

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**COMMITTEE :** PERSONNEL COMMITTEE

**REPORT OF:** CITY TREASURER, DIRECTOR OF MANCHESTER  
IMPROVEMENT PROGRAMME AND HEAD OF  
CORPORATE PERSONNEL

**DATE:** 20 JUNE 2007

**SUBJECT:** ESTABLISHMENT OF FRAMEWORK FOR  
APPOINTMENT OF SENIOR AND SPECIALIST  
CHANGE MANAGEMENT RESOURCES TO  
MANCHESTER IMPROVEMENT PROGRAMME

**PURPOSE OF THE REPORT**

To seek approval for the establishment of a framework through which the Manchester Improvement Programme can secure in-house senior change management capacity to drive forward a programme of radical modernisation of services.

**RECOMMENDATIONS**

The Committee are recommended to:

1. Agree to the establishment of a framework to secure additional resources on an employed basis at an appropriate level within a salary range of £40,000-£55,000 when a need is identified in support of the delivery of specific MIP projects.
2. Agree that when appropriate, fixed term contracts are offered.
3. Agree delegated authority to the Head of Corporate Personnel in consultation with the City Treasurer and Director of the Manchester Improvement Programme to determine salary arrangements for persons appointed via this framework within the range above and to exercise this delegation as described in the report.
4. Agree that the City Treasurer, the Head of Corporate Personnel and the Director of the Manchester Improvement Programme provide the Executive Member for Finance and Human Resources with regular reports on appointments and salary arrangements made under the terms of this framework.

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

Costs of additional resources will need to be contained within existing budgets and agreed with the City Treasurer.

### **CONTACT OFFICERS**

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### **BACKGROUND DOCUMENTS**

Report of Head of Corporate Personnel to Personnel Committee on 3 May 2006 "Change Resources and Developing Internal Capacity".

**WARDS AFFECTED:** All

### **IMPLICATIONS FOR:**

Anti-poverty	No
Equal Opportunities	No
Environment	No
Employment	No

## **1. BACKGROUND**

- 1.1. The Manchester Improvement Programme has been established to give overall direction and challenge to a far reaching and intensive programme of change to improve organisational efficiency and effectiveness through the review and modernisation of all City Council services.
- 1.2. The Programme has now identified a number of priority reviews in key service areas which require radical challenge and fundamental change to make them fit for future purposes.
- 1.3. To support the successful delivery of these outcomes the Programme requires individuals with well developed change and project management skills and experience acquired in a variety of external settings.
- 1.4. The change managers are responsible for supporting individual projects to deliver and facilitate change programmes. This will ensure proper managerial focus and drive for these projects to enable benefits to be realised.
- 1.5. It is evident from ongoing recruitment difficulties that such skills are in scarce supply in the market place and are insufficiently developed within our existing workforce. Continuing failure to secure such resources is a risk to the successful delivery of the Programme
- 1.6. There are currently 40 individuals placed within the MIP team, within an assignment of 65 posts.

## **2. CHANGE MANAGEMENT RESOURCING**

- 2.1 Over the lifetime of the Programme (which is time limited) to date a number of recruitment episodes have been undertaken in order to secure the recruitment of experienced change management and business process re-engineering specialists.
- 2.2 In March 2006, 600 individuals attended recruitment events and in October 2006, 300 curriculum vitae were received for change management positions within the MIP structure.
- 2.3 Whilst a number of very good staff have been recruited, in overall terms the Programme has not managed to secure appointment of individuals with proven track records at senior levels in delivering significant projects within a public/private sector environment.
- 2.4 Therefore through necessity the Programme has had to bridge gaps in capacity through the use of external consultants. This is an expensive solution and is not consistent with other City Council commitments to build up capacity and new skills within the organisation. There are

currently 11 contract staff that cost the Council a rate of £22k per week. In addition, there are 6 vacancies, which require to be filled to ensure the programme progresses in line with its targets. As a rule of thumb, although arrangements are in place to secure value from the contract market, the cost is still double what we could expect to achieve through direct employment.

- 2.5 Therefore following discussions at the MIP Board and with the Chief Executive it is proposed that mechanisms are put in place to support the recruitment of appropriately skilled and experienced individuals from the general market. This would be progressed in a manner consistent with the City Council's overall approach to recruitment and selection and through competitive processes as and when specific needs are identified.

