Dear Member

**CABINET SCRUTINY COMMITTEE - WEDNESDAY, 23 JUNE 2010**

I am now able to enclose, for consideration at tomorrows meeting of the Cabinet Scrutiny Committee, the following notes that were unavailable when the agenda was printed.

| Agenda No | Item |
|---|---|
| 7 | **Notes of the Informal Member Group on Budgetary Issues held on 10 June (to follow)** **(Pages 1 - 4)** |

Yours sincerely

**Peter Sass**
**Head of Democratic Services & Local Leadership**

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KENT COUNTY COUNCIL

# INFORMAL MEMBER GROUP ON BUDGETARY ISSUES

NOTES of a meeting of the Informal Member Group on Budgetary Issues held in the Wantsum Room, Sessions House, County Hall, Maidstone on Thursday, 10 June 2010.

PRESENT: Mrs T Dean (Chairman), Mr R F Manning and Mrs E Green (Substitute for Mr L Christie)

ALSO PRESENT: Mr J D Simmonds

IN ATTENDANCE: Ms L McMullan (Director of Finance), Mr A Wood (Head of Financial Management) and Mrs A Beer (Director of Personnel & Development)

## UNRESTRICTED ITEMS

**1.    Notes of Previous Meeting on 14 May 2010 (attached for approval)**
*(Item 1)*

RESOLVED that the notes of the Informal Member Group on Budgetary Issues held on 14 May 2010 were agreed as a correct record.

**2.    Discussion with Director of Personnel and Development**
*(Item 2)*

(1)  Members of the Budget IMG had invited the Director of Personnel and Development to the meeting to discuss the Council's redundancy figures, savings being made through vacancy management, temporary staff, whether savings were being achieved through efficiency or whether permanent staff were being replaced with agency staff.

(2)  Ms Beer explained that there were 91 redundancies in 2009/10 and there had been 52 redundancies since April 2010.  As outlined in the Budget Book a reduction of 423 funded posts had been predicted and of these 52 had left the organisation already.  If the turnover of the authority continued at its current level of 11% then 41 posts of the remaining 371 would be lost naturally and they would not be replaced, they would be dealt with via vacancy management.

(3)  Of the remaining posts it was expected that around 49% of them would be redeployed (however this figure may be lower due to fewer posts being available and more staff at risk).  There was a vacancy management process in place which was managed within each directorate.  Any post that became vacant was subject to a decision by the relevant director regarding the appropriateness of filling the post.

(4)  Since April 2010 the Council did not automatically advertise externally, in the first instance vacancies were advertised to KCC staff only unless there was a strong

business case for advertising externally such as the recruitment of children's social workers for example.

(5) Members asked for further information on the staffing figures within the organisation, KCC did not currently record establishment figures.

(6) Ms Beer explained to Members that proposals would be going to the Chief Officer Group in July about a corporate approach to vacancy management and how the authority could deploy staff more flexibly across the Authority including proposals to change the current redeployment process. The current system had disadvantages, it took a long time to redeploy staff and it resulted in officers applying for posts which might be offered to those officers who were at risk of redundancy. There was a possibility of using talent pools however this would be subject to further consultation.

(7) Mr Manning explained that his concerns were that the Council should not be 'window-dressing'. Members needed to feel comfortable that the Council was making real savings without impairing efficiency, there were also the negative effects on the moral of staff to consider.

(8) Ms Beer explained that as soon as a post was removed from the budget the funding for that post was also removed. Staffing numbers varied year on year and comparisons were difficult because services changed due to national and local political decisions. During consultation on changes it was important to get the balance between being clear with staff if jobs would be affected but not putting people "at risk" too early in the process causing unnecessary concern. The Council was working to communicate as effectively as possible with staff, particularly those who may be at risk of redundancy.

(9) Mrs Dean asked why the Council did not keep establishment figures. Ms Beer explained that until recently the Council's preference was to manage staffing budgets rather than staffing figures. Budgets were set and managers were given the flexibility regarding the numbers and grades of staff employed.

(10) Mr Simmonds explained that there was no doubt that the whole authority would have to work differently in the future; staff would be involved in options to deliver services differently. There were challenges and opportunities ahead for the whole of the Council. Ms Beer explained that there had been a recent email asked staff if they wished to become change champions for the authority, there had been a positive response which did not suggest a disenfranchised workforce.

(11) In response to a question from Members about the use of temporary staff and permanent staff Mr Wood explained that the spend on temporary staff (about 3 – 4% of the staffing budget) was reasonable and allowed flexibility to cover some posts rather than committing to long term costs. CFE and KASS had the highest number of temporary staff.

(12) Members asked that further information be provided on the practicality of compiling establishment figures for the authority. The Council's ORACLE system was capable of holding this information. Mr Simmonds explained that with the probable increase in generic job descriptions there would be an

increasing reliance on the Council's computer systems.  Greater use of the ORACLE system would be an easier way of managing the Council's key overhead.

RESOLVED that the Budget Informal Member Group:

(13) Recognising that this falls within the remit of the Personnel Committee ask that a report on the feasibility of implementing the ORACLE system to include establishment figures be submitted to the Cabinet Scrutiny Committee on 23 June to accompany the papers on the budget deficit as agreed by the Cabinet Member for Finance and the Director of Finance;

POST MEETING NOTE:  Ms Beer had left the meeting before this request was made by the Budget Informal Member Group.  As the agenda for the meeting on 23 June 2010 is very full this issue will be revisited by the Budget Informal Member Group.)

(14) Request that information on the number of temporary staff vs permanent staff be provided to the group on a quarterly basis, to include supply teachers.

### 3.    Response to Government Savings Announcement
*(Item 3)*

This item was deferred as Members agreed that this would be considered by the Cabinet Scrutiny Committee on 23 June 2010.

### 4.    Revenue & Capital Budget Outturn 2009-10, Roll Forward and Key Activity Indicators
*(Item 4)*

This item was deferred as Members agreed that this would be considered by the Cabinet Scrutiny Committee on 23 June 2010.

### 5.    Disclosure of Payment Transactions - Project Plan (to follow)
*(Item 5)*

(1) Further guidance was being sought on confidentially issues and how the payment transaction information would be presented.

RESOLVED that the Budget Informal Member Group:

(2)  Note that a report on the disclosure of payment transactions would be presented to its next meeting.

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