

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**REPORT TO:** PERSONNEL COMMITTEE

**REPORT OF:** HEAD OF STRATEGIC INFORMATION & TECHNOLOGY

**DATE:** 20 JUNE 2007

**SUBJECT:** REVIEW OF CORPORATE TECHNOLOGY SENIOR MANAGEMENT ROLES

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**PURPOSE OF REPORT**

To propose revised senior management arrangements for Corporate Technology in order to support the delivery of strategic priorities for the service and to communicate the future direction of ICT Service provision as informed by the ICT Service Improvement Project (SIP).

**RECOMMENDATIONS**

The Committee is recommended to: -

1. Agree the proposed organisational arrangements for ICT services as set out, to include the centralisation of services as appropriate to improve business outcomes and deliver efficiencies.
2. Re-designate and re-grade the post of Customer Relations Manager, currently paid at £44,314, to Business Relations Manager at a revised salary of £51,465 to reflect the increased responsibilities and its position within the Senior Management Team of ICT.
3. Agree the re-grade of the post of Applications Manager to circa £55,000 and agree delegated authority to the Head of Corporate Personnel in consultation with the Executive Member for Finance and Human Resources to agree a higher commencing salary in the case of the appointment of an exceptional candidate.
4. Re-designate the post of Computer Services Manager to Technology & Infrastructure Manager to reflect the services provided by this team.
5. Grant delegated authority to the City Treasurer, in consultation with the Head of Strategic Information and Technology and the Head of Corporate Personnel and the Executive Member for Finance and Human Resources to agree the remaining structure for ICT below the level set out in this report.

## **FINANCIAL CONSEQUENCES FOR THE CAPITAL AND REVENUE BUDGETS**

The recommendations in this report are salary related and therefore have no impact on Capital Budget.

The impact of the proposed change to senior management salaries on revenue budgets is a net increase of £10,686 per annum. This is based on the 2006/07 salary plus an estimated 2.95% uplift for 2007/08 and harmonises the senior management salaries to provide a more accurate reflection of roles and responsibilities within the ICT service.

The overall impact of the changes being proposed under the ICT SIP through consolidation and rationalisation of ICT staff and processes is a net reduction in revenue budget in the order of £800,000 per annum. This figure is an estimated saving, in line with core MIP targets, it will be confirmed through the development of the new organisation structure through the requested delegated authority.

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### **WARDS AFFECTED:**

All

### **IMPLICATIONS FOR KEY COUNCIL POLICIES:**

| Anti-poverty | Equal Opportunities | Environment | Employment |
|--------------|---------------------|-------------|------------|
| No           | Yes                 | No          | Yes        |

## 1. BACKGROUND

1.1 The Corporate Technology Unit (CTU) has undergone organisational change over the last few years, the most recent being a restructure to enable the support of the SAP systems. This resulted in the creation of the current Applications Management Group and the senior post of Applications Manager within the Unit Management Team.

1.2 The ICT SIP, led by CTU, is mandated to review and improve the ICT service across all Council Departments. The approach taken to date has involved key stakeholders across the breadth of the Council with internal “customer focus groups” and extensive research and consultation both within the Authority and external to it.

1.3 The outcome of the research and consultation to date has identified significant scope for service improvement; specifically in the areas of:

### 1.3.1 Consolidated services

The ICT function is currently spread across all Service Units with many functions duplicated. Consolidation will bring about economies of scale in the support of core ICT services.

### 1.3.2 Simplify charging

Charges for ICT services have developed over time and have not been reviewed in light of the increasing use of technology and the changing organisational structure. Rationalised ICT services and a simplified charging process will bring increased efficiency to both the provision of the ICT service and to Service Unit processes requesting ICT service and support.

### 1.3.3 Introduce effective change management and delivery processes

Change management and delivery processes suffer from the distributed nature of ICT service provision; different approaches and standards exist across the Authority, resulting in confused performance expectation and reporting. Introduction of a common approach to change management will bring increased efficiency and faster turn around times, improved performance monitoring and increased robustness of service through effective control mechanisms, underpinning Business Continuity requirements.

### 1.3.4 Deliver to agreed, published service standards

Service standards differ across the Authority and no single standard exists against which performance can be measured. The ICT SIP and the Business Relations function it proposes to introduce will ensure the development and sustained capability to work with Departmental

Managers and Service Unit staff to agree appropriate service standards and report regularly and openly about performance against those standards.

1.3.5 Provide improved customer focus and communication.

The proposed Business Relations team will be the front end to all ICT services, providing a focus on customers (Service Units) to ensure effective, timely and accurate two-way communication. A key feature of this new group will be regular face to face meetings between ICT and senior Departmental / Service Unit staff to ensure early awareness of business challenges. This will enable effective engagement and delivery of innovative best value solutions which underpin the ICT strategy and Council aims and objectives.

