



Personnel Committee

Date: Wednesday, 12 September 2018
Time: 10.10 am (or at the rise of the Executive)
Venue: Council Chamber, Level 2, Town Hall Extension

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published

Access to the Council Chamber

Public access to the Council Chamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

Membership of the Personnel Committee

Councillors - Ollerhead (Chair), Akbar, Bridges, Craig, Leech, Leese, N Murphy, S Murphy, Rahman, Richards, Sheikh and Stogia

Supplementary Agenda

7. **Corporate Services Structure Changes** 3 - 10
The report of the City Treasurer is enclosed

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Wednesday, 5 September 2018** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 6, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 12 September 2018
Subject: Corporate Services Structure Changes
Report of: City Treasurer

Purpose of Report

The purpose of this report is to seek approval for some revisions to the management arrangements within Corporate Services to ensure capacity and management is effectively focused, strengthened and optimised across Procurement/Integrated Commissioning and Audit and Risk.

Recommendations

The Committee is requested to:

1. Approve the establishment of a new role of Deputy Head of Internal Audit and Risk Management in Audit and Risk Management at SS1 (£59,664 - £64,574).
 2. Agree the disestablishment of the post of Head of Procurement (Grade SS3 £77,172 - £85,507)
 3. Agree and approve the establishment of a new role of Head of Integrated Commissioning/Procurement in Procurement/Integrated Commissioning at SS3 (£77,172 - £85,507) which replaces the current funded secondment position at this level.
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Wards Affected: All

Financial implications for the revenue and capital budgets

All changes can be met from existing resources within revenue budgets and recharges to third parties.

Contact Officers:

Name: Carol Culley
Position: City Treasurer
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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 - 30 May 2018 - Corporate Services City Treasurer's Senior Management

1. Background

- 1.1 Following the reports to Personnel Committee in May 2018, which outlined the changes in senior management responsibilities and in the Corporate Services management structure, it was agreed that a further report would be brought to the appropriate committee to review the capacity requirements within the Directorate following the changes at SMT level; the changes required in Internal Audit now that a joint service is provided to GMCA; and to review the structure of the Procurement and Commissioning functions to better integrate leadership of the two functions. The changes outlined in this report have also been carefully considered in the context of the difficult budget position the Council is facing.
- 1.2 Corporate Services has been able to both proactively respond to significant change since the last restructure and ensure it is positioned to most effectively deliver the leadership and support required as part of the Corporate Core. However, it is now timely to review management arrangements across Audit & Risk Management and Procurement/Integrated Commissioning on the basis of:
- Internal Audit and Risk Management providing service leadership, management and specialist services support to the GMCA and Bolton Council, as well as the City Council
 - Complex commissioning functions within the Council's leadership including commissioning across all public services; the City's single commissioning function for health and social care and need to drive best value in commissioning and procurement of the goods and services required by the Council.

2. Audit and Risk Management

- 2.1 Following the report to Committee in May new arrangements are required to support the Head of Audit and Risk Management in the leadership, development and delivery of audit and risk management services to Manchester City Council, Bolton Council, the Greater Manchester Combined Authority (including GM Fire and Rescue Service) and GM Police (service delivered through GMCA). This is via secondment agreements to Bolton and GMCA, Treasurers of each authority still have to direct/manage the Head of Service and avoids risks of professional indemnity associated with service contracts. At present the Head of Audit and Risk Management is personally providing a significant amount of support in all of these areas and there is a risk that the service to the Council will become diluted. Whilst the funding is in place from the other organisations the structure does not have the right capacity in place to deliver the senior support in development and delivery of these services. The recommended changes are therefore cost neutral and will be delivered from within the available funding for the service.
- 2.2 The new role will be required to provide senior leadership support and advice across these organisations and to be able to deputise for and support the Head of Service across all aspects of the service:

- Internal Audit and Assurance
- Counter Fraud and Irregularity
- Insurance and Claims
- Corporate Risk Management
- Corporate Business Continuity (Manchester and Bolton only)
- Health and Safety (Manchester Only)

The immediate priority is to focus specifically on Internal Audit and Assurance services to the Council and collaboration partners as above.

2.3 The role requires sufficient organisational knowledge to be able to provide challenge and support to senior officers and directors, the skills to deal sensitively with matters of critical risk and the ability to influence and persuade a wide range of senior stakeholders into positive action.

