

## **Manchester City Council Report for Resolution**

**Report to:** Personnel Committee – 26 June 2019

**Subject:** Strategic Development - Senior Management Capacity

**Report of:** Chief Executive

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### **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 Strategic Development Directorate. This will also provide the senior leadership and management capacity to support extra technical capacity being provided to address the ambitious growth agenda for the City.

### **Recommendations**

Personnel Committee is requested to:

1. Approve the change of name of the Directorate from 'Strategic Development' to 'Growth and Development';
  2. Recommend that the Council approves the regrade of the Director of Planning, Building Control and Licensing at Senior Grade SS4 (£95,953 - £105,940).
  3. Approve the redesignation of the role of Planning Development and Special Projects Manager to Deputy Director of Planning within the existing Senior Grade SS2 (£68,526 - £74,175);
  4. Approve the creation of a new role of Deputy Director of Planning within Senior Grade SS2 (£68,526 - £74,175);
  5. Approve the redesignation and regrade of the role of Head of Housing SS2 (£68,526 - £74,175) to Head of Housing Services within Senior Grade SS3 (£78,715 - £87,217);
  6. Approve the regrade of the current post of Housing Strategy and Partnerships Manager from Grade 12 to SS1 (60,857 - £65,865) to reflect increased responsibilities.
  7. The funding for the establishment of two Commercial Lawyer roles in the Corporate Core at Grade 12 with market rates supplements of £15,326 each giving a total remuneration of £70,000 for each role.
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**Wards Affected:** All

## **Financial Implications:**

### **Revenue**

As part of the 2019/20 budget setting specific reference was made to the additional capacity requirements within Strategic Development, and the use of reserves was identified and agreed in order to fund the additional capacity, further detail is provided below.

Overall the proposed staff changes within this report will require funding of £30k, at the top of grade and including all employer on costs. The increased costs are made up as follows:-

#### *Planning*

The proposed planning changes result in increased costs of £119k, and these will be funded by the additional ring fenced planning income that arises from the 20% increase to planning application fees that was agreed by Government, on the condition that authorities use the increased income to re invest into the planning service.

#### *Housing & Residential Growth*

The changes to the housing structure increases costs by £31k and it is proposed that this increase is funded through drawing down from the Regeneration reserve. As part of the budget process a provisional £1.2m annual draw down from the Regeneration Reserve was approved.

#### *City Solicitors*

The establishment of two new commercial lawyer roles in the Corporate Core will cost £179k. This will provide much needed capacity to support the continued growth across the City, it is proposed that the cost of the increased capacity will be funded through recharging fees to capital schemes, this will be based on time sheet information. The rate for charging will recover the salary costs and appropriate overheads, and will be benchmarked against commercial rates to ensure it provides value for money.

Although it is likely there will be an ongoing need for external expertise within this field, the creation of these posts will reduce the reliance on external legal support.

### **Capital**

The costs of the additional City Solicitor capacity will be charged against capital schemes based on the actual time worked on each project, and this will need to be considered as part of the initial capital approvals process.

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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 29 January 2019: Senior Management Capacity Review
- Report of the Executive Member for Housing and Regeneration to Executive on 12 December 2018: Delivering the Council's Affordable Housing Strategy