1.4 Realisation of these core Service Improvement Project objectives will bring about the consolidation of many ICT support services currently provided within Service Units. This will result in the expansion of some existing teams and introduction of some new ones within the current Corporate Technology Unit (CTU) structure and an overall increase to existing CTU staffing levels.

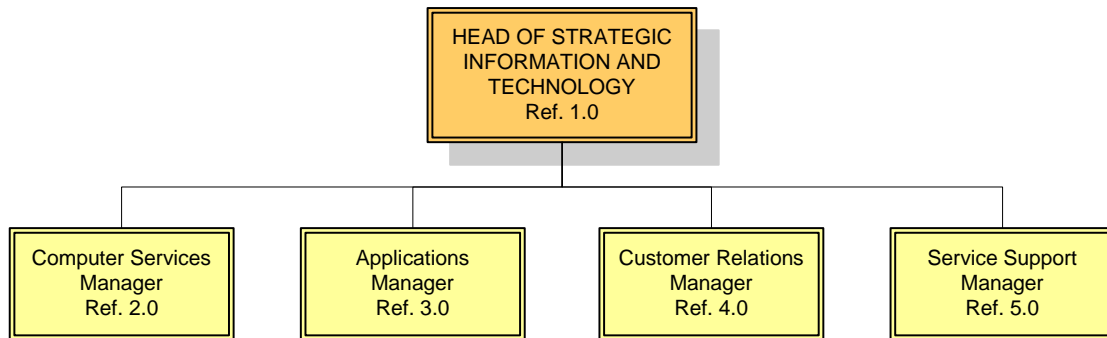
1.5 However, through managed consolidation and effective redeployment, it will result in an overall decrease in numbers working on ICT service provision and support across the Authority. Some of these staff may be relocated into the new ICT Service, others will be moved into new Business Support roles within their Service Unit and others will be redeployed; real savings will be realised through natural attrition in terms of posts identified as supernumerary.

1.6 The overall impact of these changes will result in a reduction in ICT Staff costs in the region of £800,000 per annum, making a significant contribution toward the ICT SIP savings target of £1.25m for 2007/08.

## **2. IMPACT ON SENIOR MANAGEMENT STRUCTURE**

### **2.1 Current Management Structure**

The current Unit Management Team structure is described in the following diagram; it is not proposed to change this significantly. However, the focus of the Unit Management Team is being realigned to enable an appropriate level of customer awareness to achieve the improved communications, early engagement and effective reporting requirements identified through the SIP consultation process.

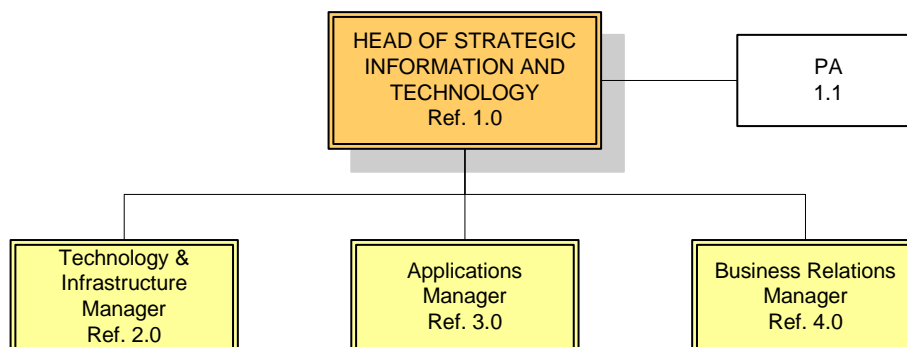


Note: The Support Services Manager is not a member of the Unit Management Team but is shown on this chart as the team manager reports directly to the Head of Strategic Information & Technology.

## 2.2 Proposed Management Structure

In order to consolidate the management team at this level, it is proposed to remove the Support Services Team from reporting directly into the Head of Service and to realign the activities of the team to a Governance function under the Business Relations Manager. No other changes at this level are proposed.

The following diagram depicts the proposed Unit Management Team structure:



This paper seeks delegated authority to the City Treasurer and Head of Corporate Personnel and relevant Executive Member to agree the remaining structure for ICT.

## 3. IMPACT ON ICT TEAM STRUCTURE

3.1 The Support Services team will be disestablished and the majority of its role of primary interface between the ICT function and its suppliers and customers will be migrated to the Governance function within the Business Relations group.

3.2 The Computer Services Group has existed for a number of years with the remit to deliver and support the mainframe and server based

computing capability. It is proposed to re-designate it Technology & Infrastructure as this better describes the role of the group given the changes in technology over recent years and the future direction in terms of how technology is delivered to the business and that this is no longer restricted to that of the traditional “computer”.

