

SCRUTINY BOARD

Wednesday, 3rd November, 2010

10.00 am

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

SCRUTINY BOARD

Wednesday, 3 November 2010 at 10.00 am Ask for: **Paul Wickenden**
Darent Room, Sessions House, County Hall, Telephone **(01622) 694486**
Maidstone

Tea/Coffee will be available 15 minutes before the meeting

Membership (10)

Conservative (9): Mr E E C Hotson (Chairman), Mr P W A Lake (Vice-Chairman),
Mrs A D Allen, Mr C J Capon, Mr M C Dance, Mr C Hibberd,
Mr G A Horne MBE, Mrs E M Tweed and Mr K Smith

Liberal Democrat (1): Mrs T Dean

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UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

Item No

- 1 Substitutes
- 2 Declaration of Interests by Members in items on the Agenda for this meeting
- 3 Minutes - 9 September and 11 October 2010 (Pages 1 - 10)
- 4 Change to Keep Succeeding (Pages 11 - 62)
- 5 Interim appointments - notification process (Pages 63 - 64)
- 6 Select Committee work programme (Pages 65 - 72)
- 7 Sharing of good practice

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Tuesday, 26 October 2010

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

SCRUTINY BOARD

MINUTES of a meeting of the Scrutiny Board held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 8 September 2010.

PRESENT: Mr E E C Hotson (Chairman), Mrs A D Allen, Mr C J Capon, Mr M C Dance, Mrs T Dean, Mr C Hibberd, Mr G A Horne MBE, Mr K H Pugh (Substitute for Mr P W A Lake) and Mr K Smith

ALSO PRESENT: Mr L Christie and Mr R J Lees

IN ATTENDANCE: Mrs A Beer (Director of Personnel & Development), Mr E Magba-Kamara (Improvement and Engagement Officer), Mr O Mills (Managing Director - Adult Social Services), Ms D Fitch (Assistant Democratic Services Manager (Policy Overview)) and Mr P D Wickenden (Overview, Scrutiny and Localism Manager)

UNRESTRICTED ITEMS**27. Minutes - 15 July 2010**

(Item 3)

RESOLVED that the minutes of the meeting held on 15 July 2010 are correctly recorded, subject to Mr L Christie being added to the list of "Also Present", and they be signed as correct record.

28. Equalities Strategy

(Item 4)

(1) Mr Mills, Ms Beer and Mr Magba-Kamara presented a report which sought the views of the Board on the draft Kent County Council (KCC) Equality Strategy 2010-13, along with the accompanying single equality scheme and action plan. Officers explained their roles in relation to the development of the strategy. The Equalities Act 2010 required KCC to produce equality schemes covering all protected characteristics i.e. age, religion, belief, sexual orientation and gender reassignment in addition to the current duty to produce them for race, disability and gender, these are incorporated in the revised scheme so that KCC is prepared for the changes that will occur when the act comes into force in phases from October 2010.

(2) Mr Mills explained that the draft scheme had been considered at Corporate Management Team. He drew to the Boards attention that it had been decided not to include Appendix 3 (Equality Action Plan) at this point, work was being carried out on identifying the key actions which would reflect the business planning process. He referred to the need to update KCC's accessibility policy statement which had been produced in 2004.

(3) Mr Magba-Kamara explained that the Equality Act 2010 was due to come into force on 10 October 2010 and there was currently a consultation being carried out on aspects of the new legislation which was due to end on 10 November 2010, therefore

adjustments to the Strategy would be made as required. Mr Mills emphasised that the Strategy was a work in progress.

(4) Members made comments and officers answered questions from Members which included the following:-

- As the draft Strategy seemed to pick up the governments “Big Society” it was important that the document was marketed well to get the maximum buy in.
- Officers explained that, although Customer Impact Assessments did not explicitly include disadvantaged groups as a separate category, this group tended to be made up of people who were included within the other socially disadvantaged categories.
- Mr Mills explained that it was important that the Policy Statement was refreshed as it was important that it reflected the priorities of the new administration.
- It was confirmed that Sikhism was classified as a religion under the new legislation.
- Ms Beer confirmed that the Performance Related Pay system was monitored against equalities.
- Ms Beer explained that it was more difficult for part-time staff to receive an excellent rating. Many part-time staff tended to be more junior and therefore they were looking to review the criteria for junior staff to include their added contribution and value to the organisation.
- In relation to the declaration rates for staff, Ms Beer stated that it was not compulsory for staff to complete this declaration. Declaration figures varied across the organisation for example Kent Adult Social Services was about 90% whereas other parts of the organisation were about 50%. Overall the figure was over 50%. Ms Beer undertook to supply the actual percentage figure for staff declaration. She informed the Board that in relation to sexual orientation KCC took part in the Stonewall index.
- In response to a question on the posts that support this strategy, Mr Mills explained that officers who were “Equalities Champions” carried out this role in addition to their full time post and take a lead in addition to their day to day work. He agreed that this needs to be made clearer in the Strategy.
- Mr Mills and Ms Beer explained that in relation to disability it was important that consideration was given to what reasonable adjustments could be made to accommodate applicants for posts (who were the best person for the job) or existing officers. In recruitment it was not about lowering standards it was about enabling people to apply for jobs on a level playing field. Mr Mills agreed that the wording of the strategy should be amended to clarify that we were not creating a bureaucracy and to clarify that the strategy seeks to help people who were suffering unnecessary disadvantage
- On page 26 of the Strategy in relation to the reference to age further consideration needed to be given to the wording/positioning of the last bullet point to avoid age being seem as a disability.
- It was hoped that there would be a clear cycle of monitoring so that Members knew when they would be involved. Mr Mills explained that it was intended that actions identified would be incorporated into business plans.
- The need to assist those who were gifted and talented to avoid disadvantage as well was mentioned.

