

Manchester City Council Report for Resolution

Report to: Personnel Committee – 11 January 2017

Subject: Senior Management Arrangements - Strategic Development

Report of: Strategic Director (Development)

Summary

This report provides an overview of the key priorities for the Strategic Development Directorate over the next 5 years and recommends a revised set of senior management arrangements in order to support the delivery of these priorities.

Recommendations

1. To agree the establishment of a post of City Centre Growth Manager at an indicative grade of SS1;
2. To agree the re-designation of Client Manager, City Centre to City Centre Development Manager;
3. To agree the deletion of the post of Director of Housing and to create a new role of Director of Housing and Residential Growth at an indicative Grade of SS4. To agree the current postholder of the Director of Housing role be matched into the new role of Director of Housing and Residential Growth, in line with M people principles;
4. To agree the deletion of the role of Strategic Lead – Residential Growth and to create a new role of Head of Residential Growth at an indicative Grade of SS3. To agree current postholder of the Strategic Lead – Residential Growth be matched in to the Head of Residential Growth role in line with M people principles;
5. To agree the establishment of a new role of Director of Development and Corporate Estate at an indicative grade of SS4;
6. To note the current Head of Development is due to retire in March 2017 and to agree the recruitment to the Head of Development post be ring fenced to the existing three Principal Development Surveyors;
7. To agree the re-designation of the Head of Estates to the Head of Corporate Estate and Facilities;
8. To agree the re-designation of the Client Manager (Estates) to Head of Corporate Estate;
9. To agree the redeployment of the Assistant Chief Executive; and

10. To note that any new posts are subject to evaluation in accordance with the Senior Salaries Job Evaluation undertaken recently in order to ensure consistency across the organisation. Once evaluated, new roles will be subject to further approval of Personnel Committee and Council, where remuneration is or proposed to be £100,000 p.a. or above.

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing leadership to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents and partners actively demonstrate the principles of Our Manchester.
A liveable and low carbon city: a destination of choice to live, visit, work	Actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050.
A connected city: world class infrastructure and connectivity to drive growth	Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the provision of new and enhanced physical and digital infrastructure.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
 - Risk Management
 - Legal Considerations
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Financial Consequences – Revenue

The estimated additional cost of the proposed structure taking into account the impact of the review of senior officers' pay is up to £130k per annum. These costs together with four additional posts below senior grades will be met from the Housing Regeneration Reserve bringing the total cost to a maximum of £350k per annum.

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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.

Personnel Committee Report, December 2016 – Senior Pay and Grading
Personnel Committee Report, June 2016 – Senior Leadership Arrangements
Personnel Committee Report, July 2014 – Growth and Neighbourhoods

1.0 Introduction

- 1.1 The 1st June Personnel Committee approved a series of proposals to change the senior leadership arrangements for the City Council. These changes included the establishment of the Strategic Development Directorate and a re-alignment of functions. This included the transfer of the Capital Programmes functions to the City Treasurer in order to integrate with capital strategy and procurement; the establishment of a new comprehensive Highways function reporting to the Chief Executive; and the integration of Facilities Management with the client side functionality of the Operational Estate management within Strategic Development. In light of these changes it is now appropriate to review and reshape the senior management arrangements of the Strategic Development Directorate.
- 1.2 The principal focus of the Strategic Development Directorate will be to secure new commercial development, attract inward investment and secure employment growth, along with delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates.
- 1.3 This report brings forward proposals for a revised set of senior management arrangements within the Strategic Development Directorate and have been developed in line with the Council's approach to senior pay and grading.

2.0 Strategic Development: Context and Focus

- 2.1 If the objectives as set out in Our Manchester are to be achieved which include being a city that has a competitive, dynamic and sustainable economy, the Council needs to demonstrate strong leadership which drives growth at both a neighbourhood and City level. The leadership arrangements must drive the transformation of the city, defining Manchester as an attractive place to live and further improve the quality of life for all residents and increase their overall social and economic prospects, and enable them to participate fully in the life of the city. As such, the Strategic Development Directorate has a key role to play in leading the commercial and residential growth agenda within the organisation consistent with our place making and local employment agendas.
- 2.2 The Directorate will do this by:
 - Supporting, promoting and driving the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land;

- Supporting, promoting and expanding the city's economic base beyond the city centre, supporting our place making and local employment agendas.
- Influencing investment in transport infrastructure which will lay the foundations to capture new commercial and residential growth opportunities over the next ten to fifteen years;
- Driving forward the City Council's Residential Growth Strategy and associated policy frameworks such as Housing Affordability and the Residential Quality Guidance, all of which seek to provide the city with an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services, good public transport infrastructure, and core lifestyle assets such as parks, other green and blue infrastructure, and leisure facilities;
- Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
- Underpinning the transformation of the city's district centres with appropriate retail, amenities and public service offer.