2.4 Key accountabilities and outcomes of the role are to support the Head of Service to:

- Lead and develop services and high performing audit teams across four organisations that provide value and positive outcomes.
- Provide appropriate senior support to strategic directors, senior managers, partners and audit committees in the planning and delivery of audit and risk management work. This includes audit and risk management work around health and social care integration.
- Lead continuous improvement in the design and delivery of audit services to current and potential future clients that harness benefits of simplification, standardisation, automation and collaboration.
- Work effectively with key stakeholders across the Council and collaboration partners in developing their systems of governance, risk management and internal control; and in so doing maximise the opportunities for the achievement of organisational priorities and objectives.

2.5 Should any of the arrangements with external bodies change then the senior structure within Internal Audit will be reviewed accordingly. The arrangement with GMCA is currently being reviewed. However the breadth of work now provided for Bolton still requires more senior support than the current structure provides and significant benefits with the ability to share skills across the organisations.

3. Procurement/Integrated Commissioning - Head of Integrated Commissioning and Corporate Procurement

3.1 Currently the Procurement and Integrated Commissioning functions, whilst working closely together, operate as two different services and are led by the Head of Procurement on SS3 (£77,172 - £85,507) and a funded secondee position who leads Strategic Commissioning at a salary of £87,000. The latter position had not been made a formal part of the establishment until the requirements for the longer term role had been defined. At Personnel Committee in May 2018 it was agreed that proposals for these services would

be brought forward. This has been reinforced by the planned retirement of the Head of Procurement from his current role in March 2019 and the temporary nature of the secondment.

- 3.2 The City Council currently procures c£0.5bn of goods and services and achieving best value for money through procurement and contract management is a vital part of the delivery of the Council's budget. The growing focus on the delivery of social value also provides strong leadership to ensure that the Council's leading edge policy is properly put into practice and leverages opportunities for residents and capacity building within the City. Whilst Procurement has operated as a centre of excellence, the Council has also recognised that improvements need to be made in how contracts are monitored across the organisation and a programme of work is underway to achieve this.
- 3.3 A review has been carried out to ensure that sustainable arrangements for the future are in place, consider how the two functions are structured and whether they should come together as one service. It is recommended that the two functions should be brought together into a stronger unit under the leadership of one Head of Service which will promote a truly joined up approach from the route to market, procurement and subsequent support for effective contract management.
- 3.4 The role holder will continue to lead the delivery of an effective procurement service to Manchester City Council and Bolton Council in line with existing requirements. They will also continue on the improvement plan, providing clear contract management standards and professional development for those involved. The creation of this new combined role is therefore critical to the delivery of this work and to the continuation of a successful corporate procurement function, a centre of excellence since 2007 and the integrated commissioning function, in place since 2016.
- 3.5 The role holder will:
- Set strategic priorities for all commissioning, procurement and contracts for the whole Council (all directorates and service areas).
 - Be the Council's professional lead for procurement.
 - Develop a City Council forward commissioning plan and secure strategic management team agreement to direction of travel and timing.
 - Lead and design innovative approaches to commissioning and procurement which provide quality, value for money solutions, including outcome-based payment and SIBs as well as ensuring our procurement is ethical.
 - Maximise opportunities to bring economic, environmental and social benefits to Manchester through improvements to procurement practices and the Council's significant spending power.
 - Drive the use of data and analytics in commissioning and procurement and promote practice that allows operational and senior managers to use resources more effectively.

- Support commissioners and contract managers in shaping and driving change and supporting the transformation of services and the delivery of new commissioning models and timely and efficient procurement.
- Ensure systems are in place to track, evaluate and report the impact of commissioning decisions and practice.
- Provide excellent leadership of the team.
- Deliver value for money through all contracts and activities. Procurement savings in excess of £50m have been achieved since 2007/08.
- Lead the delivery of a procurement function for Bolton Council in line with agreed arrangements.

3.6 The existing role of Head of Procurement and capacity allowed for Strategic Commissioning will both be disestablished and replaced by a Head of Integrated Commissioning and Corporate Procurement from within existing budgets. The post will be recruited to following the m people principles but may require external recruitment in line with new governance arrangements due to the required knowledge/technical skill. Following the proposed leadership change recommended in this report to meet the immediate leadership requirements, a fuller review of the technical capacity and priorities will be required across the service.

4. Conclusion

4.1 The proposals outlined within this report are designed to ensure that there is sufficient capacity in place to support the City Treasurer in her increased responsibilities as reported to this Committee in June 2018. They also deliver the promised changes following the May 2018 Personnel Committee report to ensure the right leadership and management arrangements are in place to support the combined Audit and Procurement provision across Manchester City Council, GMCA and Bolton and the succession planning and reconfiguration of Procurement and Integrated Commissioning. Strong Internal Audit and Procurement and Commissioning functions are essential to the Council having effective governance arrangements, securing value for money and delivering the Budget Strategy.

