

**Manchester City Council  
Report for Resolution**

**Report to:** Personnel Committee – 29 January 2019

**Subject:** Senior Management Capacity Review

**Report of:** Chief Executive

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**Summary**

This report sets out proposals to realign senior leadership capacity, in the context of impending vacancies in the Strategic Management Team and below, together with the need to develop wider leadership capacity and resilience.

The proposed changes will lead to a budget saving of £104k and are designed to invest in delivery capacity in support of the Council's strategic objectives. There will be no net increase in SMT numbers as a result of these changes.

**Recommendations**

Personnel Committee is recommended:

1. To note the appointment of Sara Todd to the post of Chief Executive of Trafford Metropolitan Borough Council and thank Sara for her commitment and dedication to the people of Manchester for the past 14 years.
2. To recommend to Council that the role profile and duties of the existing Deputy Chief Executive post are varied as set out in the report and to include the duties of the Council's statutory Section 151 Officer. The post will become Deputy Chief Executive and City Treasurer.
3. To agree that the Deputy Chief Executive and City Treasurer will take leadership responsibility for the: Human Resources / Organisational Development (HR/OD); Policy, Partnerships & Research; Reform & Innovation; and the Performance, Research & Intelligence services along with providing overall leadership to the Corporate Core, working closely with the City Solicitor, who will retain responsibility for the City Solicitor's Division.
4. To recommend to Council that the Deputy Chief Executive and City Treasurer is remunerated at a salary of £150k to reflect the increased portfolio and in line with the proposed changes to the Council's Pay Policy Statement detailed elsewhere on this meeting's agenda.
5. To agree that the Deputy City Treasurer assumes a greater proportion of the statutory functions of the City Treasurer role as detailed in the report, within the existing grade for the post.

6. To agree that the City Solicitor will take on responsibility for the Communications service and Civic and Ceremonial function, within the existing grade for the post.
  7. To note that the Chief Executive will provide personal leadership to delivery of the Our Manchester approach across the organisation and City, together with strategic communications
  8. To recommend to Council the creation of a new post of Strategic Director (Neighbourhoods) at Grade SS5 on the Council's pay and grading structure. This post will take on strategic responsibility for the Neighbourhoods and Highways services. Establishment of this post will enable the disestablishment of the current Chief Operating Officer (Neighbourhoods) post and, in line with *m people* principles, this post holder will be ring fenced for assessment to the Strategic Director role.
  9. To agree the redesignation of the Head of Policy, Performance and Research to Head of Local Planning and Critical Infrastructure, at Grade SS3 on the Council's Grading structure.
  10. To recommend to Council the creation of a new post of Director Policy, Performance and Reform at Grade SS4 on the Council's pay and grading structure. This post will take on strategic responsibility for the Performance, Research & Intelligence; Policy, Partnerships and Research and Reform & Innovation teams and will be funded through equivalent reductions at the tier below.
  11. To agree the creation of a new Strategic Lead - Policy and Partnerships at Grade SS2, which will be funded through equivalent reductions at the tier below
  12. To thank Lynne Ridsdale for her contribution to Manchester and note the intention to recruit a replacement Director of HR/OD at the existing grade and under the current Role Profile.
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#### **Wards Affected:**

All

#### **Revenue Consequences**

The proposed structural changes in this report provide a net budget saving of £104k against existing senior management budgets across directorates.

#### **Capital Consequences**

There are no capital budget consequences arising from the proposals in this report.

## **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.

Personnel Committee 27 June 2018 - *Senior Management Arrangements*

## **1. Background**

1.1 This report sets out proposals to strengthen corporate leadership resilience and capacity, in the context of:

- The Corporate Plan, which sets out the Council's contribution and approach to delivering the Our Manchester strategy and will drive the strategic direction of the organisation
- The reduction in size of the Strategic Management Team (SMT) earlier this year, through the deletion of the vacant Deputy Chief Executive post and
- The need to foster a talent development pipeline to enable the Council to "grow our own" future leaders.

1.2 A further need to review capacity has been presented with the impending departures of the Deputy Chief Executive, Sara Todd, who will take up the post of Chief Executive at Trafford Council in the coming months and Lynne Ridsdale, Director of HROD, who is taking up an Executive Director post at Bury Council.

1.3 The report sets out proposals to respond to these drivers for change through a review of SMT capacity; support to the SMT and wider leadership capacity.