- Ms Beer confirmed that KCC made efforts to ensure that Equality and Diversity issues were embedded and to make sure that Members and officers understood equalities issues and could apply them.
- The importance of involving those experiencing disadvantage in the development of the strategy was raised. Mr Magba-Kamara confirmed that District/Borough Councils had been consulted on the strategy and that the legislation required that the views of people with disabilities were sought and this had been done. Mr Mills agreed that it would be sensible to add reference to how we had consulted within the strategy.
- Regarding social cohesion, Mr Mills stated that the two paragraphs that had been included in the previous strategy could be included within the new draft.
- Clarification was sought as to how the strategy related to contractors and their agents, and whether it was necessary to have a further level relating to KCC as a commissioner of services. It was clarified that the equalities legislation related to all employers so this would cover contractors and their agents.
- In relation to equal pay Ms Beer referred to the work on single status and assured Members that KCC constantly monitored equal pay issues.
- It was emphasised that issues of equality may affect everyone at different points in their life, and it did not just relate to specific groups.
- When the document was published on the website it needed to be as navigable as possible, as it was a long document.
- The issues of potential apprentices disadvantage by poverty, encouraging the building of life long home, improving literacy amongst the prison population was raised.
- In relation to apprentices, Ms Beer stated that they tried hard to make sure that the pool was diverse and that this was linked to the employability strategy. However, they did not target potential applicants from poor backgrounds but what might be helpful was that KCC was now prioritising the recruitment of apprentices for junior administrative roles.
- In response to a question on how KCC supported apprentices for Small/Medium Employers (SME's) Ms Beer explained that KCC did a lot to support SME's around the practicalities of employing apprentices and had produced a pack containing an example of a contract and training guidance.
- Mr Mills confirmed that Members would have a role in monitoring the strategy as part of their critical friend role. There was also a wider role for Members in using their knowledge to help access harder to reach groups, this tied into Member training and he would like to hear from Members what they thought would be helpful.
- Mr Mills mentioned the need to pick out the issue of health inequalities and to make the links across to the public health strategy.

(5) Mr Vye submitted the following four written questions and officers responded to them as set out below

(i) – Page 22 - there is a paragraph on 'Monitoring Performance' in which it is said that progress on the action plan will be reviewed on an annual basis by the Strategic Equalities Group. This is easily said---but to do justice to the issue much thought will need to be given to how a meaningful document, capturing all necessary information from all over Kent and covering all the strands of diversity and disability, can be constructed---and how that information can be brought to Members and the

wider public to allow them to have a say in commenting on the lessons that need to be learnt and the action that needs to be taken.

Response – Mr Mills stated that the Corporate Management Team had agreed to do a piece of work to draw together the monitoring the equality strategy with business plans monitoring of KCC as a whole so that they were all done at once. In relation bring the information to Members and the wider public and giving the opportunity to comment on the lessons to be learned and the action taken, work would be done on this and reported back to the Strategic Equalities Group.

(ii) -Page 16 it is said that KCC will be adopting a Comprehensive Engagement Strategy---and concedes that links with some community organisations have not been as good as they should have been. Could Members play a role in ensuring that hitherto unknown and unconsulted communities are drawn in?

Response – Mr Mills agreed that this was a well made point and it came back to the Member role, it was important that there was more training to ensure understanding and links via the community engagement process.

(iii) - Page 9 there is talk of the seven diversity/disability strands. However, on page 25 it is said that 'a legal duty to give due regard to socio-economic inequalities will become law in October 2010'. Apart from a section on page16 regarding teenage pregnancy there does not seem to be any section focussing on the implications of this duty. Will work be done to rectify this?

Response – Mr Magba-Kamara stated that he believed enough had been included at the current time, acknowledging that the strategy was likely to need to be amended following the outcome of the consultation due to end in November.

(iv) Finally--speaking as a member of the Select Committee on Extended Services--I note that the last bullet point on p12 refers to extended services work to put schools at the heart of their communities. The budget cuts mean that KCC will not be employing staff to develop this valuable initiative beyond August next year.

Response – it was agreed that it was not appropriate to comment on this at the Board.

(6) The Chairman gave officers the opportunity to highlight any areas of concern that they had at this point. Mr Mills raised the issue of “hate crime” and the adverse impact it had on the quality of life for people for example with learning difficulties or mental illness and the amount of this that was unreported. It also emphasised the importance of equalities being a cultural thing that needed to be embedded across the agencies that KCC worked with. Ms Beer highlighted the importance of linking what we monitored to the strategy which was an area that could be improved. Mr Magba-Kamara stated that there needed to be better publicity and a greater understanding of the strategy, also feedback was essential.

(7) The Chairman was given an assurance that the revised Equalities Strategy which would be submitted to the October meeting of the Cabinet would be circulated to Members of the Board for information prior to its consideration. It was agreed that the strategy circulated to the Board prior to Cabinet in October should highlight any amendments, especially those made as a result of the comments of the Board. An

undertaking was also given that, when the strategy was revised after November 2010 it would be submitted to this Board for comments.

(8) RESOLVED that the revised Equality Strategy be commended to Cabinet, allowing for further necessary refinements or to recommend the comments made by the Board as set out above.

29. Future Items for Policy Overview and Scrutiny Committees (POSC's) and Health Overview and Scrutiny Committee (HOSC)

(Item 5)

(1) Mr Wickenden presented a paper which gave the Board the opportunity to look at the future items list for all of the POSC's and HOSC and to consider whether there are cross cutting issues and if so how they could most affectively be considered.