## 1.0 Introduction

- 1.1 The Strategic Development Directorate seeks to drive effective place making and facilitate the economic growth of the city by creating the necessary conditions needed to promote commercial, residential, retail and leisure related development in the city, stimulating the development of new jobs and new homes along with strengthening the City Council's tax base and budget position. With regard to the City Council's housing assets the Directorate, through its Strategic Housing function, manages the Council's Housing Revenue Account, key relationships with Registered Providers and supports the corporate priority of tackling Homelessness.
- 1.2 In July 2018, a report was presented to the Personnel Committee approving the transfer of Planning, Licensing and Building Control along with Work & Skills and Manchester Adult Education Services (MAES) into the Directorate.
- 1.3 The Directorate has sought to ensure that all Manchester residents benefit from this growth by providing good quality training and job creation and developing effective pathways for residents into these jobs. The Directorate also has responsibility for the management of the City Council's investment estate along with the land and property assets to promote both growth and to support the Council's budget. In addition to managing these assets the Directorate has responsibility for the management of the City Council's operational estates.
- 1.4 The priorities for 2019/20 and beyond include promoting and enabling:
  - Growth that Benefits Everyone: Facilitating the Economic Growth of the City;
  - Growth that Benefits Everyone: Pathways to Good Quality Job Creation for Residents;
  - The right mix of good quality and affordable housing;
  - Children to have the best possible start in life through, for example, supporting the implementation of the Council's Family Poverty Strategy;
  - Healthy Cared For People through, for example, utilising the Council's operational estate to deliver integrated neighbourhood health and social care services; and
  - A future proofing of the growth of the city – securing the necessary critical infrastructure.
- 1.5 The Our Manchester Strategy sets out an objective of a "World Class Infrastructure and Connectivity to drive growth". It makes it clear that the growth of the city, the resilience of the city, and the ability of our residents to unlock their own potential, relies on its physical infrastructure, its transport systems, energy, water, digital, and blue and green infrastructures. As the National Infrastructure Commission has noted it is also evident that much of the country's (and Manchester's) infrastructure is not keeping pace with population growth, demand and advances in technology.

- 1.6 The challenges placed on the city to ensure that all of the ambitions for new commercial and residential development can be met over the next 20 years will require the City Council to develop strong relationships with a range of private, public and third sector agencies to shape and influence their short, medium and long term investment plans. Such strategic relationships will be central to the delivery of a new Manchester Local Development Plan. Establishing and sustaining such relationships should also enable a range of new investment opportunities to be explored using the city council's land and property asset base as a potential platform for those opportunities.
- 1.7 Since July 2018 the City Council and the Greater Manchester Combined Authority have set out a number of significant proposals to drive forward the growth agenda. For example, the Council's ambitions to repair the housing market for those households on very low and low incomes, demanding a major uplift in the city's affordable housing ambitions, will require significant additional resources to deliver this ambition. Such resourcing will also be required to meet the very significant ambitions for Manchester that were recently published in the Greater Manchester Spatial Framework and the other associated GM Strategies and Action Plans.
- 1.8 It is recognised that with the pace of change, increased volume of work, greater need for enforcement and a significant and continuing growth agenda there will be an increase in the number of staff within the Directorate. This in turn supports the need for a review of management and leadership capacity as set out in this report.

## **2.0 Change of Directorate Name to Growth and Development**

- 2.1 As a result of the addition of the Planning, Licensing and Building Control and the Work and Skills Services into the Directorate, the widening of the remit of the Directorate has clearly shifted away from just having a development related focus. To reflect the broader remit of the Directorate it is proposed to rename the Directorate "Growth and Development".

## **3.0 Senior Management Changes**

### **Planning, Building Control & Licensing**

- 3.1 An ever-changing environment of national policy documents, regulations, and legal considerations is placing additional demands on the Planning Service where the scale of development and the pressures on supporting compliance is significant. At the beginning of 2018 the Government responded to the pressures by allowing Planning Fees to be increased by 20% as long as any increases were ring fenced to support the delivery of the Planning Service.
- 3.2 The Head of Planning, Building Control & Licensing leads a service that plays a central role in delivering the Council's growth agenda leading a service that promotes positive planning outcomes for the city and helps to de-risk investment decisions into the city. The leadership of this service is critical to the future growth ambitions for the city. Within that context there is no obvious

succession arrangements for both the Head of Planning, Building Control & Licensing and the Special Project and Development Manager roles – the only Special Graded roles in the service.

- 3.3 In light of the above it is proposed to re-designate the Head of Planning, Building Control, & Licensing (currently SS3) as the Director of Planning, Building Control, & Licensing with a proposed grade of SS4. In addition to retaining the significant number of Statutory General Functions and Non-Executive Functions which the existing SS3 role discharges on behalf of the City Council, the new role will support the Strategic Director in taking responsibility for a range of corporate policy agendas the most important of which in the short term will be taking forward the leadership of the Council's climate change agendas.
- 3.4 Two Strategic Lead roles are proposed with a view to developing a robust succession strategy. The existing role of Planning Development and Special Projects Manager (SS2 Special Grade) has necessarily evolved to support the strategic work of the planning service in securing new development, strengthening the platform for attracting investment to deliver economic growth and the aims of the residential growth strategy. The proposal is to re-designate this role to Deputy Director of Planning within the existing salary range (SS2) in recognition of the work being undertaken.
- 3.5 A second Deputy Director of Planning role on the same grade (SS2) is also proposed. This is to provide additional leadership capacity to support the Director with responsibility for the Area Planning Teams, Planning Compliance and Technical Support. The complexity of development management has increased and the need to drive out risk in the process is essential.

