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Subject: Preparing the County Council for Future Challenges

Classification: Unrestricted

Summary This report explains the circumstances that have added greater importance and urgency to the need for further transformational change in the County Council. The report sets out the detail of current key changes and maps out the areas of and future direction for further change.

FOR DECISION

Reasons for change

1. The County Council, like every resident and business in Kent, is currently facing an unprecedented set of circumstances that were largely unpredicted – indeed, unpredictable – until recently. It has been essential, as part of our continual vigilance, to reassess capacity and preparedness to adapt, in order to make sure the council maintains the core principles and values that underpin our ambitions for the people who live and work in Kent and also is prepared to meet future challenges.
2. KCC is but one part – albeit a hugely significant part – of the public realm in Kent. Our future is intertwined with that of other public sector partners and so it is essential to put our strategic leadership and capacity to work for the whole of the sector.
3. Therefore, to help prepare for the future, this report sets out to:
 - reaffirm the council's core principles and values,
 - describe how we will continue to drive change,
 - establish a programme of work to deliver improved services within available resources,
 - secure agreement to initial changes to top-level management structures.
4. The appetite for excellence that the Council has developed in recent years stands us in good stead to proceed with confidence as we enter the era of the new Comprehensive Area Assessment performance regime. The Council has an enviable track-record for service improvement, for commitment to excellence, for innovation in systems and technology, for strong political and managerial leadership, for novel approaches to partnership working and for anticipating and preparing for change. These attributes have converged in the

Council's increasingly strong focus on public access and personalisation, which will need to remain the two essentials of our approach.

Building from strength

5. The Council starts from a position of real strength, starting with its sustainable community strategy, clearly articulated with partners and spelt out in the Vision for Kent. The Vision is further captured in the council's clear priorities for action set out in Towards 2010. Our strengths are further reflected in initiatives as diverse as the coherent set of projects that comprise the Supporting Independence Programme, on which we have worked with the Department for Work & Pensions and JobCentre Plus, and in how the Department of Health has embraced our TeleHealth programme as a national exemplar and Whole Systems Demonstrator project.
6. Whilst well aware of the unique challenges currently facing Kent, we have to make careful choices about investing for the County's future needs. These choices include seeing that resources are shifted over time towards vulnerable people and groups and more disadvantaged neighbourhoods. With about 80% of local government expenditure in the County, our expenditure decisions are crucially important but, notwithstanding the scale and reach of our activities, we are in close, even intimate, contact with residents in their local neighbourhoods and in their homes.
7. At the same time, our retail model of public access – our multi-agency Gateways – has seen exciting developments in the nature and quality of our public interactions. This forward-looking long-term approach is also demonstrated in our public health strategy, to tackle health inequalities and the determinants of poor health, in new ways of engaging people in service improvement through the Social Innovation Laboratory for Kent (SILK) and in our ambitious programme for tackling climate change.
8. KASS has remained consistently amongst the very best councils for its social care services since first achieving its top rating six years ago and the transformation in educational performance has this year been recognised in a resoundingly positive assessment in the JAR.
9. The competence, capacity and motivation of our staff are critical to our continued progress, as they are our most important asset. Kent Success (the Council's apprenticeship programme), the Strategy for Staff, the Leadership Programme (joint with our public sector partners) and the Kent Graduate Programme have all, in their various ways, contributed to an increasingly competent workforce, lower than average vacancy and turnover rates and an enviable level of continuity amongst the key frontline and professional staff.
10. Underpinning these strengths lies the Council's fundamentally sound financial management – eight consecutive years of balanced budgets; keeping our band D council tax the 12th lowest in England; and assessed as a top-rated 4 for 'use of resources' in our latest CPA.

The Council's principles

11. Throughout this change programme, our key principles will remain:-
- Personalisation – designing services around people and communities;
 - Quality – judging services by the quality of the customer experience;
 - Putting Kent first - standing up for Kent's people and businesses;
 - Local accountability – keeping decisions as close to the customer as possible;
 - Service excellence - a relentless commitment to service improvement;
 - Valuing staff – developing our best asset;
 - Pursuing innovation - exploiting new technology and taking acceptable risks;
 - Sound finances - operating within our financial means;
 - Value for Money – keeping corporate costs to a minimum;
 - Working in partnership – the total is greater than the sum of the parts.