(2) In relation to the issues of health visitors and Children & Adolescent Mental Health Services where there was overlap between the Vulnerable Children's Policy Overview and Scrutiny Committee (POSC) and the Health Overview and Scrutiny Committee (HOSC), the Chairman of the POSC stated that she had had a good constructive dialogue with the Chairman of the HOSC and if the item became urgent it would go on the next available slot on either agenda. They had agreed that it was important to get matters dealt with in a timely way. The Chairman of HOSC has undertaken to try to include these items in the HOSC work programme.

(3) In response to a question Mr Wickenden explained that part of the agenda setting process for POSC's was to ask for any item to be put on the agenda for scrutiny. Regarding feedback to Cabinet, as agreed at the last meeting of the Board, feedback on the decisions taken at the September meetings of the POSC's submitted to the Cabinet meeting on 11 October 2010.

(4) Mrs Dean stated that it was essential that POSC's were included in pre Cabinet work for radical changes in services.

(5) RESOLVED that the report be noted and that Mr King be invited to come back to the next or following meeting of the Board to report on the Overview and Scrutiny survey and the way forward.

30. Select Committee update

(Item 6)

(1) Mr Wickenden introduced an update report on the current Select Committee Topic Review Programme and the resources available to deliver it. He highlighted the request to extend the timeframe for the Renewable Energy Select Committee to enable it to meet with the large number of stakeholders prior to it being considered at Cabinet on 29 November 2010 and County Council on 16 December 2010. Resources were available to start the reviews on Dementia and Educational Attainment shortly. Assessment forms were awaited for the few Select Committee topic reviews that had been suggested by Members.

(2) Concern was expressed about there potentially being two Select Committee topic review reports received at County Council on 16 December 2010 and the need to make sure that there was adequate time to consider each of these reports. It was agreed that every effort should be made to get these two Select Committee topic

review reports on the agenda for the December County Council meeting but if this was not possible the preferred options would be to either just have them received at Cabinet or to receive them at a meeting of the Scrutiny Board 1 December 2010, rather than delay them to the April meeting of the County Council.

(3) Mrs Dean raised an issue of Policy for the management of obstructions and temporary Items on the Highway which had already been considered at the meeting of the Environment Highways and Waste Policy Overview and Scrutiny Committee on 25 May 2010. She had seen a petition from a disability group which had the backing of the Royal Institute of the Blind and asked for a ban on all A frame advertising boards. She stated that there were a couple of possible ways forward, it could be considered at Cabinet Scrutiny Committee but it was potentially a larger piece of work than they usually dealt with and therefore it might not be the appropriate place. If the petition had 12,000 signatures it would trigger a 45 minute debate at County Council but that would not be long enough to give full consideration of the matter. Her preferred solution would be to have a one day single issue Select Committee.

(4) Mr Hibberd stated that the views of District Councils were being sought on this matter via the Joint Transport Boards and he did not believe that the matter should be considered further until their views were known.

(5) The Chairman reminded the Board that if a petition containing 12,000 signatures was received it would have to be considered at County Council. He stated that this matter should only go back to the POSC once the views of District Councils were known.

(4) RESOLVED that:-

(a) the progress of the Select Committee topic reviews on Renewable Energy and Extended Services and the proposed Select Committees on Educational Attainment and Dementia be noted

(b) the timescale for the Renewable Energy Review be extended and that it reports to Cabinet on 29 November 2010 and if possible County Council in December 2010.

(b) suggestions for future topic reviews continue to be sought and reported back to a future meeting of the Scrutiny Board.

31. Sharing of good practice

(Item 7)

(1) The Chairman invited Mr Smith to produce a report for the 3 November 2010 meeting of the Scrutiny Board on the way that he saw Overview and Scrutiny evolving.

(2) Mr Wickenden reminded Members that there was a Chairmanship Skills training session on 17 September 2010. Also that he was running a training session for Gravesham Borough Council Members in Questioning Techniques.

RESOLVED that the item be noted.

KENT COUNTY COUNCIL

SCRUTINY BOARD

MINUTES of a meeting of the Scrutiny Board held in the Council Chamber, Sessions House, County Hall, Maidstone on Monday, 11 October 2010.

PRESENT: Mr E E C Hotson (Chairman), Mr P W A Lake (Vice-Chairman), Mrs A D Allen, Mr C J Capon, Mr M C Dance, Mr C Hibberd, Mr G A Horne MBE, Mrs E M Tweed, Mr K Smith and Mr D S Daley (Substitute for Mrs T Dean)

ALSO PRESENT: Mr P B Carter and Mr L Christie

IN ATTENDANCE: Ms K Kerswell (Group Managing Director), Mrs A Beer (Director of Personnel & Development), Mr P Sass (Head of Democratic Services and Local Leadership) and Ms D Fitch (Assistant Democratic Services Manager (Policy Overview))

UNRESTRICTED ITEMS

32. Urgent business

The Chairman informed the Board that, in addition to the report published with the agenda for this meeting, a supplementary report and appendices containing information which was not available at that time, had subsequently been circulated. He was of the view that the additional papers should be considered as a matter of urgency as they contained relevant information which Members needed to have before them in order to consider this matter at this meeting.

33. Change to Keep Succeeding - the transformation of the Council's operating framework

(Item 2)

(1) The Board received a report which outlined the work to date on a programme to ensure that the Council continued to deliver successfully in the face of the most significant changes facing local government in the external financial and policy context. Also circulated prior to the meeting was a supplementary report and appendices which included the proposed new structure, a summary of responses from staff to the informal consultation, risk assessment, equality impact assessment and current posts impacted.

(2) Ms Kerswell gave a presentation on the proposed organisational framework, including the timeframe for the restructuring, she explained that it was intended that the new structure would be in place on 4 April 2010.