### **Housing and Residential Growth**

- 3.6 In December 2018 Executive endorsed a report on Delivering Manchester's Affordable Housing Strategy. This report proposed an increased residential growth target of 32,000 new homes from April 2015 to March 2025, together with a revised target of a minimum of 6,400 affordable homes. It also set out a number of policy ideas to contribute to deepening and broadening the delivery of Affordable Housing in the city. The scale of ambition - and with it the associated workload for the Council - was acknowledged by Members in endorsing the proposals. A further Report to Executive in July 2019 will set out more details on the delivery of the Affordable Homes programme to March 2025.
- 3.7 As a result of the need to significantly increase the capacity of the Housing and Residential Growth Service the 2019/20 Budget process approved a provisional £1.2m annual draw down from the Regeneration Reserve to provide additional capacity within the Directorate to drive forward the delivery of the residential growth and in particular the Affordable Housing agenda. A review of the various projects and plans has identified that an additional 12 posts at ranging from Grade 6 to Grade 12 will be added to the establishment of the Housing & Residential Growth Services to develop provision of

Affordable housing, Supported Housing, Homeless Accommodation and drive the implementation of plans for the Zero Carbon, Northern Gateway, Eastern Gateway, and work with Matrix Homes.

- 3.8 The recommendation is to redesignate and regrade the existing Head of Housing (SS2) to Head of Housing Services (SS3) to take a strengthened overall lead on affordable housing delivery. This redesignation also recognises a significantly increased responsibility around the homelessness agenda along with Supported Housing and the Private Rented Strategy, fire remediation and delivering the Council's Zero Carbon ambition.
- 3.9 The current Housing Strategy and Partnerships Manager will provide capacity for the affordable housing programme which will be submitted to the Executive in July. The post holder will take responsibility for the development and delivery of key strategies and policies to achieve Affordable Housing aims. In supporting the new Director of Homelessness this officer will have greater responsibilities in the planning and provision of safe and appropriate Homeless Accommodation. In addition the post holder will lead on the strategy for zero carbon housing for the council and across the city. This will require significant work with a broad range of stakeholders including residents, Members, other Council services and the private sector. As a result it is recommended that the post be regraded to SS1.

#### **4.0 City Solicitor: Commercial Legal Support**

- 4.1 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 the Growth functionality along with the legal work associated with, for example, Capital Programmes, Business Units and commissioning of Council services from third parties.
- 4.2 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 roles. Given the challenges of securing the necessary expertise and experience needed to fill these roles it is the City Solicitor's view that there will need to be a Market Supplement applied to these roles and the supplement should be geared at market rates associated with the competitive Manchester market for such talent.

#### **5.0 Comments from Director of HROD**

- 5.1 The proposals of this report are in line with the Council's Pay Policy. Job Evaluation has been carried out as required using the Council's Job Evaluation Scheme for Senior roles.

- 5.2 The proposals have taken account of the need to attract, retain and develop specialist staff in a very competitive market and are in line with the council's principles for spans of control and layers of management.
- 5.3 This report highlights the funding arrangements for the creation of two Commercial Lawyers with market supplements, however the establishment of these roles will be in the report regarding the Corporate Core as this is where these roles will sit on the establishment. Benchmarking has been conducted locally in proposing the Market Supplement for these positions.
- 5.4 Account has been taken of the naming protocols for senior posts. It is noted that there are two Deputies identified within Planning reflecting the statutory elements of the proposed Director of Planning, Building Control, & Licensing to which these positions report.

## **6.0 Comments from Trade Unions**

- 6.1 To follow.