

**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

REPORT TO: PERSONNEL COMMITTEE

DATE: 27 MAY 2009

**SUBJECT: TOWN HALL COMPLEX PROGRAMME –
ORGANISATION PROPOSALS TO SUPPORT THE
TRANSFORMATION PROCESS**

**REPORT OF: THE CHIEF EXECUTIVE, THE CITY TREASURER AND
THE STRATEGIC DIRECTOR, MANCHESTER
IMPROVEMENT PROGRAMME**

PURPOSE OF REPORT

Further to the report approved by Executive on 11 February 2009 this report sets out proposals for the overall governance and management of the programme of works and innovations necessary to deliver refurbishment and enhanced working environments of the Town Hall Complex.

RECOMMENDATIONS:

The Committee are recommended to:

1. Endorse the governance and management arrangements proposed in this report for the coordination of the Town Hall Complex Refurbishment Programme as set out at Appendix 1.
2. Establish five senior posts to manager and coordinate the delivery of the Town Hall Refurbishment Programme as follows:
 - i. Chief Operating Officer with overarching responsibility for the delivery of both the transformation and construction programmes, for a fixed term of three years, on a salary of circa £100,000;
 - ii. Programme Director – Construction Delivery, to oversee the delivery of the construction element of the programme for a fixed period of three years on a salary of £70,000;
 - iii. Programme Director – Business Transformation, to deliver the cultural transformation of the programme for a period of three years on a salary of £70,000;

- iv. Commercial Manager – To provide overarching leadership, co-ordination and management of all cost management services and commercial opportunities, on a salary of £60,000;
- v. Procurement Manager – to provide specialist technical advice in relation to procurement and co-ordinate all aspects of procurement in relation to the Town Hall Complex Refurbishment Programme, on a salary of £50,000 on a pro rata basis;

and agree that recruitment to these posts is through external advert.

3. Grant delegated authority to the Chief Executive, acting in consultation with the City Treasurer, the Strategic Director of the Manchester Improvement Programme and the Head of Corporate Personnel to develop appropriate job descriptions for the above roles.
4. Grant delegated authority to the Chief Executive, acting in consultation with the Executive Member for Finance and Human Resources the City Treasurer, the Strategic Director of the Manchester Improvement Programme and the Head of Corporate Personnel to establish appropriate resourcing arrangements and formal approval mechanisms for other positions within the transformation programme, including identifying scope wherever practicable for utilising secondees from other Council services.

FINANCIAL CONSEQUENCES FOR THE REVENUE AND CAPITAL BUDGETS

The costs of the temporary posts proposed in this report, together with all other staffing and associated costs, will be contained within the overall costs of this Programme as approved by Council. Costs will be monitored by the City Treasurer and detailed financial outturns will be reported to the Programme Board as the project progresses.

CONTACT OFFICERS:

Howard Bernstein, Chief Executive
h.Bernstein@manchester.gov.uk

Tel: 0161 234 3006

Elaine Bowker, Strategic Director, Manchester Improvement Programme
e.bowker@manchester.gov.uk

Tel: 0161 234 6946

Richard Paver, City Treasurer
r.paver@manchester.gov.uk

Tel: 0161 234 3564

Jon Redfern, Head of Corporate Personnel
j.redfern@manchester.gov.uk

Tel: 0161 234 1800

John Lorimer, Director of Capital Programmes
j.lorimer@manchester.gov.uk

Tel: 0161 234 6502

BACKGROUND DOCUMENTS:

Town Hall Complex Programme – Transforming Customer Experience, report of the Chief Executive and Strategic Director of the Manchester Improvement Programme to Executive, 11 February 2009.

