the failure of the Town Square Spaces Limited (TSSL) operator arrangement, identified systemic weaknesses in programme governance, commercial decision-making, risk management and financial oversight within the Affordable Workspace Programme. Although subsequent management action has driven improvement, the FWU25-2 follow-up audit (July 2025) confirms that several high-risk issues remain only partially implemented, with full remediation explicitly dependent on increased programme and commercial capacity.

Key audit themes directly relevant to this business case include:

- **Programme governance and decision-making**

- Inadequate and inconsistent documentation of decisions, actions and approvals at Programme Board and Steering Group level.
- Lack of sustained ownership of programme controls, escalation and assurance.
- Governance arrangements that were not proportionate to the scale, value and risk profile of the programme.
- **Risk management and early warning**
 - Failure to maintain a comprehensive, regularly reviewed programme-wide risk register over extended periods.
 - Absence of defined risk indicators, escalation triggers and risk tolerances, despite significant and accumulating financial exposure.
 - Limited capacity to horizon-scan market conditions and assess operator viability at both procurement and in-life stages.
- **Commercial, contract and operator management**
 - Insufficient senior commercial oversight of operators, leading to inconsistent contract management, weak performance challenge and delayed intervention.
 - Inadequate financial and commercial due diligence, compounded by a lack of embedded commercial expertise within programme leadership.
 - Failure to consistently apply contractual mechanisms, limiting the Council's ability to protect its position when performance deteriorated.
- **Financial oversight and use of S106 funding**
 - Weaknesses in transparent programme-level budget monitoring, forecasting and variance analysis.
 - Significant risk exposure arising from unmanaged liabilities, including business rates and service charges.
 - Findings that failures to comply fully with Financial Regulations and constitutional requirements exposed the Council to financial and reputational risk.

Both audits are explicit that embedding additional senior capacity—rather than relying on process adjustments alone—is necessary to:

- Sustain improved governance and risk management arrangements;
- Ensure consistent commercial challenge and assurance;

- Prevent recurrence of issues linked to operator failure, unmanaged liabilities or undocumented decision-making; and
- Enable the Council to act as a competent commercial landlord, commissioner and steward of public funds.

The audits conclude that without these roles in place, some high-priority recommendations cannot be fully closed, leaving the Council exposed to financial, legal and reputational risks.

The case for an Affordable Workspace Programme Manager

Core rationale

The Programme Manager role is essential to provide programme delivery, governance and risk across a growing and increasingly complex portfolio.

Key business needs addressed

- **Programme governance and assurance**
 - Owning programme level governance, reporting, action logs and decision tracking for the AWS Steering Group.
 - Embedding audit compliant programme management arrangements, including consistent documentation and escalation.
- **Risk management and assurance**
 - Maintaining and continuously reviewing programme wide and site specific risk registers.
 - Ensuring audit recommendations relating to risk tolerances, escalation triggers and monitoring are fully implemented and sustained.
- **Internal coordination and control**
 - Coordinating Legal, Finance, Property and Planning inputs to ensure decisions are informed, timely and compliant.
 - Providing a single point of accountability for programme controls, reporting and assurance.
- **Capacity and resilience**
 - Replacing reliance on ad-hoc or overstretched roles with a senior, accountable programme lead capable of managing complexity at scale.

Risks of not appointing

- Incomplete closure of high-priority audit actions.

- Fragmented governance and reliance on informal controls.
- Increased likelihood of financial exposure through unmanaged liabilities, voids or poor sequencing of delivery.

The case for an Affordable Workspace Commercial Manager

Core rationale

The Commercial Manager role is critical to ensure the Council has sufficient commercial expertise to manage operators, contracts, negotiations and market dynamics effectively.

Key business needs addressed

- **Commercial and contract management**
 - Providing oversight and hands on delivery of all operator relationships, leases and management agreements.
 - Ensuring consistent, documented and enforceable contract management in line with Procurement Act requirements and audit expectations.
- **Commercial negotiations and risk mitigation**
 - Leading negotiations with operators and developers on service charges, liabilities, repairs, variations and performance issues.
 - Proactively identifying and mitigating commercial risks before they crystallise into financial loss.
- **Market and operator performance insight**
 - Interpreting market intelligence and commercial data to inform commissioning, acceptance of space, and decisions on payments in lieu.
 - Supporting a more diverse and sustainable operator market while managing risk.
- **Alignment with strategy and social value**
 - Ensuring commercial decisions support the delivery of the Affordable Workspace Strategy and Community Wealth Building objectives, without exposing the Council to disproportionate risk.

Risks of not appointing

- Continued reliance on inexperienced commercial capacity.

- Inconsistent operator performance management and documentation.
- Increased exposure to legal challenge, financial under-performance or service failure.

Financial and value-for-money considerations

- Both roles are fully funded from AWS S106 income, as set out in the approved reorganisation.
- The cost of these roles is proportionate when set against:
 - The scale of the AWS portfolio.
 - The financial and reputational risks identified through Internal Audit.
 - The potential cost of unmanaged liabilities, voids, disputes or programme failure.

Investment in these posts represents preventative spend, reducing the likelihood of significantly higher future costs.

Conclusion

Recruiting an Affordable Workspace Programme Manager and an Affordable Workspace Commercial Manager is essential to:

- Deliver the Affordable Workspace Strategy effectively.
- Fully address and close internal audit recommendations.
- Protect the Council from financial, legal and reputational risk.
- Ensure the affordable workspace programme remains sustainable, well-governed and impactful as it continues to expand.

The roles are already embedded within the approved organisational design and funding model.