
**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

COMMITTEE: PERSONNEL

DATE: 16 DECEMBER 2009

REPORT OF: CITY TREASURER

**SUBJECT: REVIEW OF SENIOR MANAGEMENT STRUCTURE IN
FINANCIAL MANAGEMENT**

PURPOSE OF THE REPORT

To update Members on progress of the Financial Management restructure and to propose adjustments to the responsibilities and salary arrangements for a number of existing posts in the existing senior management structure to reflect emerging priorities and adjustments to strategic portfolios.

RECOMMENDATIONS

The Committee is recommended to:

1. To note and endorse the progress made in respect of the Financial Management restructure;
2. To agree to the disestablishment of the Head of Finance for Neighbourhood Services post (salary £69,126) and the creation of a new post of Head of Finance for Neighbourhood Services at a salary of £50,000 -£55,000 to reflect the establishment of Adult Services as a stand alone Directorate;
3. To re-grade the Head of Finance post for the new Adult Services Directorate from £53,172 to the salary range £50,000 – £55,000 in line with the increased responsibilities associated with this now being a stand alone directorate, and assimilate the current postholder;
4. To re-grade the Head of Finance post Regeneration which now incorporates responsibility for all Chief Executive's finance functions including Regeneration, Housing and Chief Executive's/ Corporate Services from £53,172 to the salary range £50,000 - £55,000 and assimilate the current postholder;
5. To re-grade the Head of Departmental Finance (Schools and Other Education) post £53,172 to the salary range £50,000 - £55,000. The post is currently vacant and will be advertised shortly.

6. To agree to the establishment of a new post of Head of Finance Governance in the salary range £58,000 - £63,000;
7. Grant delegated authority to the City Treasurer in consultation with the Head of Corporate Personnel to develop detailed job descriptions for all posts and to effect appointments to posts in the new management structure.

FINANCIAL IMPLICATIONS FOR THE REVENUE AND CAPITAL BUDGETS

The proposals in respect of existing posts will result in an overall saving of £10,457, inclusive of salary related oncosts. The cost of the proposed new post of Head of Finance (Governance) will be £76,230 inclusive of salary related oncosts which can be met from the £85,000 additional funding allocated as part of the 2009/ 10 budget setting process to improve arrangements for financial governance and the governance of partnerships.

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WARDS AFFECTED: All

IMPLICATIONS FOR:

ANTI POVERTY	EQUAL OPPORTUNITIES	ENVIRONMENT	EMPLOYMENT
No	No	No	No

1. BACKGROUND

- 1.1 The current structure for Financial Management in the City Council was approved by Personnel Committee on 13 November 2007 and is attached at Appendix 1. The service is under the line management of the Head of Financial Management who reports direct to the City Treasurer.
- 1.2 The Finance Service's delivery model is centred on the following components:
- i A Shared Services Centre for transactional finance functions.
 - ii Directorate based Heads of Finance to provide direct support to Strategic Directors and their management teams.
 - iii A Corporate/ Strategic finance core.
- 1.3 New business processes have been fully implemented in the Shared Service Centre. For departmental and corporate finance the new structure is now in place and the emphasis is now on developing staff skills and improving the effectiveness of the council's core financial processes. In order to take this work forward it is vital we have the right leadership capacity and skills within the senior finance structure.

2. PROPOSED CHANGES

- 2.1 Arising from recent changes to Strategic Directorate portfolios approved by this Committee, it is timely to review the existing senior management structure for the Finance service and to rationalise the span of control of the Head of Financial Management, who currently has eleven direct reports.
- 2.2 Accordingly, it is proposed to establish three distinct salary levels for the whole of the Financial Management Structure beneath the Head of Financial Management:
- Level 1 - currently subject to job evaluation above Grade 10
 - Level 2 - £50,000 - £55,000:
 - Level 3 - £69,126.
- 2.3 It is however proposed to create a new post of Head of Finance, (Governance) that sits outside of this grading structure on a scale of £58,000 - £63,000 to strengthen our financial governance arrangements and provides strategic support to major projects.
- 2.4 The proposed Variation in Assignment schedule is shown at Appendix 3. In summary, the main changes proposed are:
- i. A reduction to two senior finance roles. The Head of Finance for Children's Services and the Head of Finance (Corporate and Strategic).

The latter also acts as deputy for the Head of Financial Management. No change is proposed to their existing salaries of £69,126.

