

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 7 February 2018

Subject: Senior Leadership Arrangements

Report of: The Chief Executive

Summary

To report to the Committee the outcome of a review of strategic leadership arrangements within the Council, to align leadership with corporate priorities and optimise capacity. The report recommends changes to senior leadership arrangements as a basis for achieving identified objectives.

Recommendations

The Committee is requested to:

1. Note the redesignation of the two Deputy Chief Executives' portfolios and delegate to the Chief Executive responsibility to develop detailed revised Role Profiles, in line with the 1 June 2016 report which gave the Chief Executive authority to vary the responsibilities of the Deputy Chief Executives from time to time to support corporate priorities.
2. Thank Bob Brown for his leadership and transformation of the ICT service and note the end of the CIO fixed term contract in September 2018 and plans to recruit to a new post
3. Recommend to Council the establishment of a new post of Director of ICT at grade SS4 (£90,419 - 101,826) with an additional market rate supplement of up to £30,000, subject to normal review processes.
4. Make permanent and recruit to the currently time limited post of Head of Homelessness at a proposed grade of SS2 (£64,574 - 71,295), subject to the outcome of senior job evaluation.
5. Agree the re-grade and re-designation of the existing Head of Strategic Communications to the Director of Strategic Communications at a grade of SS3 (£74,175 - 83,830).
6. Note that the City Solicitor will report to Council on the required amendments to the constitution arising as a result of the revised arrangements set out in these proposals.

7. To require the Chief Executive, in consultation with the Leader of the Council and Executive Member for Finance and Human Resources, to undertake an assessment of the changes to the roles and responsibilities of posts outlined in this report with particular reference to equal pay.

Equalities and Legal Implications:

Equalities:

The changes proposed in this report have been developed in line with existing frameworks and HR policies which have been subject to Equality Impact Assessments. It is recommended that the Chief Executive, in consultation with the Leader of the Council and Executive Member for Finance and Human Resources, undertakes an assessment of the changes to the roles and responsibilities of posts outlined in this report, in accordance with the senior job evaluation scheme and with reference to equal pay.

Legal:

Proposals have been developed in line with the Council's legal obligations as an employer and the Council's corporate workforce policies.

Wards Affected: All

Financial implications for the revenue and capital budgets

The changes proposed, specifically the re-evaluation of the CIO and associated market rate supplement; the permanent establishment of the Head of Homelessness and Director of Communications post, are cost neutral and therefore will be contained within existing budgets.

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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 11 January 2017: Senior Management Arrangements - Strategic Development

Personnel Committee 1 June 2016: Senior Leadership Arrangements

1. Background

- 1.1 The last review of the Council's Senior Management arrangements was undertaken in June 2016, with particular focus on reconfiguring the corporate core of the organisation to support the Council in leading the transition to delivery of the Our Manchester Strategy. These changes were designed to provide the capacity to reform public services to deliver better outcomes for residents, in particular the integration of Health and Social Care and the Children's Services improvement journey, as well as establishing a renewed HR/OD service to support substantial cultural change in our leadership, our staff communication and engagement, our values and behaviours, our management practice and our processes and systems.
- 1.2 The Our Manchester Strategy and the principles for how it will be implemented are now well established. Based on extensive consultation with residents, the Council set a three year budget in March 2017 designed to align our resources to those areas residents told us they value the most: supporting vulnerable people; supporting people into jobs and training created by the city's unprecedented growth over the past fifteen years, and to create the conditions for this growth to continue; keeping roads and neighbourhoods in good shape, and parks and leisure to keep people active and happy. Underpinning the strategy is the Our Manchester approach to working differently with people and communities to build on their strengths and reduce the need for longer term support.
- 1.3 During the first year of this three year budget and the first full year of the Our Manchester Strategy, significant progress has been made by the Council and its partners towards the ten year vision for the city. This has included bringing health and social care services together; moving to a new phase of the Children's Services improvement journey, now that services are no longer in intervention; supporting people earlier and more thoroughly to reduce demand for more costly support later on; and responding to the increased demand for services for vulnerable people, including homelessness.

2. Renewed focus of the senior management team

- 2.1 To achieve the ambitions set out in the Our Manchester strategy, it is the view of the Chief Executive that there is a need to better align the organisation's senior management structure with the identified priorities. A renewed focus will also maximise the opportunities afforded by working together with the Council's partners within the city and across Greater Manchester. It is also timely to review leadership capacity at this point to take account of the imminent vacancies in Strategic Housing and Residential Growth, City Solicitor's and the planned conclusion of the time limited roles of Chief Information Officer and Director of Homelessness.
- 2.2 This significant reform agenda needs to sit alongside the continuing improvement of services, in particular to accelerate the improvements in Highways, Homelessness and Children's and to realise the benefits of the integrated health and social care system. At the same time, getting the basics

right requires further efficiencies across the Corporate Core to bring together the Council enablers, such as digital transformation and ICT, performance, policy and communications to support reform of public services.