2.3 Over the next three year budget period the Strategic Development Directorate will support the delivery of these priorities through the following areas of activity;

Commercial and Residential Growth

1. Within the defined city centre there are a wide range of complex commercial and residential led mixed use developments being progressed which include, for example: St Johns with Allied London including "Factory"; St Michaels with the Jacksons Row Development Partnership; First Street with ASK / Patrizia UK; NOMA with Co-op/Hermes; Northern Quarter with Ician; Piccadilly Basin with Town Centre Securities; Manchester Central with ASK / Patrizia; Mayfield with U&I; Circle Square with Bruntwood; Oxford Road Station with Bruntwood ; Great Jackson Street with Renaker. New initiatives are being shaped as part of planning for the city centre's future growth such as the Piccadilly Station environs to accommodate HS2, the Northern Powerhouse Rail proposals and the Northern Rail Hub proposals.
2. Stretching eastwards and northwards out of the City Centre two major regeneration opportunities which are now being progressed:

- The Eastern Gateway including: Ancoats; New Islington; Holt Town and the Lower Medlock Valley out to the Etihad Campus provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. The Campus itself is a major commercial development opportunity which will help define and frame the nature of the development profile along the corridor between the Etihad Stadium, Holt Town and New Islington. The Council's partnership with the Abu Dhabi United Group (ADUG) is central to driving these opportunities forward.
 - The Northern Gateway stretching northwards from NOMA into the Irk Valley and from New Cross northwards to Collyhurst. Similar to the Eastern Gateway this area provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. Officers are in the final stages of developing proposals for Executive to consider that will seek to appoint an investor partner to drive forward this long term regeneration initiative.
3. Outside of the City Centre and the Northern and Eastern Gateways commercial led mixed use development opportunities will focus on a limited number of locations where the Council has a direct land ownership interest: Central Park; the Airport City Enterprise Zone; Siemens; Wythenshawe Town Centre; and Harpurhey District Centre / Moston Lane. Where required support will be provided to the development of the three City Council owned digital assets (The Sharp Project, The Space Project and One Central Park). Residential led / mixed use development opportunities will focus on managing existing development agreements and partnerships such as the three Housing PFI Schemes; the transformation of the West Gorton estate; the transformation of the Ben Street area.
 4. Other commercial and residential development opportunities will arise where the Council has no direct land interest – in these instances the Council will revert to enabling such opportunities where they support the ambitions of the City. In the near term this would include working with MMU and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.

Investment Estate

5. In addition to supporting the commercial and residential growth activities set out above the Development Team also have responsibility for managing the City Council's Investment Estate. The Investment portfolio comprises around 4,300 separate interests. The majority of these are peppercorn and income producing ground lease interests but the Council also manages a number of commercial and retail premises and managed buildings. These assets play a key role in helping

transform the city as a key driver of the growth and place making agenda whilst at the same time playing an important role in the generation of rental income and capital receipts.

Operational Estate

6. With regard to the Corporate Property Estate the last 18 months has seen a significant amount of work being progressed in order to introduce a robust Property Asset Management approach. The aim of the approach is to move from a re-actively maintained approach to a proactively managed approach in line with industry best practice, mitigating risks from a poorly maintained estate. Over the next 9 months work will continue to refine and embed these new practises as part of the standard service delivery model and the development of the Five Year Operational Estate Plan.
7. In addition, the Five Year Operational Estate Plan will set out, in the context of the delivery of “Our Manchester” and in the context of securing the delivery of “One Public Estate”, how the Council will use the estate to: release buildings or spaces within buildings for community use in order to strengthen community capacity and support community delivery of local services; work with owners of other public assets to support new models of service delivery that secure service improvements and more efficient use of resources - such as the next phase of development for the Early Help Hubs; support and strengthen our neighbourhood focus and neighbourhood delivery – for example to drive new models for integrated health and social care into communities; support the Growth agenda by releasing surplus land to enable development of high quality schools and housing; and deliver a low carbon estate.
8. The Five Year Operational Estate Plan will also ensure that estates assets are properly maintained and managed and further work will be undertaken on the FM Client/Contractor model. As such the future of FM delivery model requirements will be reviewed with a range of options considered to determine the most appropriate FM service for the Council in the future.