- ii. The Head of Finance for Neighbourhood Services post (salary £69,126) will be disestablished, in line with changes to the Council's strategic management structure and the responsibilities will be divided across the revised post in the new Adult Services Directorate and the remaining Head of Finance post responsible for the Neighbourhood portfolio.
- iii. The Head of Financial Management will discuss the impact of the disestablishment of the post with the postholder in order to agree how this will be dealt with in line with relevant City Council policies.
- iv. The creation of a new Head of Finance for Neighbourhood Services to support the revised portfolio in the Neighbourhood Services Directorate. As the responsibilities of the post will be significantly reduced with the removal of Adult Services, it is proposed to place this post in the salary range of £50,000 – £55,000 and advertise the new post.
- v. Arising from the establishment of a new Directorate of Adult Services, the existing Head of Finance role will now have greater accountabilities and will be a member of the Adult Services Management Team. In recognition of these greater responsibilities, it is proposed to regrade this post to £50,000 – £55,000 in line with other Directorate Heads and assimilate the current postholder.
- vi. Increased responsibilities of the finance portfolio for Regeneration to incorporate accountability for all Chief Executive's finance functions including Regeneration, Housing and Chief Executive's/ Corporate Services. This will allow for more coherent monitoring of overall Chief Executive's Financial Management functions and it is proposed to regrade the Head of Finance post from £53,172 to £50,000 – £55,000 in recognition of these additional responsibilities and assimilate the current postholder to this role. The post will report to the Head of Finance Corporate and Strategic.
- vii. Bring the Head of Departmental Finance (Schools and Other Education) post for Children's services into line with the £50,000 to £55,000 grade to ensure consistency in the structure and reflect the increasing prominence and complexity of schools governance arrangements.
- viii. The creation of a new post of Head of Finance (Governance) in the salary range £58,000 - £63,000 to strengthen the City Council's financial governance arrangements which will support the implementation and embedding of the new code for Corporate Governance. This will enable the City Council to better identify and manage risks, particularly in relation to partnership working. It will also provide additional capacity to support major projects (recent examples including Points for Life, Total Place and Sharp) and financial leadership for value for money. If this project capacity is not established in-house, the Council would need to access the Financial

Framework which is not cost effective. The proposed new post will report to the Head of Finance Corporate and Strategic.

- 2.5 Remaining posts in the Finance Management Team at Level 3 are currently being evaluated under the senior management Job Evaluation arrangements agreed by this Committee at its meeting on 27 May 2009.

3. COMMENTS OF THE HEAD OF PERSONNEL

- 3.1 I fully support the proposals set out in this report and have discussed these at length with the City Treasurer and Head of Financial Management.
- 3.2 The transfer of transactional functions to the Shared Service Centre will improve the provision of services, enable a consistent approach to systems and processes in line with best practice and yield efficiency savings through synergies.
- 3.3 The additional posts proposed will strengthen the capacity at senior management level and streamline the number of direct reports to the Head of Financial Management to enable her to focus on more strategic priorities.
- 3.4 The salary level proposed for the Head of Finance (Governance) post reflects value for money as this additional capacity to support major projects recent examples include Points for Life, Total Place and Sharp is currently accessed via the financial framework at significant additional cost to the Authority.
- 3.5 I will ensure that the relevant support is provided in implementing the proposed changes arising from this report including arrangements for appointments to new and changed posts and advising on other aspects of the structural arrangements below these roles.

