

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**REPORT TO: PERSONNEL COMMITTEE**

**REPORT OF: THE CITY TREASURER**

**DATE: 13 DECEMBER 2007**

**SUBJECT: REVIEW OF MANAGEMENT RESPONSIBILITIES WITHIN  
CAPITAL PROGRAMME DIVISION**

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**PURPOSE OF REPORT**

To apprise the Committee of the increased management responsibilities in the Capital Programme Division, and to seek approval to regrade those senior management posts which are most affected.

**RECOMMENDATIONS**

The Committee is recommended to :

1. Approve regradings for senior managers in the Capital Programme Division as follows:
  - Head of Technical Services from £58,586 to £64,000.
  - Procurement Manager from PO6 (£38,404 - £40,101) to £42,500 - £45,000.
  - Capital Programme Manager from PO6 +10% (£41,283 - £44,100) to £46,000 - £49,000.
  - 2 x Business Manager from PO6 (£38,404 - £40,101) to £42,500 - £45,000.
  - Head of Public Private Partnerships from £64,169 to £69,000.
  - Education Capital Programme Manager from PO6 +10% (£41,283 - £44,100) to Grade 10 +20% (£45,024 - £48,090).
2. Grant delegated authority to the Director of Capital Programmes in consultation with the Head of Corporate Personnel to update and revise job descriptions for the posts detailed above in order to reflect these additional responsibilities.

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

Staffing costs for the Capital Programme Division are recovered against a zero budget base, funded as a project management fee from the Capital Programme. The size and value of the City's Capital Programme has been increasing incrementally for several years and the increased salary costs of approximately £35,000 at salary maximum and salary related on costs can be met from this source on an ongoing basis.

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### **WARDS AFFECTED:**

All

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

Anti-poverty	Equal Opportunities	Environment	Employment
No	Yes	Yes	Yes

### **BACKGROUND PAPERS**

Report of City Treasurer to Personnel Committee on 29 July 2004 – "Review and realignment of Capital Programme Division, Corporate Services Department"

## 1. BACKGROUND

1.1 At its meeting on 29 July 2004 this Committee approved proposals to restructure the Capital Programme Division. The proposals established four management Groups, reflecting the anticipated workload at that time, these were:

- i) Capital Programme Group
- ii) Programme Management Unit
- iii) Technical Services Unit
- iv) Public Private Partnerships Unit

This structure has remained unchanged since then with the exception of the addition of the Education Programme Unit which transferred from the Education Department in 2004.

1.2 The workload and number of projects the Capital Programme Division is engaged on has since expanded dramatically and it is now engaged in more areas of activity. This includes overall management of the Building Schools for the Future (BSF) Programme, now valued at £500 million, an increased primary education programme, statutory responsibilities including ensuring that all City Council owned premises meet statutory health and safety and other legal compliance standards. The Division also provides increased programme management support to the New East Manchester and the South Manchester Regeneration Teams. The Capital Programme Division also has an increased responsibility to support the delivery of the Council's sustainability targets and Green City objectives.

1.3 The workload for the CPD has more than doubled since the last report in July 2004. The use of external suppliers has enabled the bulk of the workload to be delivered alongside a lesser increase in directly employed Council staff. The number of directly employed Council staff has increased since mid 2005 from 57 to 95 currently.

Total staff numbers including directly employed staff and external suppliers have risen from 97 in mid 2005 to 202.

The balance of MCC staff / external suppliers is therefore in the order of 40/60, but through staff leavers and increasing workload that ratio is rapidly moving towards 30/70.

1.4 Recruitment and retention of staff is a major issue for the CPD. The construction industry is experiencing substantial long-term growth combined with a significant skills shortage through a lack of training over the past 15 years. In the past couple of years it has been possible to recruit at a trainee and graduate level in the project management division. A number of good

senior staff have been recruited at programme manager level. This is no longer the case and recent recruitment exercises have proved fruitless, with poor candidates at the senior levels. For technical skills the situation is very difficult. The CPD has been unable to recruit any directly employed posts for the past seven years. In addition the slow trickle of leavers has accelerated and in the past month five skilled engineers have left.

A review of senior salary levels has been undertaken through a peer review by an industry specialist consultant. This established that salaries at senior levels were lagging behind the market for the levels of responsibility expected in the Capital Programmes Division. This analysis was commissioned as part of work on the Capital Programme Division SIP.

## **2. PROPOSED MANAGEMENT ARRANGEMENTS – CAPITAL PROGRAMME DIVISION**

- 2.1 It is considered that the most significant increases in responsibility have been for senior managers in Technical Services, Education Programme Unit and Public Private Partnership Units and salary increases are therefore proposed for a number of management posts in these service areas. No changes to management salaries are proposed in the Capital Programme Group or the Programme Management Unit.
- 2.2 All senior positions in the Capital Programmes Division are currently occupied, and the postholders in the posts proposed for regarding in this report have incrementally assumed additional responsibilities over time. Regrading of these posts, and the application of an increased salary to these existing staff from the date of this Committee report, will recognise the role of these staff have undertaken in the effective delivery of the City Council's Capital Programme.