### **3. DEVELOPMENT OF CITY COUNCIL CAPACITY AND SKILLS**

- 3.1 It is intended that individuals recruited through such mechanisms will become City Council managers and leaders of the future and be consistent with the development of succession planning strategies.
- 3.2 This approach will also need to build in explicit mechanisms for skills transfer to build up internal change management capacity within the current workforce through organisational learning from the successful delivery of key projects.
- 3.3 It will also ensure the City Council strategies in place to capture skills transfer to existing employees to ensure the organisation has greater internal capacity to deliver projects in the future.
- 3.4 However, we also need to acknowledge that the MIP Team is a temporary team and that staff recruited explicitly for MIP will need to be mainstreamed into the organisation at the conclusion of the programme.
- 3.5 To enable this to happen it is therefore equally necessary that as well as the external generic skills these recruits bring with them, that there is an internal skills transfer back to this group of staff in terms of professional knowledge to enable them to move into mainstream areas, be it Social Care, Planning, Education or Revenues and Benefits.
- 3.6 The MIP Director in conjunction with the Head of Corporate Personnel will develop arrangements in this regard and will be cognisant of this issue in terms of the general skill set and attitude and behaviours demonstrated by potential candidates.
- 3.7 It is also important that the general grading profile of the MIP is kept under review if we are again to be successful in terms of reintegrating staff into mainstream roles.

#### **4. PROPOSED RESOURCING PROCESS**

- 4.1 An earlier report setting out the requirements for additional MIP change resources was considered by Personnel Committee on 3 May 2006. At that meeting the Committee agreed to the principle of engaging specialist project management, change management and business process re-engineering skills when required for specific projects or key priorities.
- 4.2 At that time the Committee granted delegated authority to the City Treasurer, Head of Corporate Personnel and Director of MIP to agree to the engagement of such resources within an indicative salary banding of £25,000-£42,000.
- 4.3 In light of ongoing difficulties in recruiting individuals with a strong record of achievement, it is proposed to establish an enhanced framework through which the Programme can recruit individuals who have generic change management expertise which is transferable between projects and who are, in the main, capable of being mainstreamed into the organisation at the conclusion of the programme. If there is doubt about the ability to mainstream, then it is proposed to offer fixed term contracts to a maximum of two years duration.
- 4.4 Prior to the commencement of any external recruitment exercise an analysis of current workforce capability will be undertaken. If it is determined that there are existing internal staff that have a broad skill set, but which would require some skills transfer that could be achievable within a reasonable timeframe, then secondment of such staff would be pursued. This would support broader agendas around harnessing the capacity of existing employees and upskilling the existing workforce.
- 4.5 Existing arrangements will continue to apply for the establishment of positions supporting individual MIP projects up to Grade 10. Corporate Personnel staff will liaise with the Director of MIP to assign these positions and progress appropriate recruitment mechanisms.

#### **5. OUTLINE RECRUITMENT AND APPOINTMENT PROCESS**

- 5.1 The Committee are asked to note and endorse the analysis set out in this report and to the establishment of a framework to secure additional change management capacity, as and when a specific demand is identified. New posts created in this manner would be likely to fall within a general salary range of £40,000 - £55,000 depending on seniority/experience, and the specific need being identified.
- 5.2 The framework will operate by the Director of MIP identifying specific project resource needs. Role definition will be determined and agreed

with the Head of Corporate Personnel and the City Treasurer through delegated authority.

- 5.3 Recruitment episodes will be progressed via transparent and competitive processes driven by the MIP Team and supported by Corporate Personnel. It is therefore requested that the Head of Personnel's delegated authority is exercised operationally by recruitment panels consisting of MIP senior management team members and a representative of the Head of Corporate Personnel who will agree final salary determinations and to determine when such posts can be recruited to and on what terms within the framework.
- 5.4 Such recruitment episodes will be subject to criteria including the skills/appropriate person not being available within the organisation and the availability of funding. Appointed individuals would be expected to work flexibly between key MIP projects and there would be an express requirement for them to effect skills and knowledge transfer in a structured way to existing City Council employees.
- 5.5 A process for transferring professional skills and knowledge consistent with the Council's organisational demands has been developed by the MIP Director with advice from the MIP Board. This will be used to help ensure the effective integration of this group of staff into mainstream City Council roles at the conclusion of the MIP programme.

## **6. CONCLUSION**

- 6.1 It is considered that the approach set out in this report will enable the Manchester Improvement Programme to recruit a cadre of individuals with the requisite skills, knowledge and experience to drive through a radical and imaginative change management programme across the City Council.
- 6.2 To ensure transparency it is recommended that the City Treasurer, the Head of Corporate Personnel and the Director of Manchester Improvement Programme will provide the Executive Member for Finance and Human Resources with regular reports on appointments and salary arrangements made under the terms of this framework.