3.0 Strategic Development: Current Senior Management Arrangements

3.1 The Strategic Director (Development) currently has responsibility for the following:

- to lead the long term transformation of Manchester by harnessing the Council’s leadership capacity; investment capability; along with its land and property asset base; in order to provide new employment, new homes and the necessary infrastructure needed to make places successful;

- to encourage private sector and public sector partners to align their investment ambitions with the Our Manchester Strategy and support development that aligns with the city's vision and the associated requirements to enable the city to be globally competitive;
- to support, promote and drive the role and continuing economic growth of the city as a major regional, national and international economic driver: as the main focus for employment growth through a strengthening and diversification of the city's economic base; maximising the efficient use of land and buildings; and seeking to engage with private and public sector partners through a significant number of, and diversity of, public private partnership arrangements for commercial, residential and other mixed use development;
- to provide an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure;
- to support the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
- to underpin the transformation of the city's district centres with an appropriate retail, amenities and public service offer;
- to support investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City;
- to support investment in transport infrastructure which will lay the foundations to capture new commercial and residential growth opportunities over the next ten to fifteen years;
- to manage the City Council's Investment Estate with an investment portfolio of circa 4,300 separate interests; and
- to manage the City Council's Operational Estate in a manner which supports the organisation's workforce priorities along with the delivery of public services in a place based and operationally efficient manner.

3.2 The Strategic Director (Development) has two direct reports as set out below:-

- Assistant Chief Executive (Growth) - This post is a member of the Strategic Management Team and provides overall leadership to the strategic housing, property and development functions and directly supports the Strategic Director (Development) and Members in

executing a range of responsibilities.

- Head of City Centre Growth and Regeneration. This post, whilst structurally reports to the Strategic Director (Development) is accountable to the Chief Executive. This post is responsible for driving forward commercial, residential and mixed use investment and development opportunities within the City Centre.

3.3 The current reporting arrangements to the Strategic Director (Development) are outlined in Appendix 1.

4.0 Strategic Development: Proposed Senior Management Arrangements

4.1 Following the review of senior arrangements that took place in June 2016, the scale and scope of the Strategic Director (Development) has changed. It is now therefore timely to review the senior management arrangements within the Strategic Development Directorate. Any new posts will be aligned to the new senior pay and grading structure, with indicative grades stated. Once evaluated, new roles will be subject to further approval of Personnel Committee and Council, where remuneration is or proposed to be £100,000 per annum or above.

City Centre Growth and Regeneration

4.2 Looking forwards it is proposed that the Head of City Centre Growth and Regeneration will report to the Strategic Director (Development) This role will provide the leadership role for the city centre working with business, the development community and other key stakeholders to drive forward commercial, residential and other associated growth initiatives.

4.3 As indicated above the scale, breath and complexity of commercial and residential development initiatives currently being promoted across the city plus new transformational schemes that need to be shaped, influenced and driven to secure maximum benefits to the city probably represents the most intense period of development activity the Council has witnessed over the last thirty years in the city centre. Other associated projects such as securing new investors and new occupiers in the City are highly resource intensive but form a key component of the team's work. Such broad development momentum requires, as indicated above, new capacity to be added to the existing establishment at both senior, middle and junior grades.

4.4 At a senior level it is proposed that a new role of City Centre Growth Manager is established reporting to the Head of City Centre Growth and Regeneration at an indicative Grade of SS1. This post, amongst other matters, will take responsibility for leading and driving a wide portfolio of new and existing city centre initiatives, with the skills required to positively engage with a wide range of senior stakeholders within the City and at a regional and national level.

4.5 It is also proposed that the existing role of Client Manager – City Centre is

redesignated as City Centre – Development Manager. The principal focus of this role will be securing the successful delivery of the “Factory” scheme in St Johns and in doing so to specifically manage the capital and revenue budgets associated with the delivery of the capital scheme and to manage the client relationship between Allied London and the Manchester International Festival.