WARDS AFFECTED:

All

IMPLICATIONS FOR:

Anti poverty
Yes

Equal opportunities
Yes

Environment
Yes

Employment
Yes

1. INTRODUCTION

- 1.1 The transformation and refurbishment of the Town Hall complex is one of the most significant and challenging projects in the recent history of the Council. At the heart of this is the opportunity to modernise the cultural and behavioural ethos within our workforce, and in turn create working environments which will support excellent and effective customer services.
- 1.2 Key to this transformational change is the way in which we develop innovative approaches to providing services in new and improved working environments which optimise the use of space and technology. As the commitment of our workforce is vital to achieving cultural change, it is important that we harness commitment to the programme from a very early stage.
- 1.3 In order to ensure the refurbishment of the Town Hall Complex will support an efficient and effective customer service to be delivered in line with the Customer strategy, provision needs to be made for appropriate governance and management arrangements. It is therefore vital that new roles are created to underpin the effective coordination and delivery of both the construction aspects of the project and cultural changes which are crucial in achieving our ambitions.
- 1.4 In addition we need to ensure that we appoint the appropriate calibre of experienced individuals with excellent leadership qualities that can articulate the vision, and are equipped with the specialist knowledge and skill base which will drive the key deliverables of the programme.

2. NEW WAYS OF WORKING

- 2.1 Delivery of the desired cultural change alongside the new physical environment will enable a comprehensive range of services to be provided to the public in a modern, business friendly setting. This will fundamentally transform the way services are provided for the benefit of residents, helping to make Manchester a better city, both to work and invest in.
- 2.2 Employees will benefit through a healthier and more progressive working environment. Social spaces will enable staff across different services to congregate, communicate and build relationships. Static and electronic notice boards will increase internal communications and create a more open working environment
- 2.3 Staff will work with more modern integrated technology systems including web-meeting facilities that allow them to meet online, rather than in a conference room, and enables them to better manage their time and reduce the amount of travelling required.
- 2.4 The use of electronic notice boards will also assist in communications and reduce the need for paper posters, thus responding to the sustainability agenda.

- 2.5 This environment will reinforce the Council's values and provide excellent opportunities to strengthen the working relationships, which are essential for linking individual commitment and activity to the successful achievement of Business Plans. The interdependencies and working relationships between departments will be examined when office space is allocated, which will also encourage and support collaborative working.

3. KEY ROLES

- 3.1 Management of the overall Programme will be driven by the construction element of the Programme and the need for transformational change in delivering improved access to better services for our customers. This will require a high level of coordination and clear communication across a broad group of stakeholders.
- 3.2 A wide range of different suppliers, including project personnel, architects, building contractors, technology vendors and regulatory bodies, will undertake work. Use of industry standard methodologies for the planning and progress monitoring of the programme and its constituent workstreams will provide a structured framework against which to plan, and subsequently monitor the progress of the project, to ensure delivery to the constraints of time and budget.
- 3.3 The key roles needed to deliver this project and a description of the responsibilities assigned to each is set out below:-

3.3.1 Chief Operating Officer

The delivery of the construction element of the redevelopment programme is critical to the effective delivery of the overall programme. This is a particularly complex construction project, and it is therefore of the utmost importance that we attract a candidate who can lead, manage and instil confidence in their ability to deliver. In addition the person undertaking this role must have experience of delivering similar programmes of change, potentially including restoration of listed buildings, previous experience of working with English Heritage and demonstrable success of delivering major developments.

The postholder will also have overarching responsibility for the transformational change aspects of the programme and will need a clear understanding of the City Council's organisational and strategic needs. They must also have demonstrable evidence of working on major construction projects and delivering to timescales within budgetary constraints.

An analysis of in house capacity has revealed that the relevant skills and experience to carry out this role is not currently contained within the Authority. Therefore, having regard to the current market and in order to attract exceptional candidates to this role it is proposed to advertise externally on a salary of circa £100,000 for a fixed term of three years,

with the prospect of a one off incentive payment on the successful completion of the project. This would be negotiated with the successful applicant at the recruitment stage and would be clearly linked to measurable outcomes on the project and would not be excessive. Whilst the initial approach will be to fill this post through the recruitment and selection process, the Chief Executive would not wish to preclude seconding in an individual with relevant experience and credibility from an organisation familiar with such transformation programmes. Any such proposals would be subject to discussion and agreement with Elected Members and fall within the cost envelope proposed for filling the post through direct employment.

