

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 26 June 2019

Subject: Corporate Core - Senior Management Capacity

Report of: Chief Executive

Summary:

Following the report to the Committee in January 2019 regarding Strategic Management Team arrangements, this paper sets out proposals to build senior capacity within the Corporate Core.

Recommendations

Personnel Committee is requested to:

1. Approve the redesignation of the role Head of Data and Information Governance (£65K) in the Performance, Research and Intelligence (PRI) Service as Data and Intelligence Specialist. The existing pay level is a spot salary up to £65k which has not been aligned to the senior management pay and grading structure and therefore approval is requested to bring it in line by designating it as an SS1 post (£60,857 – £65,865).
2. Agree the re-grading and redesignation of 2 posts; Corporate Assessments Manager and Corporate Revenues Manager in Revenue and Benefits Service from Grade 12 to Technical Lead (Revenues and Benefits) at Grade SS1 (£60,857 – £65,865).
3. Note the establishment of two Commercial Lawyer roles at G12 to support the growth of development work in Strategic Development and approve a market rate supplement of £15,326 for each post to enable recruitment of specialist internal capacity reducing reliance on external advice.
4. Recommend to Council that a market rate supplement of £20k be made to the Deputy City Treasurer to reflect the additional responsibilities taken on within existing grade and ensure the retention of the current post holder in light of local market forces. This has the effect of increasing the salary to £125,940.

Wards Affected: All

Financial implications for the revenue and capital budgets:

All costings are provided at the top of grade with full oncosts unless otherwise stated.

There are no requirements for increased revenue budget to cover the £49k costs arising from the proposals as they will be contained within existing approved budgets. The increased revenue is made up as follows: -

- The regrading of the two Revenues and Benefits roles will increase costs by £16k and this will be through existing service budgets.
- There is no increased budget requirement for the PRI role, the proposals in the report are aligning the existing spot salary to the Council grading structure. The existing spot salary is contained within the proposed SS1 salary scale.
- The proposed additional payment of £20k to the Deputy City Treasurer will be funded from savings set aside in senior management pay from the reduction in Deputy Chief Executive posts.
- The total cost of the two new posts including oncosts and market supplement will be £184k and is accounted for in the separate Strategic Development report. It is proposed that the costs will be funded through the recharging of fees for support provided to capital projects. Each capital project includes provision for associated costs and an increased in house capacity should reduce the need to utilise more expensive external legal support and reduce the overall costs of projects.

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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 on the previous page.

Personnel Committee 29 January 2019: Senior Management Capacity Review

Personnel Committee Report of 12 December 2016 - Market Rate Policy

1.0 Background

- 1.1 This report sets out proposals to realign senior capacity in the Corporate Core following the restructure of the Strategic Management Team as the per the 29 January 2019 report.
- 1.2 The Corporate Core Business Plan also provides important context including the growing volume and complexity of work within Revenues and Benefits linked in part to the Welfare Reform Agenda and for data governance where the Council has a significant amount of work to do to maximise the use of its available data. Following the redesignation and regrade of the role of Head of Revenue and Benefits, Shared Service Centre and Customer Contact Services to Director of Customer Services and Transactions at Personnel Committee on 21 March 2018 and her subsequent appointment to the role last month, job evaluation was undertaken with her direct reports and these were reviewed in line with industry standards and comparable across the organisation with other SS1 grades.
- 1.3 The Strategic Development Plan and Capital Programme set out the planned investments in the City which necessitates increased commercial legal expertise as set out in a separate report regarding growth in Strategic Development. The Council is seeking to provide this internally for greater control and rather than increasing the reliance on external legal firms.

2.0 Deputy City Treasurer

- 2.1 In order to provide the City Treasurer with the capacity to take on the broader role of Deputy Chief Executive, it was agreed that the Deputy City Treasurer assume a greater responsibility for delivery of the processes and functions that give assurance to the Section 151 Officer regarding financial processes and probity. Whilst the Deputy Chief Executive and City Treasurer will retain the overall accountability ensuring lawfulness and financial prudence of decision making and administration of the financial affairs the enactment of the delegations that go with this including in the areas of expenditure approvals, pensions decisions and appeals will now be with the Deputy. Therefore, the Deputy City Treasurer is being asked to cover a range of these specific statutory duties through delegation and take the responsibility for making those decisions. This is seen as a significant change to the current role. The S151 needs to have confidence this delegation is appropriately executed and remunerated.
- 2.2 The Deputy City Treasurer is also being asked to take responsibility for the Commercial Governance Service alongside the Procurement function which will directly support the City Treasurer, City Solicitor and Strategic Director for growth. This is a new function which includes the Company Secretary function as well as being established to provide oversight of all commercial transactions. Again this is a significant change to current duties of the post and will necessitate attendance at the Council's Commercial Board to provide expert financial advice in a Deputy Section 151 capacity. This also reduces the number of direct reports to the Deputy Chief Executive by 1.