2.3 To respond to these objectives a number of changes are proposed to the Strategic Management Team (SMT). Appendix 1 provides the current structure of the current Strategic Management Team. Details of the proposed changes and the rationale are set out below, however in summary these are as follows:

- To reduce the number of direct reports to the Chief Executive
- To combine more functions of “place” within the portfolio of one Deputy Chief Executive, to align the strategy and community impacts of economic growth with the services provided to residents, especially in relation to transport and infrastructure
- To provide leadership oversight of all corporate functions through the other Deputy Chief Executive including ICT, Communications and Performance, Research and Intelligence (PRI) and to produce a corporate core transformation plan
- To reconfigure the Strategic Management Team into the statutory posts (DCS; DASS; City Treasurer and Monitoring Officer); the two Deputy Chief Executives and Strategic Director (Development). Other officers will continue to be invited to attend in accordance with the agenda and priorities. The statutory post of Director of Population Health and Wellbeing remains a member of the SMT but in practice is deployed full time to Manchester Health and Care Commissioning (MHCC).

3. Proposals

3.1 Proposed revisions in accountabilities and reporting lines of affected posts are set out below.

3.2 Chief Executive

3.2.1 As Head of the Paid Service, the Chief Executive will continue to provide the strategic leadership and co-ordination necessary to align all of the Council’s staff and functions to Members’ aims and priorities for the city. The Chief Executive will also continue to have direct responsibility for delivery of the Our Manchester approach; the Council reform and growth agenda.

3.2.2 To prioritise capacity and enable time for greater personal leadership on Council priorities, the number of direct reports to the Chief Executive will be reduced. Responsibility for Highways and ICT will move to the two Deputy Chief Executive posts respectively.

3.3 Deputy Chief Executive portfolios

3.3.1 The two Deputy Chief Executive portfolios will be realigned to secure strengthened alignment between strategy and service delivery around the themes of people and place.

3.3.2 Neighbourhood and place based services

All neighbourhood and place-based services will be moved under one Deputy Chief Executive, to create a portfolio focussed on better alignment of future growth and place management within neighbourhoods, community engagement, strengthening the connectivity of communities to economic opportunities and local infrastructure. Specific responsibilities, in addition to continuing to drive the delivery of Our Manchester, will be as follows:

- The Neighbourhoods Service including Commissioning and Delivery; Community Safety and Compliance; Libraries, Galleries and Culture and Neighbourhood Teams
- Our Town Hall project
- Trading Services including Markets; Fleet; Manchester Fayre and Bereavement Services
- Planning, Licensing and Building Control
- Work and Skills including MAES
- Highways - to strengthen the service improvement programme and infrastructure planning through operational oversight of a DCE
- Transport, planning and environmental policy

3.3.3 People, Policy, Reform and Corporate Core

The second Deputy Chief Executive portfolio will maintain current responsibility for policy, reform and HR/OD, to embed Our Manchester principles into the transformation of all public services. This post will also assume responsibility for ICT services, communications, co-ordination of the corporate core and Performance, Research and Intelligence (PRI).

In addition, as well as ongoing leadership of the health and social care policy agenda and the city's role in GM reform, the strategy focus of this post will be strengthened to ensure that all residents can benefit from the large scale reform of public services and to access the opportunities available from the city's continued growth by supporting people with skills and into work. Specific related strategy priorities will include:

- A new inclusive growth strategy, with leadership responsibility for linking outcomes from the anti-poverty strategy; the city Work and Skills strategy (to ensure linkage with the family poverty work); the homelessness strategy; environmental strategy; locality plans and delivery. The DCE post will take a leadership role for the strategic outcomes highlighted but will not assume any of the service management responsibilities, which are not proposed to change outside of the recommendations in this report
Accountability for the development of a corporate core transformation plan through the co-ordination of all people, performance and reform within the directorate and matrix leadership of finance and legal functions within the remit of other Strategic Directors to contribute to the overarching corporate core transformation plan.

3.3.4 Chief Information Officer

The fixed term post of Chief Information Officer will conclude as planned at September 2018. The postholder, Bob Brown, has made a significant contribution during his tenure, including stabilisation of the ICT service and corporate technical infrastructure, the Google roll out; leadership of the ICT aspects of health and social care integration and stabilisation of the ICT service. The committee is asked to recognise Bob's contribution to MCC ICT improvement and transformation.

It is recommended that a new substantive post of Director of ICT is created as a basis for permanent recruitment. The post has been evaluated at grade SS4 through the senior job evaluation process (£90,419-101,826).

It is acknowledged that the market value for ICT posts continues to be above normal Council pay ranges and therefore a pay supplement is likely to be required in order to appoint, although at a lesser value than current arrangements in line with the lower grade. Advice has been sought from partners within the Council's Executive Recruitment Framework which indicates that a market rate supplement of up to £30,000 may be required, subject to normal policy review arrangements. Personnel Committee is asked to formally recommend the revised remuneration arrangements for this post to Council.

3.3.5 *Director of Strategic Communications*

To support the proposed investment in Corporate Core services, it is proposed that the post of Head of Strategic Communications is re-designated and re-graded as the Director of Strategic Communications, at a grade of SS3 (£74,174 - 83,830). The proposal is to expand the strategic contribution of this post to delivery of the Our Manchester strategy, specifically how the Council interacts and responds to residents and external stakeholders, including the supporting the city's international strategy, and harnessing the opportunities afforded by digital platforms as part of the city's Digital Strategy. These changes will require a revised reporting line to the Deputy Chief Executive.