The drivers for change

12. It is the Executive's view that the changing role of Local Government in the wider public realm (in brief, from one primarily of service delivery to one of service commissioning and place-shaping) has, in any event, necessitated the kinds of changes now proposed. However, in addition the step-changes in our focus on customers and the customer experience over the last 2-3 years, a number of events and trends over recent months have converged to oblige us to increase the speed of the change programme. These drivers are set out in the following paragraphs.
13. The personalisation agenda has rapidly moved to the mainstream and consumers of our services are increasingly seeking opportunities for their services to be designed around their life-styles. The emergence of new access channels, facilitated by new technologies, means there are no infrastructural obstacles to a radical step-change to single-point access, self-service and individualised service-design, the more so as individualised purchasing enables people to create their own packages. These drivers are now key to re-engineering our processes so that the expertise of professional staff is concentrated at the important "choice" points of the customer journey, not deployed primarily as gatekeepers.
14. At the same time, the citizen empowerment agenda raises people's expectations about increased opportunities for engagement in the decisions that impact on their daily lives and the neighbourhoods where they live. Hence, many areas of universal services, previously the presumed domain of technical and professional experts, are increasingly being opened up to a better-informed and less-deferential public.
15. We will have to respond in new ways to the housing growth and economic challenges the County faces over the coming months and years, paying particular attention to the necessity of carbon reduction and adapting to and mitigating the effects of climate change.

Shaping the future

16. Our strategic priorities will remain essentially unchanged. These include:
 - Increasing prosperity through business growth and job creation;
 - Continued transformation of secondary education and the skills agenda;
 - Reducing traffic congestion and improving public transport;
 - Sustainable quality homes in a well-managed environment;
 - Making Kent a safer place to live and work;
 - Continual improvement while containing costs.
17. To deliver these priorities will mean achieving a number of specific objectives. These include:
 - Achieving greater efficiency – by a systematic programme of redesign to free up funding through smarter commissioning, procurement and service management;
 - Getting a closer alignment of priorities and activities – by internal and peer review and via the annual MTP rounds;
 - Mainstreaming innovation – by freeing front-line managers wherever possible from burdensome national regulatory and performance regimes;
 - Better application of customer intelligence – through local area data analysis and better use of feedback arrangements;
 - Broadening joint working to simplify interactions for the public – through, for instance, Gateways, Kent Connects and the work of KIEP;
 - Automating routine tasks – by, for instance, extension of the purchase card application to a wider range of services across the public sector.
18. Despite having squeezed out a cumulative total of £92m of Gershon-type efficiencies since 2004/05 out of support and back-office activities, we intend now to take the opportunity of focussing on improving public access and making personalisation the norm as a way to redefine indirect and support costs and redirect even more resources into the front-line. Local Government's success in driving the efficiency agenda in the public sector has been reflected in the recent announcement that raises our annual target from 2% to 4% - a real challenge in these difficult times.

Changes to Organisational Structures

19. We have always tried to take a measured approach to restructuring, determined to ensure form follows function and that the result is rational and effective. Since the significant restructuring in 2006, structures within both the four service Directorates and the Chief Executive's department have evolved to meet the changing landscapes in which they operate and to ensure they are best able to meet the organisational priorities outlined above. The outcome of CPA and JAR inspections and the continued levels of excellence in service delivery testify that the structures put in place in 2006 have been effective and have provided the most outcome-focused and service-based approach.
20. It is now appropriate to undertake a broader review, both within Directorates and across the Authority, of the way services are delivered in order to ensure

KCC sustains excellence, continues to deliver high quality services, and retains the status the Authority has achieved as an innovative, continuously improving and forward-thinking organisation. It is critical that our organisational structures continue to provide us with an excellent basis to further minimise inefficiencies and maximise value for money. This review programme will be managed through the Chief Officer Group and reported to the County Council as appropriate.

Kent Adult Social Services

21. Kent Adult Social Services is currently consulting staff and stakeholders on proposals to introduce significant changes to the structure of the Directorate. The Directorate faces a major programme of modernisation in order to deliver adult social care in the future, against significant demographic pressures, along with the public's increasing expectation of the personalisation of their social care services.
22. Within this context, KASS has set out its vision for the total transformation of adult social care, to ensure people are empowered to identify, choose and control the support or care they want. The whole experience for people contacting KASS will be better - access will be easier, assessment will become proportionate, and individual need will be met earlier.
23. It is essential that a new structure is introduced to deliver the following key requirements:
 - KCC's commitment to ensuring that service users are placed at the heart of the transformation of services, and that Kent's excellent front-line services are maintained to these high quality standards;
 - a new configuration of front-line services, to ensure that Kent, for the benefit of its service users, remains at the forefront of the modernisation agenda;
 - the transformational agenda for social care, with the further development of strategic commissioning and self-directed support at its heart. In addition,
 - increasing the autonomy people will have in shaping and managing their own care and demanding that safeguarding responsibilities are built into every role undertaken by our staff;
 - the opportunity to create locality-based services which allow greater alignment with NHS PCT boundaries, further supporting our ongoing partnership arrangements; and
 - meeting the commitment to maximise opportunities for staff to take adopt flexible and mobile working practices.
24. The proposed structure for a realigned Senior Management Team (SMT) along with their direct reports is shown in the attached structure charts at **Appendix 1**. The existing posts of Director - Resources and Director - PPQA