Through actively leading on the engagement of all major internal and external stakeholders the postholder will ensure that dependencies across all workstreams are identified and planned into the programme, and all accurate reports on progress, risk, budget and communications are relayed to the Programme Board.

The post would fall under the overall line management of the Strategic Director of the Manchester Improvement Programme as Senior Responsible Officer. However, the post would report to the Director of Capital Programmes and the City Treasurer on issues concerned with construction delivery and costs.

The appointment to this position would be overseen by the Chief Executive, in consultation with the City Treasurer, the Strategic Director of the Manchester Improvement Programme, the Director of Capital Programmes and the Executive Member for Finance and Human Resources.

3.3.2 Programme Director, Construction Delivery

The responsibility for delivering the construction element of the programme is key to achieving the overall aims of the project. This post will hold responsibility for all aspects of the execution, organisation, co-ordination, procurement and planning of the construction process and provide management and leadership to a team of professionals to ensure successful delivery is achieved.

The postholder will require significant experience of delivering successful major construction projects within timescale and budgetary constraints and have experience of working on listed buildings.

To attract the appropriate calibre of candidate to this role it is proposed to advertise this post externally at a salary of £70,000 for a fixed period of three years.

This post and all other posts that are subsequently assigned to work on construction delivery of the programme will report through to the Director of Capital Programmes. This will ensure that appropriate

professional standards are maintained and enable synergies to be maximised with other construction related teams located within the Capital Programmes Division.

3.3.3 Programme Director, Business Transformation

The key focus of this role will be on transformational change of the culture within the workforce, including business processes, modernisation of the IT structure and development of accessible services to customers. The postholder will also be responsible for managing and coordinating a set of work streams which will be integral to taking the transformation programme forward. These are as follows:

- Culture Change
- Human Resources
- Organisational Development
- Design and Construction
- Decant Logistics
- Communications
- Programme Office

The transformational aspect of the overall programme will follow a critical journey through from design, decant and cultural change to coming back to the newly refurbished Town Hall Extension. Whilst at the same time delivering a new 'one stop' service organisation which will see a transformation to the customer experience.

To attract the appropriate calibre of candidate to this role it is proposed to advertise this post externally at a salary of £70,000 for a fixed period of three years.

3.3.4 Commercial Manager

This post will provide overarching leadership, co-ordination and management of all cost management disciplines in relation to the programme. It will advise and lead on key commercial and procurement issues including liaison with legal colleagues as appropriate.

The Commercial Manager will be expected to agree and manage budgets, set up commercial procedures and identify continuous improvement whilst driving a value for money ethos throughout the project.

It is proposed that this post is established at a salary of £60,000 in order to attract a candidate of the right calibre.

3.3.5 Procurement Manager

This post will provide strategic procurement advice, technical advice and co-ordination and management of all procurement issues in relation to the Town Hall refurbishment programme.

This post will liaise with the Head of Corporate Procurement and will ensure the programme complies with the Manchester Method and EU Procurement Directives.

It is proposed that this post is established at a salary of £50,000 (pro rata) and it is anticipated that this post will be probably required on a 40% ratio basis.

3.4 It is proposed that recruitment to these posts is undertaken on an external basis in the first instance. However, in order to secure MCC knowledge within the programme it may be necessary to consider seconding key personnel from other programme areas within the organisation. Also as the programme matures and develops it may be necessary for these posts to be more flexible in terms of breadth and responsibility but not to the extent that the general footprint of the post changes. It is proposed that the City Treasurer in conjunction with the Head of Corporate Personnel monitors these arrangements in this regard

3.5 As the post of Procurement Manager is being established on the basis of 40% FTE it may be necessary to procure resources through routes other than standard recruitment and selection methodologies. Again the City Treasurer in conjunction with the Head of Personnel will authorise any such arrangements.