(3) Ms Beer set out the process for handling the structural change. Once the County Council on 16 December 2010 had confirmed the proposal, letters would be sent to staff telling them whether they had been slotted into new posts in the structure. Those who had not been slotted in would be priority candidates for the remaining posts. There would also be the opportunity to take voluntary redundancy. Assessment centres would be held for vacant posts followed by Member and, if

appropriate, Stakeholder panels. It was intended that appointments would be made by the end of January 2011. There would then be a move towards full implementation of the structure.

(4) In response to questions from Members, Ms Kerswell stated that the challenging timescale was partly due to the importance of creating some certainty for staff. People wanted to know what the future is going to look like, so that they could think about how they could play a part in it. It was important to carry out this restructuring ahead of the budget process and she had attempted to build in capacity and flexibility. She referred to a recent meeting with District Council Leaders and a proposal for Locality Boards which would bring services together.

(5) Ms Kerswell confirmed that responsibility for the 14 – 19 years unit was contained within the Education, Learning and Skills Directorate.

(6) Ms Kerswell acknowledged the loyalty and quality of staff and stated that it was important to be able to say that the organisation was fit for purpose. She emphasised the importance of dealing sensitively with the impact of the reorganisation on individuals and stated that she was due to meet with the PA's and staff officers to the senior managers later that day.

(7) Ms Beer explained that it was not possible to build in the cost of voluntary redundancy at this time as it was not known how many staff would take up this option. In relation to superannuation changes these would apply whether or not we were going through a restructure and would be taken to Personnel Committee in the normal way.

(8) Ms Kerswell confirmed that she had delegated responsibility to produce this report and had brought it to Cabinet and the Scrutiny Board at an early stage. Ms Kerswell made it clear that although the views of the Corporate Management Team had been sought it was not the report of the Corporate Management Team it was her report as Group Managing Director. The report had been endorsed by Cabinet earlier in the day. Mr Sass clarified that the decision to go out to consultation on the senior management structure was a non executive decision being taken by the Group Managing Director but ultimately, the approval of revisions of the Council's senior management structure was a decision for the County Council.

(9) Ms Kerswell stated that once the statutory consultation period started the Trade Unions would be formally involved. There had been two informal discussions to date.

(10) In relation to the risk register Ms Kerswell explained that an updated version had been circulated that morning and placed on the website. Regarding risk 16 the words "reporting lines for children's services." should be added to the end of the "challenge" section. Referring to risk 8, she noted the points made about mitigated scores and the risk arising from the speed at which the re-structuring was taking place.

(11) Regarding the point made by Mr Christie that 90% of staff had not responded to the informal consultation, Ms Kerswell stated that staff were more likely to respond if they were unsatisfied with what was proposed. However, in this case, the responses did contain a lot of constructive support.

(12) Ms Kerswell referred to the separation of the Youth Offending Service from Youth Services in order to put the vulnerable and non vulnerable services in different areas but the matter was still open to debate.

(13) In relation to the number of new posts, Ms Kerswell explained that not all were on the same grade but it was important that the roles at this level reflected key areas of business.

(14) Ms Kerswell confirmed that the new posts of Corporate Directors of Human Resources and Finance would be members of the Corporate Management Team under these proposals.

(15) In relation to Public Health, due to pending legislation it was possible that this would become a larger area.

(16) Regarding comments about the title of the "Enterprise" directorate, Ms Kerswell explained that the title of the Directorate needed not be completely self explanatory for the public as their access to Council services would be via a Gateway, the web or the contact centre and an officer would direct any queries to the appropriate part of the Council. The use of the word Enterprise was about trying to generate an image of the new culture wanted for that directorate.

(17) In relation to the proposed Family, Health and Social Care Directorate, Ms Kerswell acknowledged that to put children and adult social services in the same Directorate was a significant move. She had spoken to Her Majesty's Inspector of Schools and also the Department of Education to ascertain their views towards such a move and had received a positive response. She believed that there was flexibility to arrange the services in the way that the authority felt was best whilst ensuring that safeguards were in place and that we met our statutory requirements.

(18) Mr Carter emphasised the need to restructure the organisation now. The Comprehensive Spending Review would set out the size and scale of the savings necessary which were likely to be very profound and deep. There would be a massive reduction in revenue support and a need for a radical and dramatic reshaping of the organisation at a high level and reorganisation of corporate support to remove duplication. The first phase would be to get the right people into the right jobs, then to reshape the organisation below that level. He believed that there were too many business units and it was possible to have a director who was also a head of service. He stated that the salary scale for the new posts needed to be re-evaluated as some of the roles were larger. There was room for flexibility about what sat below each directorate and there needed to be an acceptance that there would be a significant change in the way that services were configured. Everything that KCC was currently doing was reflected in some way within the proposed structure. Once the new structure was in place it was necessary to move towards a more efficient delivery mechanism for providing those services. He explained that on the Members' side it was his intention to keep stability between now and the beginning of March/ April 2011 through the Policy Overview and Scrutiny Committees (POSC's) and Cabinet Portfolios. The officer structure could then be established against a background of stability and consistency from Members. He acknowledged that POSC's may have to look at areas not currently within their remit when discussing the new structures. He emphasised the need to get into a position of certainty as

soon as possible. He expressed the view that savings should not be made evenly over next few years, there was need to reshape organisation as quickly as possible accepting that there would be a need to adapt to any changes to legislation.