3.4 Children's Services and Education

- 3.4.1 Children's Services are now out of intervention which allows the Council to continue the improvements to the basic services but also look at wider outcomes. On this basis it is proposed that the Strategic Director of Children's Services assumes full responsibility for all children's social services and education and therefore that the Director of Education reports to the DCS, with a link to the Deputy Chief Executive for strategic support and corporate policy, including the role of schools in integrated public services, family poverty and work and skills.

3.5 Health and Social Care including Homelessness

- 3.5.1 The ongoing complexity of delivering health and social care integration must be acknowledged, with the deployment of all adult social care services and

some children's services to the LCO within 3 years and the need to agree corporate core provision. As such, to strengthen capacity, a new Director of Adult Services will take up post in early 2018 and it is proposed to establish and appoint to, on a permanent basis, a Head of Homelessness position as a direct report to the Executive Director of Strategic Commissioning (DASS), who will continue to hold statutory responsibility for the function. The Head of Homelessness post is proposed to be at grade SS2 (£64 574 - 71 295) subject to the outcome of senior job evaluation. The proposed investment in leadership of homelessness is at a value which is consistent with that which has been made to date, through the temporary retention of the former DASS on a part time basis.

3.6 City Solicitor

3.6.1 The City Solicitor post will become vacant in the new financial year, which gives scope for a review of responsibilities. It is proposed that responsibility for communications is removed from this portfolio and transferred to the Deputy Chief Executive as a key part of corporate core services, to release capacity for a modernisation project for democratic services.

3.7 City Treasurer

3.7.1 The City Treasurer portfolio will remain largely unchanged in the context of the challenging agenda for this post, including the requirement for a new budget strategy, the Fair Funding Review, the Factory project, the Business Rates Retention pilot and leadership of improvement of the capital programmes function, as well as the operational responsibilities for Revenues and Benefits services and Internal Audit.

3.7.2 The wider strategic role of City Treasurer will, however, be further developed to oversee commercial negotiations; use of commercial estate and delivery of capital programmes to deliver the Medium Term Financial Plan. This will not change any of the current line management arrangements.

3.8 Strategic Director (Development)

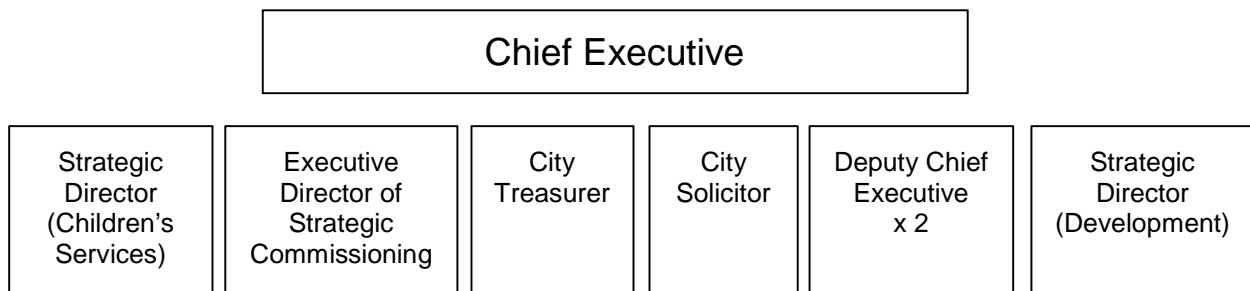
3.8.1 This report does not propose any immediate change to the Strategic Director (Development) portfolio however a further report will follow to consider capacity and structure options for this area.

3.8.2 Pending a wider review, the post of Director of Housing and Residential Growth has been updated as a basis for recruitment, to reflect a clear and redefined role in the delivery of housing to achieve the growth strategy. The post will not maintain the current responsibilities for GM Place and the GM Housing and Planning Commission but will instead be more focused on ensuring the supply of sufficient numbers and types of housing, the housing aspects of homelessness, managing our relationships with the RSLs and intervention in the private rented sector.

3.9 Strategic Management Team

3.9.1 SMT will in future comprise of the direct reports to the Chief Executive only, viz: the two Deputy Chief Executives; the City Treasurer; the Strategic Director of Development, City Solicitor and Statutory Directors of Children's and Adult Services. Other officers will continue to be invited to attend in accordance with the agenda and priorities.

3.9.2 The proposed SMT structure chart is as follows



3.9.3 The smaller SMT will ensure more emphasis is given to reducing silos within departments; focussing on performance and the transformation of services.

4. Comments from Director HR/OD

4.1 The proposed changes to senior leadership arrangements are in line with the Council's policy.

5. Comments from Trade Unions

To follow

6. Conclusion

6.1 It is the opinion of the Chief Executive that the proposals set out in this report will provide for more efficient and consistent leadership and management of Council priorities and the reform of public services.

Appendix

Current SMT structure chart