2.3 Additionally, the Deputy City Treasurer will be taking on a stronger leadership role across a number of Corporate Plan priorities. With the Deputy Chief Executive and City Treasurer moving onto the Manchester Local Care Organisation Partnership Board the Deputy will support the Chief Executive with the Manchester Health and Care Commissioning arrangements. As part of the review of board and directorate arrangements she has and will be taking on a greater role in these areas as well as a DMT leadership role for continued delivery of Corporate Core efficiencies.

2.4 Whilst the Deputy City Treasurer does not have the full breadth of responsibilities and accountabilities of a SS5 role the above represents a significant increase to current duties which needs to be recognised. The current post holder is very experienced and would be a significant loss to the Council at this time of ongoing change and with continued financial pressures. The post holder is at the top of grade SS4 and therefore does not have access to incremental progression so it is on this basis that the Council is minded to make an additional retention payment to the Deputy City Treasurer to the value of £20k per annum, with a review period at eighteen months which is consistent with the standard arrangements for Market Rate Supplement payments. This will allow us to retain the Deputy City Treasurer in this business critical role given that similar roles are being advertised locally at up to £131,000. As this salary package is in excess of £100K this is required to go to Council for approval.

3.0 Corporate Assessments Manager and Corporate Revenues Manager - (Revenue & Benefits)

3.1 Significant changes within these areas have taken place over the last few years with for example the implementation of Universal Credit and changes to business rates policy. Additional support is also required for the development of the innovative housing funding models, maximising the Council's resources to tackle homelessness, measures to review the impact of welfare provision and a focus on raising and protecting family incomes as part of the Family Poverty Strategy. The portfolio of the Director of Customer Services and Transactions has also increased over this period and prior to the changes recommended in this report, there was only one special graded post within the establishment of 551fte. This has proved to be insufficient for the breadth of responsibility now held.

3.2 The original job evaluations for the Corporate Assessments Manager and Corporate Revenues Manager were undertaken in 2014. Since then there have been significant changes to policy and legislation which have progressively impacted on the activity undertaken. The roles provide leadership and accountability for all elements of the Council's consolidated financial assessments services (including for housing benefit and adult social care charges), council tax, business rates, housing benefit overpayments and adult social care debt recovery, and act as subject matter experts for the organisation. Both roles are responsible for policy development in their respective areas including how policies need to respond and be updated with the introduction of Universal Credit. This includes assessing how the impact

of the welfare reform changes can be identified and addressed across services including homelessness, housing and social care. The move to business rates retention and increasingly complex system of reliefs alongside the new Check, Challenge and Appeal process has significantly increased the complexity in this area.

3.3 The roles are now more externally facing. Duties include close work with the Deputy Chief Executive and City Treasurer and Executive Member for Finance to provide advice and policy review and act as spokespersons for their respective areas of responsibility at committee level. Due to the size of Manchester the Council's view and position is often sought by the Ministry of Housing, Communities and Local Government, and HM Revenue and Customs amongst others. The Technical Lead (Revenue and Benefits) works with a range of partner organisations to minimise the impact of financial hardship due to policy changes, work which has an impact for broader council services. Equally the role works to maximise income for the organisation and monitor the effective use and responsible behaviour of agencies contracted to undertake this work.

3.4 The main areas of responsibility are outlined below:

Corporate Assessments Manager

- Responsibility for all of Council's benefits service and all other financial assessments including welfare provision and Adult Social Care payments (housing benefit 244m paid out 2017/8).
- Senior strategic lead and subject matter specialist for housing benefits, role ensures statutory and legislative compliance across the range of services as well as development and adaptation of services and schemes due to legislative changes e.g. Universal Credit.
- Responsible for the Department of Work and Pensions audit of benefits and council tax services and performance on an annual basis.
- Leading on proposals to redesign the Council Tax Support Scheme for 2019/20 in response to the roll out of Universal Credit across Manchester. Draft scheme presented to Treasurer and Executive Member for approval.
- Role within activity to reduce homelessness with roll out of housing benefit advice to relevant partner organisations.

Corporate Revenues Manager

- Responsible for the strategic leadership of the revenues function including collection of Council Tax (£160m), Business Rates (£340m), Housing Benefit Overpayments (£3m), Adult Social Care Debt Recovery (£9m). This represents 80% of the council's total revenue income.
- Devises long term collection and recovery strategies, working with the Department of Work and Pensions (with Chief Officer and member approval).