(19) Comments from Members included the following:-

- The importance of consulting partners was mentioned as was the need to be aware in areas such as health and social care of the restructuring of partner organisations and where possible to make sure that timelines are complementary. It was essential to have a smooth transition to the new structure in these areas.
- There should be a way of retaining the knowledge and experience of impacted post holders who were not going to be part of the new structure during this critical period of change.
- There needed to be a clear recognition of the value placed on the loyalty that staff had to the organisation.
- Concern that the organisation would move from to an administrative style of management.
- The need to recognise the apparent imbalance of resources between the Directorate of Education, Learning and Skills and the Directorate of Families, Health and Social Care was mentioned.
- Interest was expressed in how Locality Boards would be constituted and what would be their remit.
- The unknown scale of the Public Health remit with Families, Health and Social Care Directorate was emphasised.
- As there were a similar number of posts impacted as are proposed under the new structure it was difficult to see where the savings were going to come from.
- Concern was expressed about how we it was possible to know that the proposed structure was fit for purpose if we did not what the government was going to announce in relation to services.
- Concern was expressed that the re-structure would be based on what we were currently delivered.
- A view was expressed that an assessment should be carried out of the risk of re-structuring now or waiting for 6 months.

(20) RESOLVED that:

- (a) the proposed structure be noted;
- (b) the formal consultation process should commence subject to the outcome of the meeting of the Cabinet Scrutiny Committee on 15 October 2010; and
- (c) the comments made by the Board as set out above be noted by the Managing Director and that an update be submitted to the next meeting of the Board.

By: Jeff Hawkins, Transformation Programme Manager
To: Scrutiny Board – 3 November 2010
Subject: Change to Keep Succeeding
Classification: Unrestricted

Summary: .As requested at the last meeting of the Scrutiny Board attached are the updated papers for which are currently out to formal consultation. .

Background

1. (1) At the special meeting of the Scrutiny Board on 11 October 2010, the Board received a presentation and report from the Leader and Group Managing Director on “Change to Keep Succeeding, the transformation of the County Council’s operating framework”.

(2) The Board asked a number of questions and made a number of comments which are included in the Minutes of the meeting on 11 October 2010.

(3) It was agreed that the Board would receive an update at their next meeting. Attached are the papers, which were updated with alternative structures (Appendix 1) submitted to the Cabinet Scrutiny Committee on 15 October 2010.

(4) On 15 October 2010, with the endorsement of Cabinet, Kent County Council started a period of formal consultation on the proposed new senior management structure with the 25 staff impacted by this proposal. At the same time a wider informal consultation was commenced which is open to all staff and partners. The formal and informal consultation period ends on 3 December 2010. A report will then be made to full Council on 16 December 2010 for a revised management structure and plans for the implementation of that structure.

(5) The target is to implement the change in structure, subject to consultation and the decision of the County Council on 16 December, by 4 April 2011.

Recommendation

2. The Scrutiny Board is requested to consider these updated proposals and to note that the matters raised by members at this and other member meetings to which this matter is to be reported will be fully considered as part of the consultative process.

Background Documents: Copy of paper to Cabinet Scrutiny Committee of 15 October 2010.

J L Hawkins
Transformation Project Manager, Sessions House room 1.68, extension 8103

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By: Paul Carter, Leader of the Council
Katherine Kerswell, Group Managing Director

To: Cabinet

Date: 11 October 2010

Subject: “Change to keep succeeding”
The transformation of the Council’s operating framework

Classification: Unrestricted

SUMMARY: This report outlines the work to date on a programme to ensure that the Council continues to deliver successfully in the face of the most significant changes facing local government in the external financial and policy context. It needs to be read in conjunction with the draft medium term plan which is being launched for consultation - “Bold Steps for Kent” as this is proposing the draft new strategic vision for the Council which the organisational framework of the Council needs to be able to support and deliver upon. A supplementary and more detailed report will be circulated prior to the meeting on 11th October due to the closing date of the consultation period upon which that part of this report needs to rely. As this further report will include details of the proposed new structure and information about members of staff, its status may be “exempt”.

1. Introduction

(i) To reduce the scale of the £156bn public deficit, to repair the nation’s public finances and to restore confidence in the national economy, the Government has embarked on a radical plan to reduce public spending. The Comprehensive Spending Review will settle the landscape for public service funding in late October. And the following month the Council will receive a clearer view of the provisional settlement in its external revenue funding. This will present elected Members and officers of the Council with our biggest challenge for a generation. Over the next four years it is likely that some £340m needs to be reduced from the Council’s net revenue budget in order to reduce spending and absorb the pressures we face. But the Council does not face this challenge alone – aside from the health service (which has to contain its intrinsic growth pressures rather than substantially reduce its base budgets) most public agencies in Kent and beyond face similar challenges. However, unlike most other public agencies, Kent County Council has the capabilities to meet these challenges head on. For when faced with challenges of this scale the Council needs to draw on its strengths of excellence and innovation.

(ii) Success is a springboard for future success. But simply repeating the success of the past will not be enough to meet the challenges of the future.

Instead the Council needs to make sure that its organisation and services are sufficiently agile to lower their costs to meet the coalition government's challenge on public sector costs and the Authority will need to evolve against the background of significant changes in other sectors including Health, Education, while sustaining and improving service outcomes. Individual services need to continue to strive to be ever more cost-effective but the overall organisation needs also to embrace an ethic of collective cost-effectiveness. This will require a more linked and connected organisation that is able to reap the benefits of scale, lower the cost of organisational infrastructure, and foster higher levels of overall productivity.

(iii) The Council needs to grasp the opportunities of the Government's decentralisation and localist agenda to revive enterprise and employment across Kent. It needs to help shape the future of education and healthcare across Kent to assure ever better life-chances for Kent's people. And it needs to make sure that its own organisation is sufficiently agile so as to continue to lower costs, raise productivity and secure ever better standards of customer service.

(iv) The proposed changes to the senior management arrangements to be outlined in the following appendix to this report (once consultation has closed) will seek to achieve the above and also to make the overall organisation leaner and fitter for future purposes. Without doubt, Kent benefits from the considerable talents and energies of the Council's most senior managers. But these benefits are not without significant cost to the taxpayer. In lowering costs and raising productivity, all layers of management need to be examined to assure cost-effectiveness and fitness for purpose. And it is crucial that the Council's senior management arrangements are reviewed to assure Members that value for money is secured and that these managers can together drive through the essential changes that are required across the County.

