

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**Report to:** Personnel Committee

**Date:** 15 September 2010

**Subject:** Assignment of Post of Assistant Chief Executive (Finance and Performance)

**Report of:** Deputy Chief Executive (Performance ) the City Treasurer

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**PURPOSE OF REPORT**

To create a new post of Assistant Chief Executive (Finance and Performance) through the merger of the Head of Financial Management and the vacant Assistant Chief Executive (Performance) roles.

**RECOMMENDATIONS:**

That the Committee:-

1. approves the creation of the post of Assistant Chief Executive (Finance and Performance) and the assimilation of the current holder of the post of Head of Financial Management into the role ;
2. notes that the post holder will continue to report to the City Treasurer and act as the City Council's Deputy S151 Officer, but will also report to Deputy Chief Executive (Performance) on performance, business planning and partnership aspects of the role; and
3. Agrees the consequential management arrangements and salaries set out in this report.

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

Combining these two key posts is consistent with the direction of travel of the transformation programme and will provide a more integrated, strategic and slimmer corporate approach to finance and performance. This proposal will produce a saving of £82.7k pa from 2011/12.

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**BACKGROUND DOCUMENTS**

*Nil*

**WARDS AFFECTED**

All

**IMPLICATIONS FOR:**

<b>ANTI POVERTY</b>	<b>EQUAL OPPORTUNITIES</b>	<b>ENVIRONMENT</b>	<b>EMPLOYMENT</b>
No	Yes	No	Yes

## **1 Introduction**

- 1.1 At its meeting on 2nd June 2010 this Committee received a report on progress in integrating the Council's human resources and organisational development services and noted the appointment of the Assistant Chief Executive (Performance) to the new post of Assistant Chief Executive (People) and that arrangements would be made to fill the resulting vacancy of Assistant Chief Executive (Performance). This report deals with that vacant position.
- 1.2 Following consideration of Council's commitment to ensure efficiencies as well as adhere to the M.People principle of developing our existing workforce with external recruitment being restricted to exceptional circumstances , it is proposed that the post of Head of Financial Management is merged with the vacant position to create a new post of Assistant Chief Executive (Finance and Performance) and to assimilate the holder of the post of Head of Financial Management into the new combined position.
- 1.3 The post holder will continue to report to the City Treasurer and act as the City Council's Deputy S151 Officer, but will also report to the Deputy Chief Executive (Performance) for performance, business planning and partnership aspects of the role.

## **2 Rationale**

- 2.1 Combining these two key posts is consistent with the direction of travel of the transformation programme and helps the Council to a more integrated, strategic and slimmer corporate core.
- 2.2 The progress the organisation has made over the last six months on HR / OD is creating capacity to drive the people aspects of transformation. The role of business partners within directorates but reporting to the Assistant Chief Executive (People) and the creation of the HR / OD strategy function are key developments. Bringing together the finance and performance roles at Assistant Chief Executive level creates the opportunity for a similar shift in relation to these core functions. Taken together, this will help to embed transformation as a continuous core process across the whole Council.
- 2.3 The combined post will provide strong leadership for:-
  - Further integration of the business planning and budget processes
  - Supporting the public sector reform agenda through development of robust cost benefit analysis methodologies and integrated commissioning
  - Maximising the benefits of new investment models for the city council
  - Support to transformation agenda
  - Final Accounts process, including the preparation of the Annual Report
  - Ensuring effective and timely preparation of both financial and performance management information
  - Delivery of the Council's value for money strategy

- Supporting the Deputy Chief Executive (Performance), the City Treasurer and the City Solicitor to deliver effective governance arrangements
  - Effective performance and financial support to partnership arrangements
  - Supporting the development of financial and business planning for AGMA
  - Maximising the benefits of the SAP business management system
- 2.4 Bringing together these two roles will help to drive a creation of stronger methodologies for assessment of cost reductions, including work on financial and performance modeling, improving the credibility of data and understanding drivers of costs and how those relate to performance outcomes. The combined post will provide the leadership to embed these methodologies within strategic directorates.
- 2.5 The link between finance, performance and research is particularly important in creating more integrated economic, financial and performance analysis that can drive commissioning and strategic management. For example State of the City and State of the Council reports will be improved with stronger financial and economic analysis.
- 2.6 The integration of these posts will provide the necessary leadership to combine skills within research and intelligence to understand the evidence of what works with skills of management accountancy, audit and performance to bring an understanding of what we spend on what we do and what the inputs, outputs and, critically, outcomes are.
- 2.7 The new post will also provide leadership to strengthen the connections between revenue and capital in the business planning process and the next phase of development of the Neighbourhood Funding Strategy.