4. COMMENTS OF THE TRADE UNION

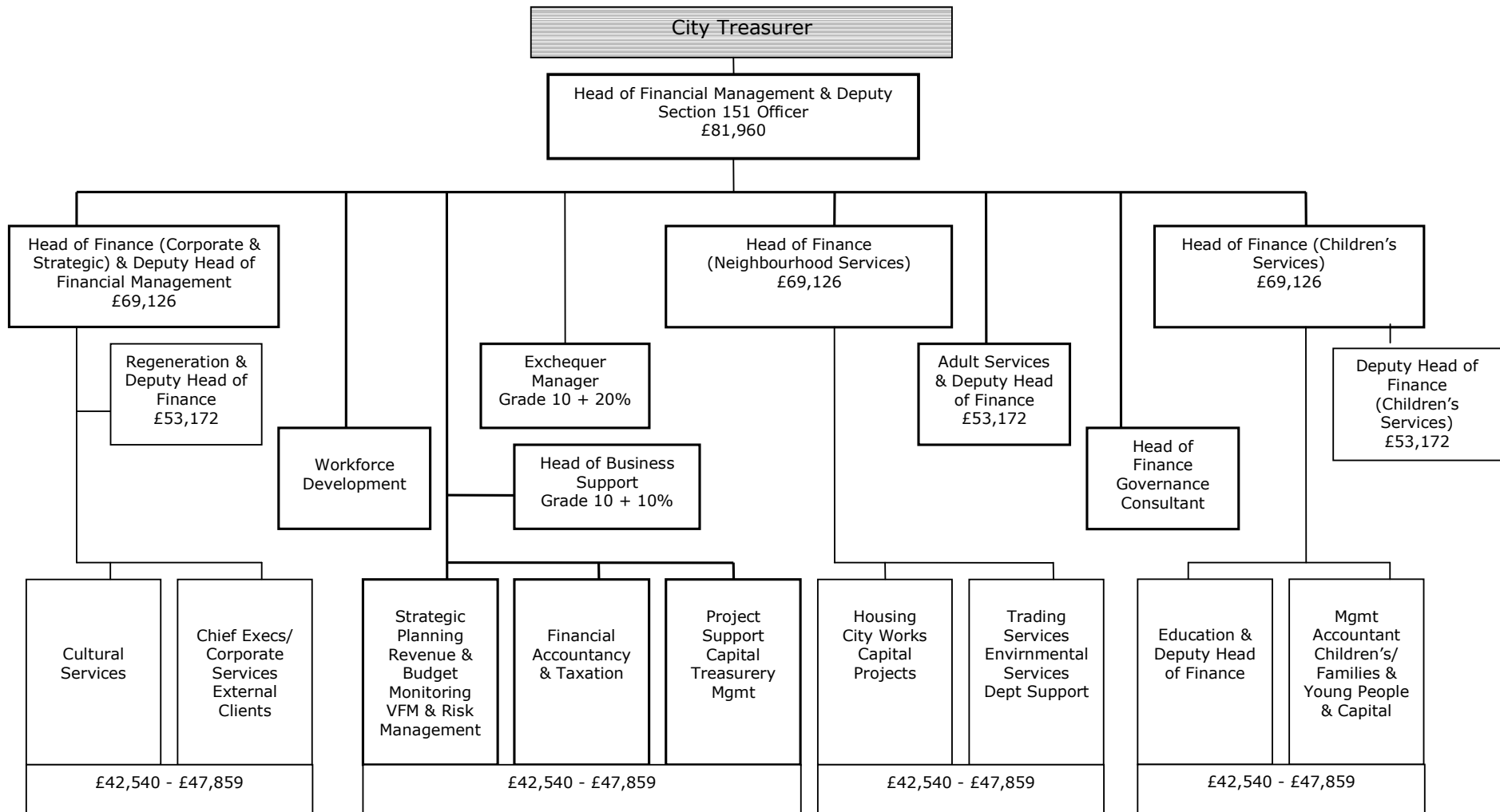
- 4.1 UNISON notes the report and understands and agrees in principal the rational in the proposed reduction of posts due to this service delivering in a less departmental way.
- 4.2 However we do believe that these changes were an opportunity to make a more substantial savings from the figure in the report of £10,457.
- 4.3 We believe that salaries should be more generic to protect the Authority from potential equal pay claims, where there is not a transparent pay and grading structure in place. We would like to bring to committee's attention that we feel that a process for awarding salaries at this high level should be in place. The Authority needs to be mindful that we have staff on grades below Grade 10, carrying pay protection that will end in three year's time with a financial loss of several thousand pounds to these employees and there seems to be an uncapped approach to grades over Grade 10.

- 4.4 UNISON looks forward to working with the Lead Member for Finance and Human Resources, the City Treasurer and the Head of Corporate Personnel should any issues arise in the creation of the Job Description and the filling of these posts.