(v) In usual times, top-level organisational changes can help drive change throughout organisations. In times of tightening fiscal constraint they are essential to drive even deeper change throughout services and organisations. These top-level changes need to be approached in a disciplined and corporate manner. This is why I am proposing a coherent approach that secures Council-wide improvements in managerial culture, direction, and co-ordination. In particular I am mindful that during a period of major spending reductions, the conventional risks to service delivery pale against the potential risks of failure when services are being delivered on (an average of) three-quarters of their current budget. Controls based on single service or professional domains need to be strengthened by newly fashioned corporate controls to enable Members to better govern the risks to be faced over the next four years.

(vi) In order to deliver sustainable levels of budget savings over the coming four years we will require organisational courage and resilience from Members and officers alike. But these virtues are not of themselves sufficient. The Council needs to ensure that its senior managers are able to execute the changes that are required over the coming period. These senior managers need to possess the competencies and capabilities to take the

whole organisation forward and they need to possess the collective confidence to take the next bold steps.

2. OUTCOME OF THE INFORMAL CONSULTATION PROCESS

(i) The response to the initial informal consultation has been positive with nearly 200 members of staff already offering comment on the design principles. The comments are predominately positive in nature to the proposals contained within the draft design principles. Eight meetings were also held with managers about these design principles and feedback from those meetings is also being incorporated into the final draft recommendations for Cabinet.

(ii) All the feedback received will be collated and reported to Cabinet to inform their decisions and thinking about the way forward. They will also be used to assess the value of the draft design principles that have been circulated and the design of the Council's operating framework that will then flow from these.

3. PROJECT PLAN

Detail of the sequence and timing of the implementation steps will be provided in the following report. The detail of this will need to be based around the final recommendations of any proposed changes to the operational framework to be made to Cabinet.

4. PROPOSED NEW ORGANISATIONAL STRUCTURE.

The supplementary report to follow will cover:

- Details of the proposed directorates' structure,
- The proposed senior posts in each directorate and the business activity reporting into these roles.
- Outline job descriptions for each of the proposed senior roles
- A list of the current posts that it is proposed are deleted and a list of the new posts that it is proposed to create.
- Details of proposals to create a number of new companies to deliver Council services. The detail of these new company models will need to also be developed during the consultation period.

5. REVIEW OF REWARD POLICY FOR SENIOR POSTS

(i) Cabinet is asked to agree to a review, by the HayGroup, of the appropriate salary levels for the proposed senior posts. The review will take account of the level of responsibility and accountability of each proposed role and recommend an appropriate level of salary taking account of internal relativities and market rate. The review will be completed between the 18th October and 5th November.

(ii) The current salaries for senior posts are "spot" salaries, i.e. there is a rate for the job and no salary scale. Some senior posts have a contractual entitlement to a performance payment which applies a percentage lump sum

bonus according to the level of performance. However, these payments were frozen last financial year and will not be paid for this current financial year. It is proposed that senior managers are consulted during the formal consultation period on bringing senior performance pay in line with the Total Contribution Pay scheme in place for all other Kent County Council staff on the Kent Scheme of terms and conditions of employment. This proposal includes removing the current contractual bonuses for senior staff.

(iii) At the end of the formal period of consultation, all proposals for any changes to the terms and conditions for these proposed senior posts will be put to Personnel Committee for consideration before being reported to Cabinet on 16th December.

6. PROCESS FOR APPOINTING TO SENIOR POSTS

(i) Details of the process and timeline for populating the proposed senior level posts will be included in the supplementary report. This could include Member panel interviews preceded by assessment centres. Before any such arrangements like this can be agreed to, it will be necessary to follow the Council's process outlined in the Council's Blue Book of terms and conditions of employment.

(ii) This will of course be followed in deciding whether individual senior managers are "slotted" (i.e. automatically placed) to the proposed posts in the structure. This means that an individual may be slotted if all the following criteria are met:

- the job must be the same grade as before the re-organisation,
- there must be the same number of jobs (or more) as job holders
- the job is deemed 75% the same type of work in term of job accountabilities, activities and broad objectives

(iii) Then there is no recruitment process either internal or external and the employee whose job has been altered by this process is slotted in to the new job. This can only be assessed at the end of the consultation process and following the full Council's final decision on the proposals.

4. CORE VALUES AND BEHAVIOURS

(i) This change programme is aimed at enabling Kent County Council to alter the way it operates so that it can meet the new challenges it is facing. It cannot therefore be solely about the organisation structure, but must also lead to a new organisational culture.

(ii) It is therefore proposed that an external provider is procured to engage with staff across the Authority and with Members and senior managers to design a set of draft values and behaviours. This process when shared with staff has been warmly welcomed as a means of being involved in shaping the Council and ensuring we can deliver as well in the future as we have in the past.

(iii) These values and behaviours will be put forward for discussion and agreement at the County Council meeting on 16th December. Once agreed these values and behaviours will drive all aspects of the Authority's HR strategy.

5. EXIT MANAGEMENT PROCESS FOR SENIOR POSTS

It is suggested that a voluntary redundancy process is introduced, to be offered to any of the senior managers affected by the restructure proposals at the start of the process. Details of the process for this together with proposals around notice periods, appeals against decisions made and alternative job search support will follow in the supplementary report.

6. RECRUITMENT TO ANY POSSIBLE VACANT SENIOR POSTS

It is critical to the stability of the organisation, the continuation of excellent service delivery and the success of the many significant change programmes being undertaken that any senior posts left vacant are filled as soon as possible. The standard Kent County Council personnel process will be applied to any post that is not filled by a priority candidate, and the post will be advertised to internal staff with external candidates being sought contemporaneously if required. This has worked very successfully in the past and it is hoped that if such a circumstance arises of a vacant post needing to be filled, internal staff are able to come forward and be assessed for the vacancy.