- 3.3 No significant change in scope of responsibility for this group is proposed but the structure of the teams that it comprises will be clearly focused on the technology platforms they support. A generic approach to the roles within each team will be adopted such that movement between teams is possible without wholesale restructures. The significant benefit this brings is the ability to flex the support organisation to suit the changes in technology demands.
- 3.4 The structure below the Unit Management Team (UMT) manager will be optimised to ensure greater harmonisation of job families across the ICT function and also deliver effective management / team leader / member relationships.
- 3.5 The Applications Management group remains broadly the same as recently introduced. The only changes in this group are those that will bring greater harmonisation of job families across the ICT function and in ensuring the management / team leader / member relationships are optimised. The proposed structure will provide the ability for additional applications to be brought into scope without the need for significant restructure activity. This paves the way for the migration of ICT applications support from Service Units and creation of a consolidated ICT Service.
- 3.6 The most significant change proposed by the SIP is in the Customer Relations group. Firstly, it is proposed that this group be re-designated Business Relations to reflect the focus on the business and not the end customer of the Council. This group has also been expanded to meet the growing needs for improved service governance, support and delivery and to aid the organisation in achieving a recognised approach to ICT that is congruent with similar sized Authorities throughout the UK who are also adopting ICT industry standard structures and support models.
- 3.7 The new Business Relations group will focus on the customer interface through a proactive customer account management team whose primary objectives are in communication and understanding the needs of the business and translating them into innovative and effective business solutions. It will also provide service delivery through the a team of project managers dedicated to providing a service that ensures all ICT projects are delivered to meet the wider needs of the authority without compromising the overall ICT Vision and Strategy.
- 3.8 It is proposed that the Current Helpdesk be transformed into a Service Desk, providing a complete front-office ICT contact point with teams

dedicated to providing first point of contact fix working closely with Change, Release and Configuration Management and Incident & Problem Management staff to provide improved proactivity and diagnostic capability within the ICT Service.

- 3.9 Service reporting will be a key component of the front line members of this group and they will be interacting with Service Heads and Unit Managers on a regular and proactive basis. ICT service performance will be highly visible and this team will be charged with ensuring value for money in ICT services is both achieved and understood by key decision makers within the Authority.

#### 4. IMPACT ON SENIOR MANAGEMENT GRADES AND SALARIES

- 4.1 The Unit Management Team posts and salaries are described in the following table. There are limited changes proposed to the senior management structure; however, to reflect changes in technology and focus of the respective teams, the increased team sizes and the need to attract / retain appropriately experienced managers, it is recommended that two of the three senior management posts be re-designated and salaries harmonised as per the following table:

**Table 4.1**

| <b>Current Title</b>                       | <b>Proposed Title</b>               | <b>Current Salary</b> | <b>Proposed Salary</b> |
|--|-------------------------------------|-----------------------|------------------------|
| Head of Strategic Information & Technology | No Change                           | £73,131               | No Change              |
| Computer Services Manager                  | Technology & Infrastructure Manager | £51,465               | No Change              |
| Applications Manager                       | No Change                           | £51,465               | £55,000                |
| Customer Relations Manager                 | Business Relations Manager          | £44,314               | £51,465                |

- 4.2 Following two unsuccessful recruitment attempts at filling this post, candidates have indicated that salary level was the key consideration in terms of rejecting offers. It is therefore proposed that the salary for the post of Applications Manager is adjusted to circa £55,000. It is further proposed that delegated authority is granted to the Head of Corporate Personnel in consultation with the Executive Member for Finance and Human Resources to agree the final salary arrangement in this regard in terms of attracting an exceptional candidate.

## **5. COMMENTS OF HEAD OF CORPORATE PERSONNEL**

- 5.1 The Personnel Manager, Workforce and Organisation has worked closely with the Head of ICT and her project team in the development of these proposals and I support the proposed service direction.
- 5.2 The implementation of large ICT projects such as SAP and new revenue and benefits systems, amongst others requires the organisation to think differently about how it manages and governs ICT to the overall benefit of the organisation and it's key stakeholders.
- 5.3 Centralising the ICT function as described will allow for economies of scale and improved processing as well as ensuring a strategic approach to the overall operational delivery of ICT. I will continue to work with the Head of ICT to develop organisational arrangements below the tier described in this report to deliver this outcome.
- 5.4 I agree with the proposal in this report to rationalise the Senior Management structure and re-designate the post of: Computer Services Manager to Technology & Infrastructure Manager and to rationalize senior management arrangements by regrading the post of Customer Relations Manager to £51,465 and to re-designate it as Business Relations Manager.
- 5.5 Similarly, in light of previous failed attempts to fill the post of Applications Manager I support the proposal to adjust the salary for this post to circa £55,000. The report requests delegated authority to myself in consultation with the Chair of this Committee to agree any final salary arrangements in the event of an exceptional candidate being identified.

## **6. IMPLICATIONS FOR KEY COUNCIL POLICIES**

- 6.1 The proposals set out in this report are intended to strengthen the corporate ICT Services' strategic management capacity, to take forward improvement in services required for ICT to remain competitive, introduce effective governance and control to enhance the protection of the ICT systems on which the Council relies and work toward the transformational objectives of MIP, thereby contributing to the achievement of all of the City Council's key aims and objectives.