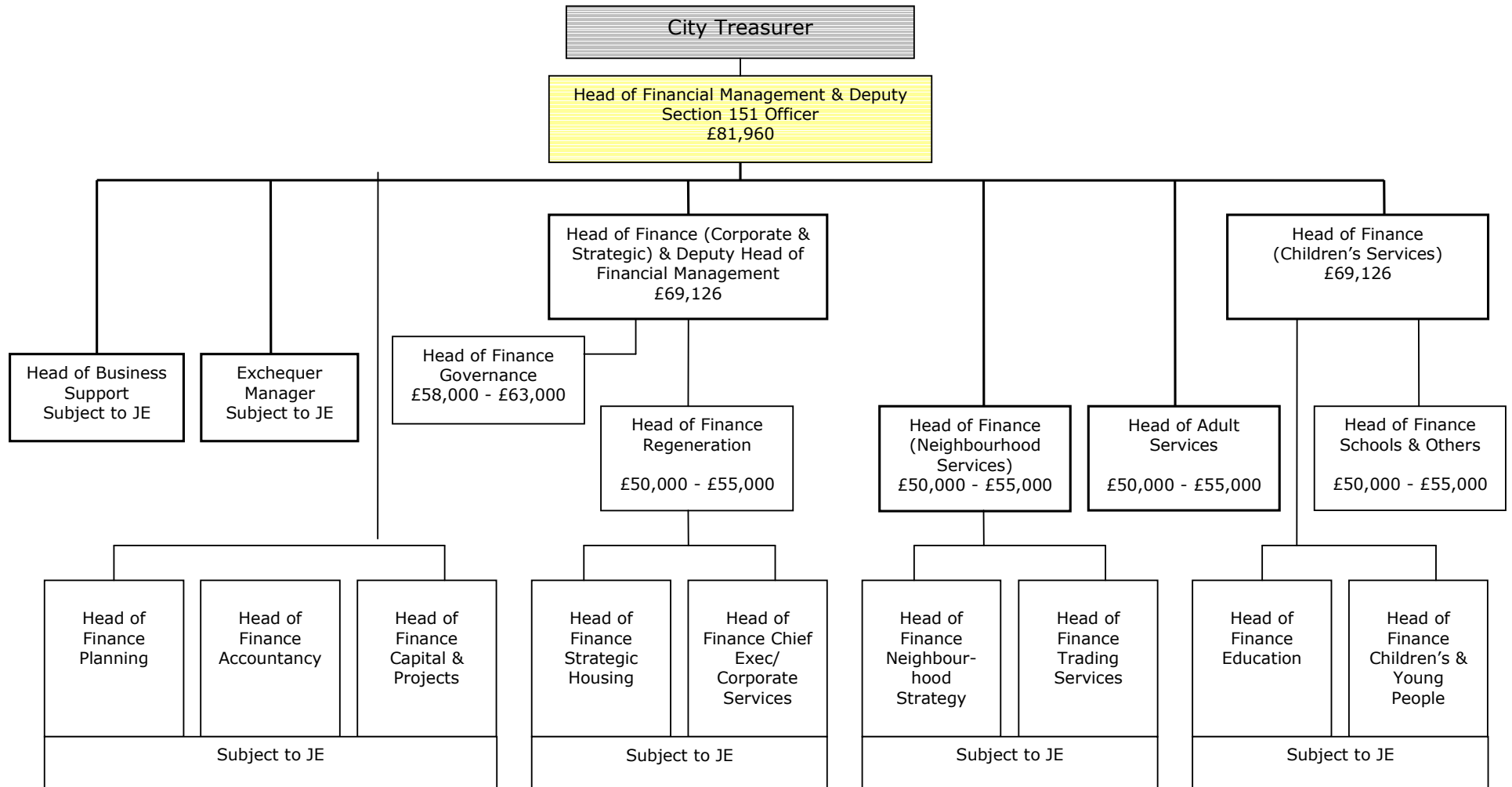
ATTACHED AS APPENDICES

1. Current structure chart for Financial Management;
2. Proposed structure chart for Financial Management;
3. Variation in Assignment

CURRENT STRUCTURE CHART FOR FINANCIAL MANAGEMENT



PROPOSED STRUCTURE CHART FOR FINANCIAL MANAGEMENT APPENDIX 2



Variation in Assignment – FM Senior Management Nov 09

APPENDIX 3

Present Assignment Post Title	Grade	FTE		Proposed Assignment Post Title	Grade	FTE	Comments/reason for proposal (inc redesignations, allowances, honoraria information etc).	FINANCIAL IMPLICATIONS With 21% oncosts added		
								HoF post changes	Gov Post	Total
Head of Financial Management	£ 81,960	1	no change	Head of Financial Management	£81,960	1	No Change			
Head of Finance, Corporate and Strategic	£ 69,126	1	no change	Head of Financial, Corporate and Strategic(Deputy Head of FM)	£69,126	1	No Change			
Head of Finance, Children's Services	£ 69,126	1	no change	Head of Finance, Children's Services	£69,126	1	No Change			
				Head of Finance, Neighbourhood Services	£69,126	1	Disestablish	-83,642		-83,642
Head of Finance, Neighbourhood	£ 69,126	1	Disestablished							
				Head of Finance, Neighbourhood	£50,000 - £55,000	1	New post/ Advertise	66,550		66,550
Head of Finance, ASC	£ 53,172	1	Disestablished	Head of Finance, Adult Services	£50,000 - £55,000	1	New post Assimilated	2,212		2,212
Head of Finance, Regeneration	£ 53,172	1	Disestablished	Head of Finance, Regeneration	£50,000 - £55,000	1	New post Assimilated	2,212		2,212
Deputy Head of Finance Children's Services	£ 53,172	1	Disestablished	Head of Finance Schools and other education	£50,000 - £55,000	1	New post/ Advertise	2,212		2,212
				Head of Finance, Governance	£58,000 - £63,000	1	New post/ Advertise		76,230	76,230
							Total at salary maxima			
					TOTAL			-10457	76,230	65773
					ADDITIONAL BUDGET APPROVED IN MTFP				85,000	85,000
					NET SAVING			-10,457	-8,770	-19,227