Housing and Residential Growth

- 4.6 In order to strengthen the organisations capacity to drive forward the very significant challenge of securing residential growth in line with the Council’s priorities associated with securing and maintaining investor confidence, place making, design quality and affordability it is proposed to realign and strengthen existing arrangements within the Directorate. The current Director of Housing has now assumed the role of Chief Executive of Manchester Place. It is now proposed to align responsibility for the delivery of all residential growth activity into that role thereby ensuring that we have a very clear line of accountability for expanding, broadening and deepening the residential offer across the city in line with the Council’s priorities referenced above.
- 4.7 Given this extended remit described in the previous paragraph, it is proposed that the role of Director of Housing is deleted and a new post, Director of Housing and Residential Growth is created at an indicative grade of SS4. It is recommended that the current postholder of the Director of Housing role be matched into this role in line with M people principles.
- 4.8 To drive forward residential growth, the arrangements set out above for City Centre Growth and Regeneration will create new additional capacity for residential initiatives at the core of the conurbation. Beyond the historic city centre core, responsibility for the day to day delivery of residential growth is currently fragmented with the role of Strategic Lead – Residential Development assuming responsibility for a number of the larger schemes. It is proposed to realign responsibility for the delivery of all significant area based residential growth initiatives outside of the historic city centre core. A new role would take forward overall responsibility for key initiatives such as the Northern Gateway, Eastern Gateway and any other area based initiatives where the City Council holds a significant interest. To secure the necessary long term regeneration and growth outcomes demanded by the Council will require considerable leadership, strategic and operational management inputs. As such it is proposed that the role of Strategic Lead – Residential Development is deleted and a new post, Head of Residential Growth is created at an indicative grade of SS3. It is recommended that the current postholder of the Strategic Lead – Residential Development role be matched into this role in line with M people principles.
- 4.9 The Head of Residential Growth and the existing Head of Housing role will report to the new role of Director of Housing and Residential Growth.

Development and Corporate Estate

- 4.10 Section 2 of this report provided an indication of the breadth and depth of the range of development related activity currently being delivered by the Directorate. The sheer scale and complexity of this growth agenda over the decade will place increasing demands on the organisation to have access to skilled and experienced development professionals who are able to provide the necessary technical inputs to all of the commercial and residential development related activity where the City Council has or wishes to take an interest in. In addition to the work needed to help drive forward the city's growth agenda the interrelationship between both the investment and operational estates with our growth agenda, our place making agendas and our public service reform agendas points to the need for a more integrated arrangement under the leadership of a skilled and experienced development professional with the necessary management skills to drive forward the professional team.
- 4.11 It is the Strategic Director's view that the organisation now needs to secure new additional senior management capacity to lead the existing team of skilled and experienced development professionals which the organisation possesses. A new role of Director of Development and Corporate Estate would have responsibility for driving forward Commercial Development led activity, providing support to the Residential Growth led initiatives along with the management of the investment and operational estates. It is proposed that the new post of Director of Development and Corporate Estate is created at an indicative grade of SS4.
- 4.12 In establishing the role of Director of Development and Corporate Estate, it is proposed that the current Head of Estates reports to the Director of Development and Corporate Estate and be re-designated as Head of Estates and Facilities. In line with this, the Client Services Manager should also be re-designated as Head of Corporate Estate. The Strategic Lead for Cultural Development will also report to the Director of Development and Corporate Estate.
- 4.13 The current Head of Development will retire in March 2017. This now presents an opportunity to review the capacity within the team given the scale of growth expected over the next few years. Currently reporting to the Head of Development post are three Principal Development Surveyor Posts. In order to maintain capacity at a senior level within the team, it is proposed that one Principal Development Surveyor post be deleted and recruitment to the Head of Development post be ring fenced to the three Principal Development Surveyors.

Assistant Chief Executive

- 4.14 The Strategic Development function and now Directorate has had the benefit of an Assistant Chief Executive role to support the establishment of the service. The original purpose of creating the role of Assistant Chief Executive was to provide dynamic and effective leadership and drive forward sustained improvements to public services. As such post holders of such roles have a multi-faceted skills base and are able to work on a number of wide ranging

agendas to support the reform and delivery of all public service activity. The structural changes set out within this report provide a clear set of senior management arrangements within the Strategic Development Directorate that require a more technical related skill set and as such it is recommended that the role of Assistant Chief Executive now be redeployed to support other areas of the Council's business and delivery of public services. The current post holder will be assigned to the Deputy Chief Executive to work on the delivery of "Our Manchester" and, in the short term until the Programme Director role for the Town Hall is appointed, support the delivery of the Town Hall Transformation Programme.