## **3. CORPORATE TECHNICAL SERVICES UNIT (CTS)**

- 3.1 The Corporate Technical Services Unit provides multi-disciplinary services to all City Council departments with the exception of the Housing Department. The Unit provides consultancy services in architectural design, cost control, building surveying, project planning, mechanical and electrical design, site supervisions plus specialist services to support the delivery of the City Council's statutory obligations – this includes compliance with the Disability Discrimination Act, Legionella, Asbestos and listed building conservation.
- 3.2 The Procurement Group, within the Technical Services Unit assists Departments to procure contracts using framework, open book, collaborative arrangements, all designed to deliver better value solutions and complying with the City Council's Corporate objectives. The Procurement Group also monitors supplier performance at main supplier level and down through the supply chain.

In 2004 the City Council had five operational frameworks and this has now grown to 16. The Procurement Group have managed all these projects and the staffing assignment has increased from seven staff in 2004 to 14 now.

- 3.3 The Unit manages the interface and works ordering for Manchester Working Ltd having assumed this responsibility from the Housing Department in September 2006. The Unit is responsible for the design and construction of the City Council's Asset Management Plan (AMP) Programme, managing external consultants and contractors through the small works framework. This was established in June 2006 and now delivers work to the value of £40 million per annum. From May 2005 the Unit developed and is now managing the Legionella programme for the whole the City Council estate.
- 3.4 Further workstreams being developed will include the delivery of the City Council's Facilities Management strategy which will represent a significant role dovetailing with the Corporate Property Strategy and secure effective management of our built estate for the first time.
- 3.5 The Structural Engineering Group transferred from the Housing Department in 2004 to Corporate Technical Services in 2004. The Group has diversified and now incorporates key strategic areas such as land remediation and assembly. support is provided to all departments within the City Council, particularly Regeneration.
- 3.6 Control of the commercial function and system support has been fulfilled by the Business Delivery Unit. The role has expanded with the growth of Corporate Technical Services and has also been extended to cover the whole of the Capital Programme Division.
- 3.7 When this Unit transferred from City Architects to the Capital Programme Division in 2003 it provided seven areas of service. This has now increased to 25, with further workstreams likely in future. This can be seen from the service recovery, growing from £3 million in 2004/05 to a forecast for 2007/08 of £6 million.
- 3.8 The size of the management team for Corporate Technical Services Unit has not increased since its transfer to the Capital Programmes Division in 2003, neither have any grades of individuals been reviewed in that time. The significant increase in workload outlined above have increased the accountabilities and responsibilities of managers in this section and hence it is proposed to adjust salaries for key management positions as set out below:
  - Regrade the Head of Technical Services from £58,586 to £64,000.
  - Regrade the Procurement Manager from PO6 (£38,404 - £40,101) to £42,500 - £45,000.
  - Regrade the Capital Programme Manager from PO6 + 10% (£41,283 - £44,100) to £46,000 - £49,000.

- Regrade the two posts of Business Manager role from PO6 (£38,404 - £40,101) to £42,500 - £45,000.

#### **4. PUBLIC PRIVATE PARTNERSHIPS UNIT (PPP)**

- 4.1 A Project Office was established in September 2005, and currently approximately 70 personnel are employed to deliver the programme. This includes staff from framework partners, ICT partner, framework consultants and Capital Programme Division staff. Whilst the majority of personnel are currently from our partner suppliers, a rolling programme has been established to bring programme management skills in-house. This strategy has resulted in the appointment of five Programme Managers at Grade 10 +20% (£45,024 - £48,090) to the City Council. These Programme Managers report direct to the Head of Public Private Partnerships.
- 4.2 Further thought is being given to the overall structure of the Public Private Partnership Unit to sustain it over the next five or so years in light of the Building Schools for the Future/Academies programme. In the meantime it is proposed to recognise the increased role and responsibility of the Head of Public Private Partnerships by regrading this post to a salary of £64,169 to £69,000.

#### **5. EDUCATION PROGRAMME UNIT**

- 5.1 Following the transfer from the Education Department into the Capital Programme Division as approved by this Committee in July 2004 the Unit has been successfully integrated into the Capital Programme Division.
- 5.2 The scope of the Unit has increased in line with a growth in funding to rebuild the City Council's primary school estate. Additional project management support has been recruited into the Unit and they are now responsible for a framework contract which was a pilot for all the City Council's frameworks now in operation. The framework will be reprocured in 2008 to secure an increase in the upper limit from £5 million to £10 million per project and also revise its scope to facilitate its use it for non-education related projects.
- 5.3 In order to support this increase in scope and responsibility it is proposed to regrade the post of Education Capital Programme Manager from PO6 +10% (£41,283 - £44,100) to Grade 10 +20% (£45,024 - £48,090).

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

- 6.1 I have discussed these proposals in detail with the City Treasurer and the Capital Programme Director, I am satisfied that the continuing growth profile of the Capital Programme Division and its effective contribution to key City Council initiatives merits the regarding proposal for the specified senior management positions.
- 6.2 I am satisfied that the revised salaries proposed are proportionate and will assist with the retention of key staff who not only have specific skills that it would be difficult to replace in the external market, but have also demonstrated a loyalty and commitment to supporting the achievement of key City Council objectives.
- 6.3 I will work with the Capital Programme Director over the coming months to develop strategies to ensure skills and work currently undertaken by externally engaged consultants can be effectively transferred to the directly employed workforce thereby reducing overall costs and enhancing the skills bias of City Council employees.

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

- 7.1 The proposals in this request will support the retention and development of management staff employed in the Capital Programme Division of the Corporate Services Department which makes a significant contribution to the ongoing growth and development of the city's building construction programme. This directly contributes to key Council policies in respect of the environment, equal opportunities and the creation of employment opportunities.