4. GOVERNANCE ARRANGEMENTS

4.1 All of the roles detailed above will report through the governance arrangements which were set out in the report to Executive on 11 February 2009.

4.2 Members will recall, these were as follows:

- **Programme Board**, chaired by the Chief Executive, and composed of Executive Member representatives and key stakeholders.
- **Project Board**, chaired by the Strategic Director of the Manchester Improvement Programme with members consisting of key representatives from the various workstreams across the organisation.
- **Member Review Panel** to oversee and inform the change programme. This Panel would play a key role in maintaining the focus and strategic outcomes of the Programme throughout its delivery period. The following Members would form the Review Panel: Executive Member for Finance and Human Resources, Leader of the Council, Leader of

the Opposition Group, Chair of Resource and Governance Overview and Scrutiny Committee and five other Councillors based on the political balance of the Council.

- **Commercial Board**, to oversee all commercial aspects of the refurbishment programme to ensure all commercial opportunities around property letting are maximised. The Board would also provide an overview on initial proposals for the redevelopment of St Peter's Square. This Board will be chaired by the Head of Corporate Property and consist of Heads of relevant professional services.

5. PROGRAMME STRUCTURE AND CAPACITY

- 5.1 It is requested that delegated authority is granted to the Chief Executive, acting in conjunction with the Executive Member for Finance and Human Resources the City Treasurer, the Strategic Director of the Manchester Improvement Programme and the Head of Corporate Personnel to establish appropriate staffing and appointment arrangements for other positions within the transformation programme, including where appropriate, Programme Managers to lead specific workstreams or groups of workstreams. These arrangements will need to be sufficiently flexible and responsible to address emerging issues in the Programme as they arise, but also be appropriately robust to ensure that a "whole Programme" perspective is adopted in order to avoid duplication and overlap.
- 5.2 Recruitment to these roles will be initially sourced through secondments to maximise the opportunity for existing staff with relevant skills and experience, to become engaged and committed to taking the process forward. This will also increase capacity and flexibility to support and strengthen new ways of working in the future based on the Council's values, culture and aspirations.
- 5.3 Where it is not possible to appoint through the secondment process, posts will be evaluated and advertised externally.

6. CONCLUSION

- 6.1 This is an exciting and challenging programme of change which offers the opportunity to transform services and employment expectations which will improve enormously the way in which the Council delivers services.
- 6.2 It is crucial that credible people with track records of success in comparably complex multidisciplinary change programmes are appointed to the new senior posts proposed in this report.

7 COMMENTS OF THE HEAD OF CORPORATE PERSONNEL

- 7.1 I fully endorse the proposals set out in this report and make assurances that the relevant personnel support will be in place to provide leadership on those elements of transformation which relate to our workforce. This will include all aspects relating to the design, delivery and implementation of change,

employee relations, consultation and negotiations with the Trade Unions and staff, and support to individual managers.

- 7.2 A Health and Safety Officer will be assigned to provide expertise in the design of the buildings and workspace environment to ensure all aspects of health and safety are in place.
- 7.3 I will support the Chief Executive and other senior managers in ensuring that sufficient and appropriately qualified resources are put in place over the lifetime of the programme.