4.2 All of the changes outlined in this report are contained within existing resources and designed to help ensure the council achieves value for money in the delivery of its capital and revenue budgets.

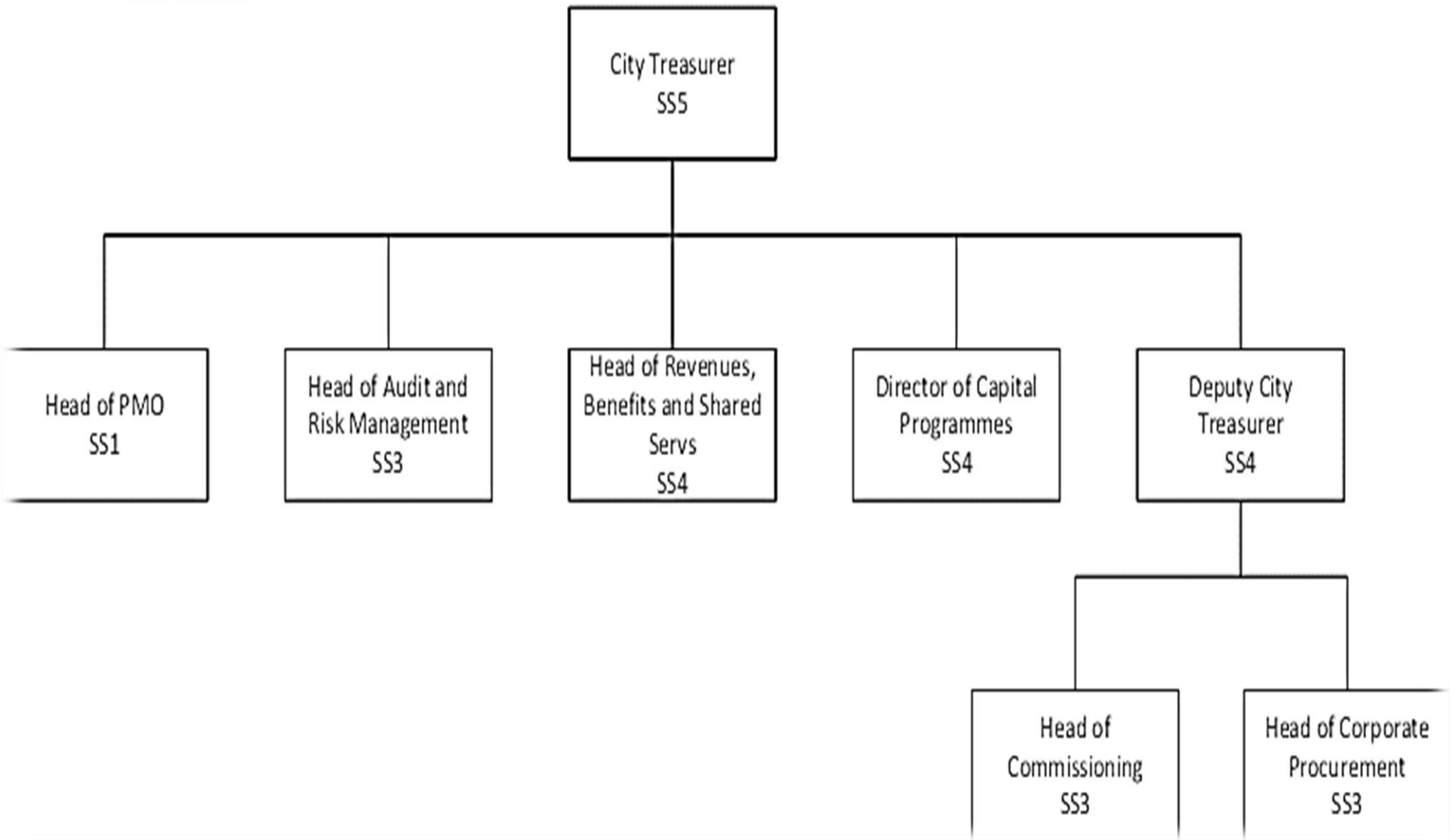
5. Comments from Director of Human Resources and Organisational Development

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

6. Comments from Trade Unions

6.1 To follow.

Current Structure



Proposed Structure