7. FINANCIAL IMPLICATIONS

(i) The Council is facing significant financial challenge more so than at any time in its past by virtue of the economic conditions of the country and the forthcoming comprehensive spending review that is proposing to reduce Council budgets between 25% to 40%. Officers have been working on a series of options to increase the efficient working of the Council and to review ways in which services can be delivered to reduce costs whilst maintaining quality to meet this level of reduction.

(ii) The management costs and organisational structure costs of the authority must be examined along with all other costs within the Council. This process will naturally contribute to the savings required. Details of the proposed savings will be available once consultation has closed and a final draft proposal for Cabinet can be created. Other savings proposals that will affect staffing arrangements in the Council will undoubtedly follow in the budget proposals that will be presented to Members later this Autumn / Winter. Effective corporate programme management will ensure alignment and enable any possible double counting to be dealt with.

8. RISKS

(i) It is important early on in this work to highlight a number of possible risks facing the Council from these proposals. A fuller risk register will be supplied

following the closure of consultation and the draft proposals being able to be concluded.

(ii) This proposed change process is happening at a very congested time for this Council. The Council along with all others in the public sector is facing unprecedented external policy and financial changes. Local people's expectations from services and what they are willing to pay for them is also changing fundamentally. We are in the process of discussing with Members and the Scrutiny committees the Council's new medium term plan "Bold Steps for Kent" which is considering a brand new focus and way of working for the next four years. The draft medium term plan is also on this Cabinet's agenda for approval for consultation.

(iii) It is imperative that the process of transforming our operational framework, preparation of the Council's medium term financial plan and the development of the medium term plan dovetail and absolutely align. They are all intricately related and the individual success of each of them relies upon the success of all.

(iv) The Group Managing Director's role is to ensure the co-ordination of such major developments and also to plan and manage the risk of non-alignment by working very closely with key officers in the Council. Therefore these programmes will be programme managed through the Group Managing Director's office and the Corporate Management Team will be the programme board for these activities. The programme office resource is in place to support this.

(v) It is important to be clear about the need to ensure accurate financial control is maintained throughout this change. This risk will be strongly mitigated by the programme management approach, the corporate management team's role as the programme board and very strong input from the financial services division into the programme team that is already in place.

(vi) In addition to the risk being mitigated by the effective programme management resource, another possible mitigation of this risk could be to delay one or several of these programmes that are occurring at the same time.

(vii) "Bold Steps for Kent" the new medium term plan, has to take place in this timeframe. Our current medium term plan "Towards 2010" has concluded and this Council needs to be clearly focused on dealing with the new policy challenges facing us and being able to plan for and deliver Members' ambitions for the next four years.

(viii) The transformation of the Council's operating framework is intrinsically linked to making certain that the Council can deliver "Bold Steps for Kent" the new medium term plan, which requires of us a new integrated delivery model and new ways of working.

(ix) The new medium term plan “Bold Steps for Kent” also supports and enables many of the proposals currently being developed to deliver the new medium term financial plan and the estimated £340m of reductions that the Council may have to find over the next four years.

(x) The medium term financial plan clearly has to take place at this time to deliver the Council’s budget and respond to the outcome of the comprehensive spending review on the 20th October. The changes proposed by this report will enable many of the financial reductions that will be necessary to be made.

(xi) If we are to avoid a period of managed decline we need to deliver our services at lower cost and in different ways. If we halt the organisational change that this report contemplates we face a different risk of “salami slicing” of services and being unable to deliver the quality of service that Kent is renowned for. It is important that the costs of how this organisation delivers its services are considered and challenged as much as the costs of what we deliver in actual services.

(xii) Kent has a national reputation for being able to seize opportunities at the right moment. If we fail to align these three programmes effectively and not maximise the support they give to each other and manage the pace of each through a co-ordinated and resourced programme office we run the different risk of losing the benefits of these processes and prolonging the period of turbulence for this organisation.

(xiii) Another two risks of all these programmes and in particular the subject of this report are the risks to morale and leadership capacity. Members will be able to see from the responses from staff to this informal consultation (those received to date) that they talk about the uncertainty that they all feel. There are also comments welcoming the fact they we are facing up to this and want to involve staff in how we deal with the situation. There has also been very positive support expressed in the managers meetings about taking up this difficult situation with their teams to help manage the transition and deal with the uncertainty that the external policy changes and financial environment are driving.

(xiv) As our services have to be reduced and the policy challenges we are facing and also wish to create ourselves are changing, we need to examine the most senior posts that we have in this organisation. We must ensure that they along with all the other roles and services are fit for purpose and that the overhead costs that they represent are appropriate. The period between our current operational framework to any different framework that Members agree will need to be very carefully managed through a transition programme to ensure effective capacity is available to keep the programmes of the Council going.

(xv) All areas of this Council are being reviewed and challenged as part of the process to find the £340m reductions needed over the next four years. There is the risk that if we fail to examine the costs of our most senior management structures and whether they are designed in the most effective way for our

future, we will give a contradictory message to the rest of our staff about the different values placed upon roles at different levels in the Council. That is clearly not part of the values of this authority and it is important that we must be seen to be demonstrating explicitly the equity and fairness of the approach that we take to examining all costs at all levels and in all services.

(xvi) This Council can be proud of the fact that we have a strong pool of resilient and steadfast managers who have met such challenges as this in the past and have managed the transition and uncertainty that is necessary in such a turbulent period.

(xvii) Cabinet must also consider in assessing the options that this report will place before them a slightly different type of risk. The risks above can be described as a type 1 risk. The risk of something going wrong that can then either be mitigated or put right.