8. IMPLICATIONS FOR KEY COUNCIL POLICIES

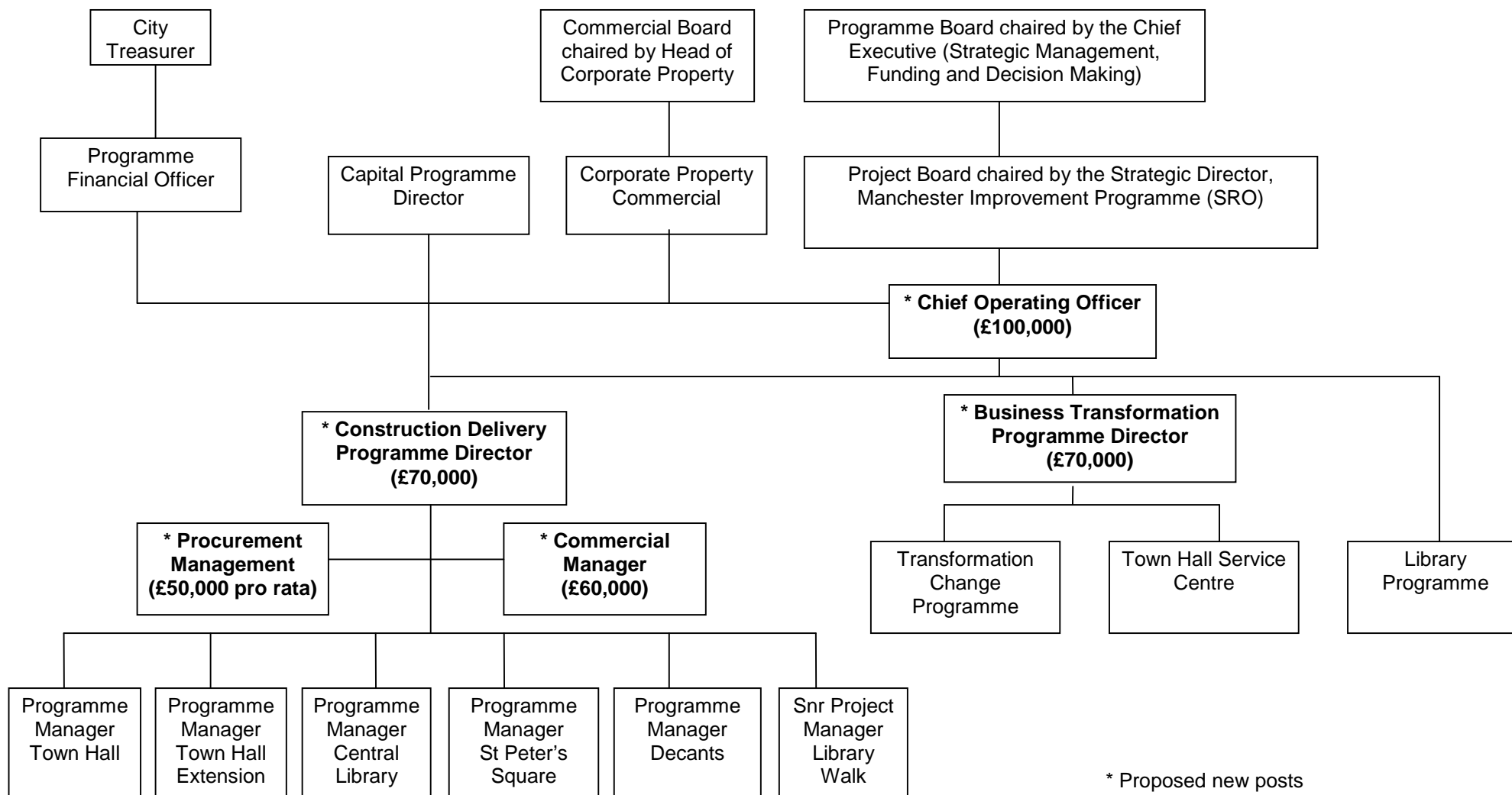
- 8.1 The proposals in this report will ensure that the City Council develops modern working environments which will significantly improve services to residents in line with the Customer Strategy and therefore contribute to the delivery and achievement of all Council priorities.

APPENDIX

- 1. Town Hall Complex Refurbishment Programme: Proposed Governance and Management Structure

APPENDIX 1

**TOWN HALL COMPLEX REFURBISHMENT PROGRAMME
PROPOSED GOVERNANCE AND MANAGEMENT STRUCTURE**



* Proposed new posts