will be deleted and the responsibilities currently held by these posts will be realigned across the remaining SMT membership, plus a new post of Director – Strategic Business Support.

25. In addition, a new post of Transforming Social Care Lead Officer will be created. The postholder will be responsible for overall management of the transformation agenda and will be a member of SMT throughout the time-limited period of 18 months from 1 April 2009. The current postholders of the Director of Resources and Director PPQA posts are accordingly both displaced.
26. It is proposed that the Director – Strategic Business Support post and the Transforming Social Care Lead Officer post are ringfenced to the displaced Director-level postholders. It is hoped to achieve the required changes through a preference exercise, but should this not prove possible a selection process will be applied. Appointments to these posts will be subject to Member approval.
27. Appointment to the Transforming Social Care Lead Officer will be on a time limited basis and, therefore, at the end of the period the postholder is likely to be in a redundancy situation, which would be managed in line with agreed procedures. Further details of the proposals can be found on KNet.

Children, Families and Education

28. Graham Badman has just left the council and two other Directors, Marilyn Hodges (Strategy, Policy and Performance) and Carol Parsons (Standards and Achievement) have decided to leave KCC at the end of December. This means that there will be a period of significant change in CFE's Senior Management Team. It is now appropriate, therefore, that the senior management structure in the Directorate is reviewed to ensure it is best placed to take the Directorate into the next phase of its development.
29. Interim arrangements have been put in place to ensure that there is continuity of leadership during this change period. Ian Craig, who assumes the Director of Children's Services designation, and Keith Abbott are joint interim Managing Directors whilst the post is being filled. The advertisement for the new Managing Director closes on 5 December and has been run in parallel with an Executive Search undertaken by Veredus. The rigorous selection process will be completed by the end of January 2009 at which time it is anticipated that an appointment will be made by Members. The person appointed will take up the post at a time dictated by the notice period they are required to give.
30. Cover arrangements for the two Directors and for Ian Craig, who leaves at the end of March next year, have been made by identifying officers, one from each of the three Divisions, who will join SMT and take on an interim lead role in addition to their current duties. They are Peggy Harris, who is already Head of the Advisory Service Kent, Marissa White, who is currently Head of Extended Schools, and David Adams, who is currently Area Children's Services Officer for Ashford and Shepway.

31. This will provide robust interim management arrangements and allow sufficient time for a measured review of the structure of CFE, at the same time as we will be recruiting the new Managing Director, who must have the opportunity to contribute to the changes in the Directorate. This review will take account of legislative requirements, financial realities and evolving service delivery models.
32. The Children Act 2004 requires the appointment of a Director of Children's Services (DCS) as well as a political "Lead Member" and the establishment of a Children's Trust. Legislation requires local authorities to have sound arrangements in place for the integrated planning, commissioning and delivery of children's services and such systems will need to be embedded within those structural arrangements.
33. Local Children's Services Partnerships, it is envisaged, will become the local delivery arms for the Kent Children's Trust and the County Council's own children's services. Services will be commissioned to deliver the outcomes identified in the Kent Children and Young People's Plan (CYPP), our primary strategic commissioning document, and in line with targets set in Kent Agreement 2.
34. The effectiveness of the KCT and successful delivery of the CYPP will be critical in the inspection judgment made of KCC in the new Comprehensive Area Assessment (CAA).
35. The aim of the review will be to create a streamlined strategic centre, enabling CFE to deliver its statutory functions through increasing local partnership working, with a commissioning framework at the centre that directs, quality-assures and performance-manages local service delivery – and intervenes if or when necessary.
36. The Children Act 2004 also established statutory Local Safeguarding Children Boards and provided a legislative basis for better sharing of information. Further proposals for changes in CFE will be brought before Council once the new Managing Director has been appointed.