- Subject matter specialist ensuring statutory and legislative compliance across the range of services with responsibility for recommending and implementing agreed approaches to change.
- Responsible for the tendering and management of contracts with Enforcement Agent companies, Credit Reference Agencies, Insolvency solicitors and companies that work to identify empty domestic properties and those liable for outstanding business rates.

3.5 The level of knowledge, partnership working and cross-organisational working at both regional and national levels, development of policy, and provision of independent advice at the Executive Member level, mean that these roles are now comparable with others at Band SS1 level across the organisation.

4.0 Data and Intelligence Specialist - Performance Research & Intelligence

4.1 This is an existing role which was previously on a spot salary (£65,000), the role was vacant at the time Senior Job Evaluation was rolled out. Whilst the role has not been filled for sometime, an employee has been in receipt of an honorarium to fulfil the requirements of the role. The requirements of the role been subject to full job evaluation under the LGA senior job evaluation scheme and is confirmed as grade SS1 (£60,857 – £65,865).

4.2 This specialist role has a technical focus on improving the use of data analytics and statistical modelling in order to strengthen the evidence base and improve service planning. The role will also lead on promoting learning and development within the team, with a focus on data management and the production of high quality reporting.

4.3 The role holder provides advice to support the Council about the use of data and intelligence, for example, through the development of integrated evaluation products within health and social care, the production of information packs to support neighbourhood teams with new ways of working and bespoke analysis to contribute to wider public sector reform projects.

4.4 The duties as described are currently being carried out via temporary arrangements within the service and it is the intention to fill the post via normal m people principles.

5.0 Commercial Lawyers

5.1 The City Solicitor and her senior team are reviewing the current staffing arrangements associated with the Commercial Legal Team so that it can support the breadth and depth of legal work that arises from providing a service to the GM Combined Authority, Salford City Council and across the City Council. Within the Council the Commercial Legal Team support not only the Growth functionality but also the legal work associated with, for example, Capital Programmes, Business Units and commissioning of Council services from third parties.

5.2 In respect of supporting the Growth functionality and having sufficient skilled

in-house legal expertise to manage the legal work associated with key project developments the current proposals focus on the creation of two new Grade 12 posts. Given the challenges of securing the necessary expertise and experience needed to fill these posts it is the City Solicitor's view that there will need to be a Market Supplement applied to these posts and that supplement should be geared at market rates associated with the competitive Manchester market for such talent.

- 5.3 In terms of financing these new posts the City Solicitor and the City Treasurer have discussed the opportunity to capitalise a proportion of staff time across the relevant parts of the Commercial Legal Team.
- 5.4 It is acknowledged that the market value for Commercial Lawyer posts are above Job Evaluated salary for these posts and therefore a pay supplement is likely to be required to appoint. In order to determine if there is a market rate Issue, market research was undertaken via a benchmarking exercise looking At roles with similar responsibilities and accountabilities (on private and public sector basis). This inclusion of private sector comparisons acknowledges the need to attract the best candidates by offering a competitive salary across the labour market. A senior Commercial Lawyer with experience in high-value / complex contracts (commercial, procurement, real estate, construction), salaries in the North West would typically fall in the £65k - £75k bracket.
- 5.5 Additional advice was sought from partners within the Council's Executive Recruitment Framework. The summary of this benchmarking exercise indicates that the top market rate for this type of role would be £70,000.
- 5.6 Based on the complex nature of legal transactions for high value developments within the city and the requirement for strong commercial and negotiation skills to deliver the Council's ambitions in this area it is recommended that it would be appropriate to pay at the higher end of the scale which would be £54,674 (top of Grade 12) plus a £15,326 market rate supplement (a total remuneration of £70,000) for an initial two year period.

6.0 Conclusion

- 6.1 The recommendations set out in this report flow from previous reports to this Committee on the changes in responsibility and rationalisation of the senior management team. These changes will provide Corporate Services and City Solicitors with the level of leadership and capacity needed to deliver the significant agenda for both the Directorate and the Council

7.0 Comments from Director of HROD

The proposed changes as set out in this report are in line with the Council's Pay Policy and Market Rates Supplement Policy. Job evaluation has been carried out as required in line with the Council's adopted Job Evaluation Scheme for senior posts and appropriate benchmarking has been undertaken as required.

The changes provide capacity to the Deputy Chief Executive through changed delegations and a reduction in the number of direct reports. They recognise the increased demand for commercial legal advice and address a legacy issue in PRI.

8.0 Comments from Trade Unions

8.1 To follow.