Manchester City Council
Report for Information

Report to: Overview and Scrutiny Human Resources Subgroup – 25
                 January 2011

Subject: ICT Staffing – update

Report of: Stephan Conaway, Chief Information Officer
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Summary

Work around ICT staffing and structure is moving forward to meet the needs of the organisation and the Council's vision for the service going forwards.

Recommendations

That the subgroup note the report and information contained herein.

Wards Affected:

None

Contact Officers:

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1.   Personnel Committee 15 September 2010 – *ICT Senior Management Structure*
2.   Personnel Committee 27 May 2009 – *Restructuring of the ICT Service*

1.0   Introduction

1.1   This paper was written at the request of the committee for an update on the ICT organisational development – improvements in structure, staffing and capacity. The brief outline here, introduces the existing challenges, the approach to addressing those issues, the new organisation structure and the cost and operational size of the unit.

2.0   Background

2.1   Whilst previous work has taken place around restructuring the ICT service, key efforts over the last two years were rightly focused on the priority of improving security and stability of the ICT estate. The priority now is to address the structural and staffing issues that remain.

There are key basic administrative elements that need to be addressed if ICT is to grow and develop as a professional service and if it is to provide the technical support and guidance necessary for it to meet its obligations to the Council. The processes necessary to address these seven improvement areas were started this past Autumn and are ongoing.

3.0   Improvement Initiatives

3.1   Unit Management: A proposal to increase the number of direct reports to the CIO was taken to the personnel committee in September of 2010. The change was approved and is being implemented. This moves the ICT organisation from two direct reports, one focused on the future and one focused on the present, to four reports organised by operational areas:

- Operations – Servers, Desktops, Security and Service Delivery

- Applications Support – Responsibility for the appropriate support for the wide range of applications in use.

- Development and Technical Architecture – Responsibility for new developments, information and data management, structural changes to technical architecture.

- Portfolio Management – Project management, customer liaison with Directorates and MCC operational units, strategic planning and service delivery review.

Recruitment for these posts has proven challenging and is on going. An initial MCC internal recruitment exercise failed to turn up suitable candidates. At the time of

writing this report, a special recruitment procedure with the Greater Manchester Police (GMP) is underway with a final interview scheduled for the 17th of January. External advertisement of the post is underway.

3.2   Process Management: The redefinition of process management posts is underway and outlined in the overall organisational structure attached to this document. The principles behind the redefinition were a) simplicity, b) clarity and c) focus. Each process relates to an actual operational requirement, is simply defined to address that requirement, is clearly stated to avoid ambiguity and is targeted at outcomes for the requirement to avoid confusion.

3.3   Insufficient Trained Technical Resource: The proposed organisation structure also addresses the number of staff responsible for key areas within the operations. The quantity of staff allocated to each of the operational areas is based on foreseen requirements for future needs rather than on numbers inherited from previous operations.

3.4   Under-skilling in Key Areas: A technical review of operational skills is proposed that will apply industry standard metric tests for each job role and indicate where further training is required, or where a candidate needs to be moved to a different skill area. The service is working with HR to ensure that this work is underpinned by the *m people* principles.

3.5   Unit Morale: The unit has commenced a journey of cultural change which should see improved moral which in term will result in improved performance. We are now focusing on good management practices such as better communications, open and frank discussion, clear strategic direction and honest and supportive management are being applied. As the unit's performance improves, morale should improve and support the improvement in performance.

3.6   Under Performance: The two processes of a) consolidation of directorate ICT staff into the centre and b) the structural reorganisation of ICT will allow much of the under-performance culture to be addressed. Those persons, by definition, who wish to apply themselves, learn new skills, and approach their assignments in a flexible manner will surface as the winners in the new organisation. Again this will be underpinned by the *m people* principles and accomplished in partnership with HR.

3.7   Directorate ICT Consolidation: There has been a long history to the process of consolidating ICT staff into the central organisational structure. From the first of the new year, this process has been returned to ICT for finalisation. A key process manager and assistant have been tasked with the objective of completing this work by the beginning of the new financial year, in partnership with colleagues from Finance and HR. Renewed emphasis on this process has been created by the need to review all ICT budgets and the pressing need to move the best skilled workers into the key positions to improve operational performance.

The work on Directorate ICT Consolidation is scheduled for completion by the 1st of April.

4.0   ICT Organisational Structure

Appendix A contains seven diagrams outlining the ICT Structure. The first is an overall diagram that depicts how all of the units are interrelated. This shows the key management areas of :

- Operations

- Applications Support

- Development and Technical Architecture

- Portfolio Management

Two additional areas are charted separately for clarity:
- Service Delivery (Reporting to Operations)

- Administration (Reporting to the CIO)

The next six charts show each of these operational divides in greater detail.

These charts are all pre-consolidation structures and do not directly show the impact of moving directorate staff into ICT.

5.0   Overall Size and Cost

The existing ICT post structure in SAP counts 174 FTE. For the past year the unit has been running at approximately 135 FTE, with a group of contract personnel or contract assignments making up the operational difference. The fully staffed budget cost of ICT is approximately £6.3m with an actual cost of £5.3m owing to the high vacancy levels incurred.

The operational target *post directorate consolidation* is to remain at the 170+ level of FTE. Given that in excess of 80 FTE will be consolidated into the main ICT operation, this represents an effective reduction in headcount of 30% across the organisation.

6.0   Use of Contractors

As with all areas of the organisation, ICT seeks to work with the fewest number of contractors, engaging in a skills transfer process wherever possible to ensure greater value for money. Unfortunately many of the skills within the ICT industry have focused on contractor deployment making it very difficult to recruit and to retain key skills in both ICT management and in ICT technical services. The concept of having no contractors in a future ICT organisation is probably not a realistic objective and is most likely undesirable from both a cost and a skills point of view. One of the factors that will impact this future staffing picture will be the ICT move to commissioning in line with the other services and directorates at MCC. The commissioning model has a growing presence within local authorities as they seek to right size, right skill and right cost their future operations.

7.0   Completion of Structure Development

The modified ICT structure should be in place for the beginning of the new financial year on April 1st. Training and staff development will continue for some time after that and will form part of the continuous improvement plan for ICT and Service Delivery.