Environment and Regeneration

37. Following Adam Wilkinson's departure the decision was taken to put in place interim arrangements to maintain service delivery in the Directorate and provide a period of stability.
38. Mike Austerberry has been appointed to the post of Interim Executive Director Environment, Highways and Waste. He is responsible for Kent Highways Services, Environment and Waste and the Resources Division which provides support services across the whole of the Environment and Regeneration Directorate. Caroline Bruce is reporting to Mike Austerberry as interim Director of Highways following Geoff Mee's secondment to develop a Transportation Strategy for Kent. Caroline Bruce will lead on the continuing transformation of Kent Highways Services which is now ready to move form

the stage of structural change to deliver service improvements, business process efficiencies and excellence in Customer Service.

39. David Cockburn, Executive Director, Strategy, Economic Development & ICT is now responsible for Economic Development strategy and commissioning, including Regeneration and also, in the interim, for the authority's statutory planning function and for project delivery. He retains responsibility for the Corporate Policy, Improvement and Engagement and ISG functions. Claudette Forbes will join David Cockburn's team as Interim Director of Economic Development in early December.

40. These arrangements have been put in place incrementally since 1 October, providing for a period of reflection on the most appropriate way to structure into the medium term the delivery of the critical but diverse group of services which have made up the Environment and Regeneration Directorate. So far, the feedback from the current arrangements has been positive with the Executive Directors being able to give leadership and support to a defined group of services, after a period of significant change. The Directorate Senior Team continues to meet as a whole to ensure ongoing continuity with shared priorities across the Directorate. It is intended to make proposals for the future shape of this Directorate in the first quarter of next year and if necessary these will be reported to Council.

Chief Executive's Department

41. Key corporate services will continue to report to the Chief Executive to ensure coherence and a proximity to Cabinet and the Chief Officers Group. Since the department was established in 2006, provision of these services has continued to evolve and improve.

42. One area of significant change and modernisation has been concerned with policy, performance management and partnerships. This has seen the appointments to the posts of Head of Strategic Policy, Debra Exall and Head of Engagement and Improvement, Robert Hardy. Both these posts report to David Cockburn, Executive Director, Strategy, Economic Development & ICT and this has enabled a significant rationalisation of the number of senior posts engaged in this activity and transformed the approach to corporate policy.

43. Economic Development strategy and commissioning has been moved into the Chief Executive's Department recognising it as a genuinely corporate activity, being a component, factor and influence on the activities and services of all parts of the Authority. There is a fundamental logic in establishing a genuine "strategic enabling" function for economic development, operating at County level, that connects and commissions delivery from a number of sources both within and outside the Council. A whole-organisation approach, achieved from the repositioning of this activity, will significantly improve coherence and overall effectiveness of this critical role for the Authority.

44. Similarly, the decision was taken that public access strategy and delivery, including taking a lead on enabling a more joined up approach across public agencies in the County, was a whole organisation activity. The Contact

Centre was transferred into the Chief Executive's Department to allow better co-ordination with the ongoing development of Gateways and is now led by Tanya Oliver, Director of Strategic Development and Public Access.

45. The Supporting Independence team, headed by Pauline Smith, is to transfer to the Communities Directorate. Whilst the Supporting Independence agenda, including the Kent Success Programme, impacts across all Directorates and is at the heart of the Authority's strategic agenda, delivery will be facilitated by this move. There are synergies with Adult Education and other community focussed services in Communities which will add depth to the delivery mechanisms for Supporting Independence and the aims of the programme fit well with Communities' vision for community participation."
46. With the appointment of Mike Austerberry to the Interim Executive Director of Environment, Highways and Waste, interim arrangements have been put in place in the property function. His responsibilities are being covered by Peter Binnie, Liz Walker and Paul Kennedy. Each retains full functional responsibility for their existing areas, and a collective responsibility for cross-cutting Property Group issues.
47. The overall structure of the organisation down to third tier level, reflecting the changes described above, is shown on the charts attached as Appendix 2.

Recommendations

Members of County Council are asked to:-

- i) NOTE the contents of this report;
- ii) ENDORSE the actions taken to date to commence senior management structure reviews in the KASS, CFE and E&R directorates and the CED;
- iii) ENDORSE the interim arrangements put in place to maintain continuity and capability pending the outcome of the reviews;
- iv) DELEGATE to the Chief Executive the authority to implement the findings of those reviews, referred to in paragraph 20, save those which the Constitution specifically reserves to the County Council;
- v) APPROVE changes to Appendix 8 of the Constitution with regard to the composition and overall senior management structure of the organisation.

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