

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 16 October 2019

Subject: Director of Commercial and Operations

Report of: Chief Executive

Purpose of Report

This report sets out proposals to realign senior capacity as part of the new arrangements to support the senior leadership within the Council.

This report seeks approval to redesignate and regrade the post of Operations and Commissioning Director in the Neighbourhoods Directorate to Director of Commercial and Operations. The change in grade reflects the increase in responsibilities, as set out in the main body of the report.

Recommendations

The Committee is requested to:

1. Approve the redesignation of the role of Head of Commissioning and Delivery to Director of Commercial and Operations.
 2. Recommend that the Council approves the regrade of the Director of Commercial and Operations from SS3 (£78,715 - £87,217) to SS4 (£95,953 - £105,940) and agrees to appointment at a salary of £105,940.
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Wards Affected:

All

Financial implications for the revenue and capital budgets

Revenue budget consequences - The increased cost arising from the proposed changes in this report are c£25k and it is proposed that the increased costs will be funded from within existing budgets.

It is anticipated that going forward the postholder will grow help grow and further develop the commercial activity undertaken by the Council and this will produce benefits for the revenue budget that will be considered as part of future budget planning.

Capital budget consequences - There are no capital budget consequences arising directly from this report.

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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 26 June 2019: Neighbourhoods Directorate - Senior Management Capacity

1. Background

- 1.1 The Neighbourhoods Service and delivery model was established in 2015 following a detailed service redesign comprising:
 - Commissioning and Delivery
 - Compliance and Community Safety
 - Libraries, Galleries and Culture
- 1.2 The role of Head of Commissioning and Delivery was created to ensure that the commissioning strategy for the Neighbourhoods Service is effectively delivered, taking account of both value for money and the quality and effectiveness of the services being delivered, however this has evolved over time and the breadth and span of responsibility has increased, particularly over the course of this year.
- 1.3 The Council operates a scheme which looks at four key characteristics within the job, to assist Personnel Committee, and Council, where appropriate, ascertain the correct grade for senior posts:
 - (i) Knowledge
 - Technical depth
 - Breadth and diversity of service managed, including integration with other organisations
 - (ii) Challenge and discretion
 - Nature and variety of problems
 - Planning timescales and scope to develop new solutions -
 - (iii) Impact
 - Nature of impact - effect of job across the organisation and community
 - (iv) Responsibility for resources - e.g. resources managed.

2. Current Duties

- 2.1 Originally, the purpose of the role of Head of Commissioning and Delivery was to:-
 - Provide strategic leadership and management to the Commissioning and Delivery function of The Neighbourhoods Service.
 - Manage, deploy and co-ordinate all resources in a well-planned and controlled manner, ensuring that service requirements and resource levels are fully identified.
 - Develop linkages and greater coordinated working both within the service and with other services and key stakeholders to ensure that the service contributes to the development and delivery of key priorities with regard to service development and strategic direction.
 - Take lead responsibility for advising elected Members, Committees, services and other stakeholders on matters relating to their service area.
- 2.2 In a report to this Committee in June 2019, it was noted that the Head of Commissioning and Delivery additionally assumed responsibility for Manchester Contracts Service (Highways) and line management responsibility

for the Strategic Lead for Waste, Recycling and Cleansing within the existing Grade for the post, which was set at SS3.

3. Proposal

- 3.1 Since the last report in June, the role of Head of Commissioning and Delivery has continued to expand, in particular on the commercial-side, therefore it is proposed to redesignate the role as Director of Commercial and Operations.
- 3.2 The Director of Commercial and Operations will continue to report to the Strategic Director Neighbourhoods, however the post will have a corporate dimension, with attendance at Commercial Board, Capital Strategy Board and Climate Board, to support greater connectivity across key priorities.
- 3.3 This revised role will act as Strategic and senior client lead for specific commercial and contractual developments to deliver the best outcomes for the city. Working across Council the role will enable innovative and creative approaches to generate new ideas and thinking to develop new and sustainable commercial opportunities within the city. The role will take a longer term approach to delivering the best outcomes for the city, contributing to the challenging carbon reduction targets and ensuring effective engagement with Executive Members and other key stakeholders.
- 3.4 In particular, this role will lead on the development and delivery of the Civic Quarter Heat Network, ensuring that the project is and remains commercially viable, including the consideration of how it can be made to work with residential developments. This will include responsibility for exploring the possibility for establishment of a new “energyco” that could potentially sell heat and power to commercial and residential consumers.
- 3.5 There will be increased focus on working across the Council to drive both existing and new commercial development opportunities to diversify, broaden and deepen the range of sources of income to support the Council's revenue position. The postholder will be expected to develop such opportunities against a corporate context that is set out within the Council's Corporate Plan ensuring that existing and new sources of income are derived from initiatives that reinforce and support the delivery of that Plan, giving due consideration to corporate and capital strategy, growth, development and the environment.
- 3.6 A further responsibility is to maximise commercial opportunities arising from the new leadership roles in Neighbourhoods as per the report to this committee on 26 June 2019, referenced in paragraph 2.2 of this report. This will include highways, creating new income streams, which would include the potential development of electric vehicle charging infrastructure along with commissioning the new off street parking arrangements to both create a new revenue stream and support the low carbon priorities within the Corporate Plan.
- 3.7 This role will provide the commercial leadership on such opportunities going forwards and develop and lead the appropriate client function required to

effectively manage and maximise the returns from the complex arrangements such as the Heat Network, off street parking and digital infrastructure, which will be funded through the income generated from these arrangements.

4. Conclusion

- 4.1 The proposal contained in this report is a cost-effective means of allowing the Council to consolidate arrangements for managing existing and identifying new commercial development opportunities, whilst ensuring appropriate corporate engagement and governance, without creating a new, bespoke post.

5. Comments from Director of HROD

- 5.1 The post of Head of Commissioning and Delivery was evaluated at Grade SS3 in 2017. The current postholder assumed responsibility for Manchester Contracts and the line management of the Strategic Lead for Waste, Recycling and Cleansing earlier this year. Subsequent to this the postholder has been undertaking the commercial development work described in this report to a high standard.
- 5.2 In line with the Council's pay policy, the revised role has been evaluated using the LGA National JE Scheme for Chief Officers/Senior Managers, which places it in band SS4.
- 5.3 The scheme of delegation to Officers in the Council's Constitution provides for the Chief Executive to agree in consultation with the Leader, starting salaries (within the range determined by the Council) on appointment of Chief Officers and for any assimilations into revised grades if the Chief Officer's post is re-graded.
- 5.4 The postholder has demonstrated a unique skill set which complements the role as this has continued to evolve and this has enabled the organisation to make significant progress, without the need to create an additional post. On this basis, and given the circumstances set out above, it is proposed that the postholder be assimilated into the newly redesignated and regraded post of Director of Commercial and Operations at £105,940 (spine point 45) within Grade SS4. As the proposed salary for the post on appointment is over £100k, additionally approval from Council needs to be sought.

6. Comments from Trade Unions

- 6.1 To follow