## **2. Strategic Management Team Capacity**

2.1 Last year the Chief Executive led a review of the SMT. The team was streamlined to comprise of Strategic Directors only and an efficiency was made following the departure of one of the two Deputy Chief Executives, with these responsibilities absorbed into the remaining Strategic Director portfolios. There is, however, a need to further review arrangements following the appointment of the remaining Deputy Chief Executive, Sara Todd, to the post of Chief Executive of Trafford Metropolitan Borough Council. In addition to her corporate leadership role, Sara's service portfolio includes the Neighbourhood Directorate (Neighbourhoods Service and Highways) and the People, Policy and Reform functions within the Corporate Core.

2.2 Sara has worked at Manchester City Council for 14 years and held leadership responsibility for a range of essential services including Waste, Recycling and Street Cleansing, Community Safety, Compliance and Enforcement, Libraries, Galleries and Culture, Parks, Leisure and Events, Neighbourhoods, Work and Skills, Planning, Licensing and Building Control, Business Units including Markets, Manchester Fayre, Pest Control, Bereavement Services, Fleet and People, Policy, Performance and Research. Sara has also taken the strategic lead for the delivery of the Our Manchester approach throughout the organisation and across the City. Members are asked to acknowledge Sara's significant contribution to Manchester.

2.3 In order to provide effective leadership of the organisation and fulfil delegations in the absence of the Chief Executive and ensure sufficient capacity to represent the Council at the highest level, it is important that a Deputy Chief

Executive is identified. The departure of the current Deputy Chief Executive provides an opportunity to consider the detailed portfolio and accountabilities of this post in the context of the new Corporate Plan and emerging Corporate Core Transformation Plan. In line with *m people* principles the City Treasurer will be Level 1 matched to this new post, the Deputy Chief Executive and City Treasurer, which will hold the following portfolio:

- Maintained accountability as the designated S151 officer
- Maintaining existing responsibilities for Financial Management, Procurement & Commissioning, Audit & Risk Management, Capital Programmes, Revenues & Benefits, Customer Services and the Shared Service Centre and ICT
- Additional responsibilities for the former People, Policy and Reform Directorate which comprises: HR/OD; Policy, Partnerships & Research; Performance, Research & Intelligence; and Reform & Innovation.
- Overall accountability of the Corporate Core of the Council, with the exception of the City Solicitor's Division, which will continue to be led by the City Solicitor.

2.4 The Strategic Director grade within the Council's pay and grading structure does not enable the scale and scope of the responsibilities of the new Deputy Chief Executive and City Treasurer portfolio, which were previously incorporated across three SMT posts, to be reflected. The Council's grading structure will therefore require review to accommodate a grade between the top of the current SS5 and Chief Executive grade (SS6). This proposed change is detailed in a separate report to this Committee which recommends that Grade SS6 is deleted and replaced with two new grades for the Chief Executive and Deputy Chief Executive respectively. There will be no change in remuneration for the Chief Executive; the Deputy Chief Executive grade will be created as a spot point at £150k. This amendment will require a revision to the Council's Pay Policy Statement which will be subject to the approval of Council at its next meeting.

2.5 In order to effectively distribute leadership responsibilities across the Strategic Management Team the other areas of the current Deputy Chief Executive's portfolio will be redistributed with:

- The Chief Executive providing personal capacity and leadership to drive the delivery of Our Manchester within the Council and City and leadership to strategic communications function, which will sit operationally within the City Solicitor's portfolio as described below.
- The City Solicitor taking management responsibility for the Communications Service and Civic and Ceremonial team, within the existing grade for the post.

2.6 It is proposed that leadership of the Neighbourhoods Directorate is provided by a new Strategic Director (Neighbourhoods) post who will be a member of the Council's Strategic Management Team and report directly to the Chief Executive. This post will be established, subject to approval by Council, at Grade SS5. The Neighbourhoods Directorate comprises the Neighbourhoods

and Highways Services. This post will also take the lead on City culture strategy. The recommendation is to disestablish the current Chief Operating Officer (Neighbourhoods) post (SS4) and, in line with **m people** principles, ringfence this post holder for assessment to the Strategic Director (Neighbourhoods) role. A further report will be presented in the coming months setting out proposals in relation to additional leadership changes within the Neighbourhoods Directorate.

2.7 Current and proposed SMT structures are appended to this report. There will be no net increase in SMT numbers as a result of these changes.

### **3. Strengthening Senior Capacity**

3.1 In order to manage the capacity of the Deputy Chief Executive and City Treasurer a number of supporting further structural changes are proposed as outlined below.