4.15 The proposed revised structure can be seen in Appendix 2.

5.0 Deputy Chief Executive (People, Policy & Reform Comments)

5.1 I have been involved with the development of the proposals set out within this report and agree with the recommendations made. The proposals have been developed to ensure the relevant and appropriate leadership capacity is in place for the future.

6.0 Trade Union Comments

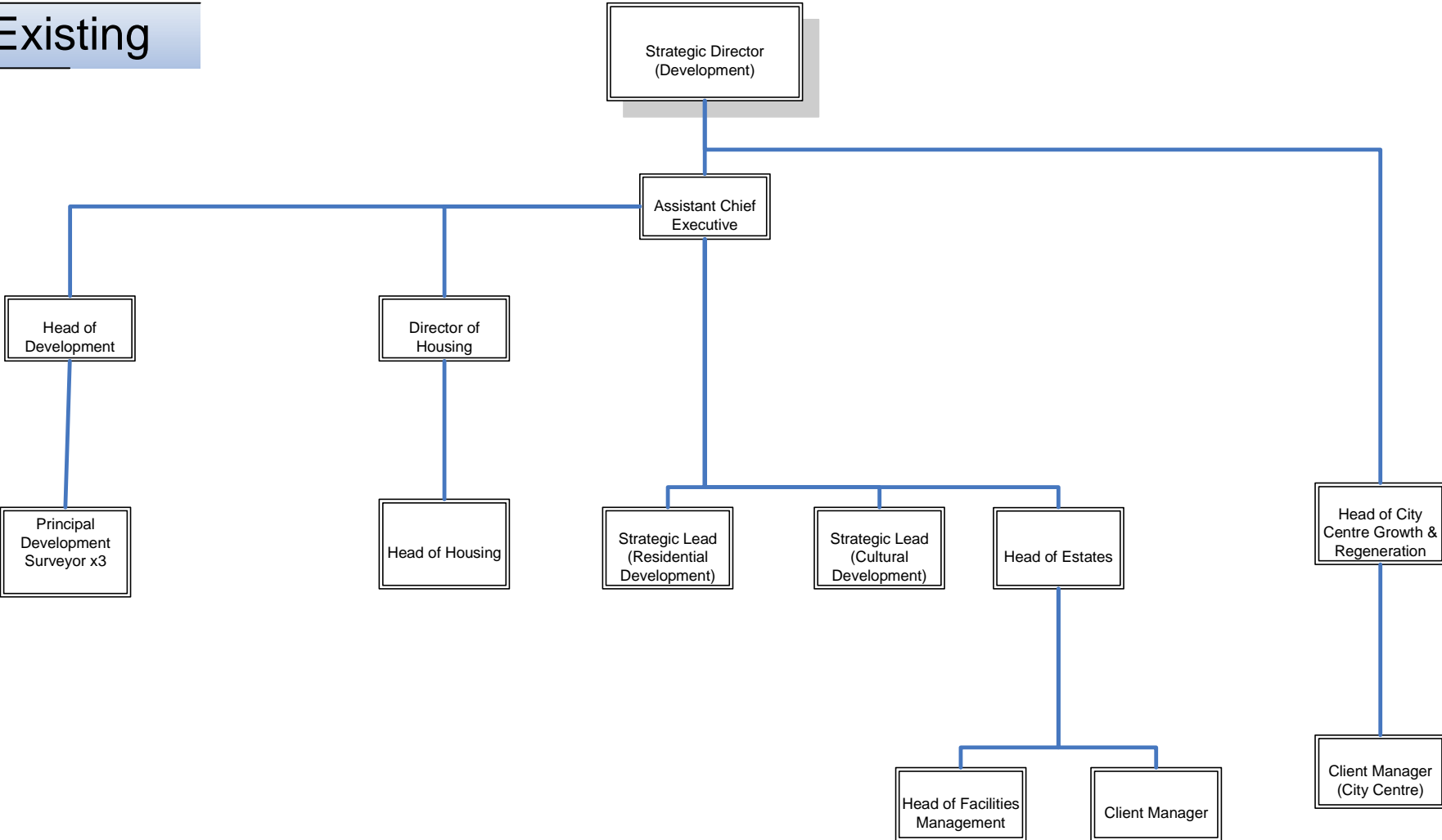
6.1 To be tabled.

7.0 Conclusion

7.1 The proposals in this report have been developed to ensure that the Strategic Development Directorate has the right level of leadership and management capacity in order to deliver the City's growth agenda.

Appendix 1

Existing



Appendix 2

Proposed