### **3 Implications for Corporate Performance**

- 3.1 Over the past decade Corporate Performance has elevated the Council's level of planning and accountability. It has supported Members in shaping the vision for the city and helped directorates and partners establish a performance framework to deliver objectives and targets.
- 3.2 The primary purpose of the function is to provide as much credible evidence as possible to support the decision making process. It is now necessary to raise the bar and respond to new challenges. These include the need to:
- Play a central role in developing a corporate direction whilst continuously learning and improving.
  - Better connect finance and performance and people information.
  - Establish a simple and strategic commissioning cycle with clear links between assessment, planning, delivery and performance management.
  - Properly understand cross-cutting and high risk issues.
  - Respond to the challenge of more for less by providing methodologies to reliably compare policies.

- Support our leadership role in Greater Manchester.
  - Strengthen our strategic relationship with the third sector.
- 3.3 The roles within the performance and research functions are being reviewed as part of the transformation programme. Abolition of the Comprehensive Area Assessment and many national performance targets provides an opportunity to take a fresh look at how support is provided.
- 3.4 In order to consolidate and streamline the performance, research and partnership support functions, the responsibilities of the Head of Corporate Research and Intelligence will be substantially increased and this will be the only post within Performance reporting to the Assistant Chief Executive (Finance and Performance). The Head of Corporate Research and Intelligence currently has responsibility for Research and Intelligence and the Area Co-ordination teams. This will now be extended to include the Partnership Performance Team, the Organisational Improvement and Improvement and Inclusion Team and Business Support. As a consequence, it is proposed to re-name the post Head of Research and Performance and to increase the salary from £63k to £69,126. This is a temporary arrangement pending the implementation of that part of the transformation programme relating to corporate research, policy, strategy and performance.
- 3.5 The strategy leader for the Area Co-ordination Team will report, through the Head of Research and Performance, to the Deputy Chief Executive (Performance).

#### **4 Implications for Financial Management**

- 4.1 Financial management has been through a significant change programme with the implementation of the Finance Service Improvement Project. Maintaining the capacity for strong leadership for core financial processes and improving data quality is essential. However, there is also a need to build on these improvements, particularly through closer integration between financial, performance and risk management data. Bringing these two roles together creates the opportunity to do this and drive forward the value for money agenda.
- 4.2 There is a need to release capacity within the existing Head of Financial Management responsibilities. The development of a single shared service centre for all transactional services across the Council will therefore be brought together under one manager reporting to the City Treasurer. A further report will be prepared for the Committee in due course on the proposals for a Head of Shared Service Centre.
- 4.3 To further rationalise the finance structure it is proposed to increase the responsibilities of the role of Head of Finance (Corporate and Strategic) to provide integrated support to Chief Executive's and Corporate Services directorates. This will include deputising for the Assistant Chief Executive (Strategic Finance and Performance) for the finance aspects of the role. The

structure beneath these posts will also be streamlined, contributing to the delivery of the financial management savings target.

## **5 Financial Implications**

- 5.1 The proposal in this report will reduce the number of senior management posts by 1 fte by disestablishing the Assistant Chief Executive (Performance) and Head of Financial Management posts and establishing the Assistant Chief Executive (Finance and Performance). The salary of the Head of Financial Management is £83,070 and that of the Assistant Chief Executive post £90,000.
- 5.2 The role and salary of the Head of Finance (Corporate and Strategic) will be reviewed in the light of the creation of the Combined Authority and a salary adjustment may be proposed at this time.
- 5.3 The role of Head of Corporate Research and Intelligence will be upgraded from £63,810 to £69,126, on a temporary basis pending completion of the Council wide restructuring of research, intelligence and performance functions as part of the transformation programme. This is to reflect the additional responsibilities and the role as head of service for the performance part of the role. The current postholder will remain in this role.
- 5.4 The Head of Audit and Risk Management post is also being regraded from £65,652 to £69,126, to reflect the new responsibilities for Health and Safety. The current postholder will remain in this role.
- 5.5 The proposals in this report will deliver a net saving of £82.7k in 2011/12.

## **6 Trade Union Comments on the above Proposals.**

- 6.1 No objections to the proposals contained in this report.