- It is proposed that a new Director for Policy, Performance and Reform is created, to take responsibility for the Reform and Innovation; Policy, Partnerships and Research and the Performance, Research and Intelligence teams. The post will support the Chief Executive and SMT in delivery of Our Manchester; take a lead role in reform, including attendance at Reform Board, as well as work with the Deputy City Treasurer to support and hold managers to account for delivery of business change and associated savings. The post has been evaluated at Grade SS4. The new post will be recruited from one of the current SS3 roles overseeing Performance, Research and Intelligence and Reform and Innovation, with an equivalent saving to be made at the tier below.
- In order to provide the capacity for the City Treasurer to move into her new role the Deputy City Treasurer will need to take on a much greater proportion of the statutory functions of the City Treasurer role. This will include:
  - Providing a greater level of support to and attending Senior Management Team Meetings
  - A review of Directorship and Board memberships will be carried out and reallocated within the Senior Management Team in order to avoid any conflicts of interest and to release capacity for the City Treasurer. The Deputy City Treasurer will be expected to take on a greater role in this area.
  - To take on line management of the Commercial Unit that is being established to support the City Treasurer and Strategic Director Development and provide the day to day oversight of commercial transactions.
  - To be fully responsible for all stages of the Capital Checkpoint process and approvals supporting the Capital Board.

In addition, the postholder will need to take a lead role in key areas including the Core Transformation work and to ensure there is sufficient capacity to support the Council in designing a new operating model that will address the challenges of the next spending review.

Additional responsibilities will be contained within existing grade for the post, but arrangements will be monitored to ensure that with the combining of the City Treasurer and Deputy Chief Executive responsibilities there will be sufficient capacity to ensure these duties can be adequately fulfilled.

- The current Head of Policy, Partnerships and Research post will be redesignated as Head of Local Planning and Critical Infrastructure, with a dotted reporting line in to the Strategic Director, Development. The focus of the role would be to support the Strategic Director, Development and the Head of Planning, Building Control and Licencing to bring forward the new Manchester Local Development Plan, drawing on the resource of the Policy and PRI functions, and in doing so align it with:
  - the long term investment plans of critical infrastructure providers (notably, power, water, sewage, and digital infrastructure);
  - the Greater Manchester (GM) suite of Strategies and Delivery Plans that have a direct bearing on the development of the Manchester Local Development Plan (notably the GM Spatial Framework, the GM 2040 Transport Strategy Delivery Plan and other emerging plans, for example, the GM Clean Air Plan; and
  - Manchester's ambitions as set out in zero carbon, affordable housing, green and blue infrastructure and digital strategies.

It should be noted that it will be necessary to consider wider capacity within the Strategic Development directorate going forwards, including, for example, strengthening the capacity of the Directorate to deliver new affordable homes in the city. Further proposals will be brought to the next committee meeting.

- To maintain effective leadership across the Policy functions in the context of the change above, a new Strategic Lead post, Policy and Partnerships, will be created which has been evaluated at Grade SS2 and will report into the Director for Policy, Performance and Reform. The post will be ringfenced to the Strategic Leads for Policy and Strategy and for Resources and Programmes (both currently grade SS1) and equivalent reductions will be made at the tier below. The post will have responsibility for the Strategy and Policy and Resources and Programmes functions and will work closely with the new SS4 role and the new Planning and Infrastructure Post to effectively integrate the work with that of PRI and R&I under the new SS4 role.
- Lynne Ridsdale, Director HROD, leaves the Council in March to take up an Executive Director post at Bury Council. During her time at the Council Lynne has led the team to make significant progress in delivering the People Strategy. Recruitment to a replacement HROD Director is recommended, on the existing grade and Role Profile, to maintain this momentum.

#### **4. Conclusion**

- 4.1 The proposals set out above seek to strengthen senior management arrangements across the organisation in the context of the departure of the

current Deputy Chief Executive and the strengthened articulation of corporate priorities, as described by the new corporate plan.

- 4.2 These changes meet immediate capacity needs. However, in the above context more thought is needed on capacity below the SMT level and a further report will be brought forwards in the coming months setting out both structural changes to assure these arrangements and proposals to strengthen succession and development planning for senior leaders.

## **5. Comments of the Director of HR / OD**

- 5.1 I have been consulted on, and support the proposals which effectively distribute leadership responsibilities across a refreshed SMT. I will work with SMT over the coming weeks to develop further recommendations in relation to senior capacity and portfolios to support SMT and senior talent management and succession planning arrangements across the Council.

## **6. Comments from Trade Unions**

- 6.1 To follow