(xviii) here is also the type 2 risk that needs to be considered. This is the risk of not doing something, that if you had done it – it would have delivered the future you are seeking to achieve.

(xix) The consequence of a type 2 risk in relation to this report and the proposals that are to follow; is that changing the organisation at a later date when the opportunities we are seeking to take advantage of have moved on could be much more costly and damaging for us. The external demands of the policy changes from the new government and the financial reductions we will have to find show no sign of slowing down or reducing, indeed they seem to be accelerating. Cabinet will need to consider the cost of change now in all its dimensions or a possible much increased cost at a later date.

9.RECOMMENDATION

Cabinet is asked to note and agree as appropriate the proposals put forward in this report and to note that further recommendations will follow in the supplementary report.

Note: *This report will also be discussed at a meeting of the Scrutiny Board which is taking place on 11 October on the rising of the Cabinet meeting and a meeting of the Cabinet Scrutiny Committee taking place on Friday 15 October 2010*

Background documents: The First Bold step Informal consultation document

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Change to keep succeeding Appendix 1

The challenges facing us

1. As described in the Cabinet report already circulated, KCC is facing; along with all other local authorities and public service agencies, an unprecedented level of and pace of change. The challenges facing the Council arise from three main sources.
 - From the changing patterns of needs and demands from service users and local residents.
 - From the financial reductions that are being applied to public spending generally.
 - From the fundamental changes planned by the Government to public sector policy and our own Kent new policy ambitions in the draft medium term plan “Bold Steps for Kent”.
2. The needs and demands of our public do change and are changing rapidly and if we are not equally nimble in responding to them we can appear rigid or fixed in terms of the style of our service delivery and our ability to change our cost base. The demographic changes we are facing in Kent are significant enough on their own but they accompany further social and economic change as well as the fast paced changes in local peoples’ use of media technologies such as Face Book campaigns, electronic petitions and the widespread use of direct contact email. KCC has embraced the transparency agenda and this will yield further avenues for media technologies to engage with the delivery of our services and our functioning as a Council.

The demographic challenge

3. Over the next eighteen years the total population in Kent is predicted to increase by 18%, which is higher than the growth predicted for the whole of England and the South East. The particular population growth trend that we need to be mindful of in thinking and planning for our future is the growth of the over 85 population. At one level this should be absolutely celebrated as many more people are living past this age than ever before.
4. Over the next eighteen years the percentage of over 85’s in our total Kent population will increase by 99% from a population of 38,700 to 77,400. (ONS – 2008 –based sub national population projections) In contrast our younger population group of 4-10 year olds only increases by 12% between 2009 and 2019 and then remains constant after that.
5. This clearly has major issues for a wide range of services we provide and certainly is not restricted in its impact to adult social care services. The principle that its not just adding years to life but life to those years means each of our services must think very hard how we address this significant increase in our over 85 population.

The service delivery challenge

6. Essentially, future needs and demands for public services will differ in character from those of today – they will not simply differ in the level or amount we deliver. People want more appropriate, more flexible, more personally tailored and responsive services. They want more self-organised services and they expect, wherever practicable, for services to be made available online. How people privately consume goods and services will continue to influence their expectations of our services.
7. In order for us to be able to meet our future challenges, KCC, local government, indeed all public institutions and agencies will need to be more agile in how they organise themselves. The stress will rightly be on redesigning services, on reshaping the systems of service delivery, and on revising “service user pathways” such as in care for elderly people with specific conditions, and really maximising the use of the latent potential of our Gateways. But to do so will require us to be much more flexible in how we finance our services and how we shape our functions and activities. We must also be very clear this does not simply apply to how we work on our own, but increasingly we will be working with our partners and we will need to be flexible and agile in the many differing types of relationships that will emerge.
8. Eight briefing sessions with 219 of the Council’s managers have taken place over the informal consultation period. We have discussed the changes that the Council will have to face over the next period. We have also discussed between us the new policies that the Coalition Government is introducing. Members will see from Appendix 2, a summary of the responses from those sessions. One of the very consistent themes raised in those discussions was the impact of the level of financial reductions that we have to plan for and contemplate ahead of the 20th October CSR announcement and also the effects that this could have on local jobs and services in our county.

The financial challenge

9. The Government have adopted a broad plan for public sector reductions. The current plan is for 85 per cent of the planned reductions to come from public spending cuts. The period of private sector recession of 2008-9 is being followed by period of public sector retrenchment from 2010-14.
10. At the very broadest level this presents a background of considerable uncertainty for KCC and its public sector partners in the county, all of whom face the challenge of planning for this future. Nationally local government has had to deliver efficiencies of around 3% a year. As an excellent authority KCC has delivered above that level at around 4% a year. This has required significant focus and activity by the organisation and Members. The level of reductions we are expecting from the CSR announcement translates roughly into reducing our spending by up to eight per cent each year for the coming three years.
11. Efficiencies of three or four per cent can be planned for by way of productivity improvements and the like. Ongoing cumulative reductions of eight per cent are significantly much more demanding – to determine, and then to implement.
12. They require some bold steps to be taken.

The policy challenge

13. The Coalition Government has published an ambitious agenda for fundamentally altering the nature of public service in this country. It has resonated very closely with the future vision for public services that the County Council set out in the Leader's paper "Bold Steps for Radical Reform" in January 2010.
14. Kent's history of innovation, delivery of quality services and strong relationships with Whitehall places us in an enviable position to develop many of these new ideas and bring additional advantages for example through investment in new service models, by a government willing to see its ideas being tested and trialled. All throughout the meetings with managers their willingness to try new ideas and pride in the history of innovation and entrepreneurialism of their Council was very evident and staff are getting ready to step up to these new challenges.
15. The fact that we have two externally driven major changes of a policy framework and a financial framework is significant. We must avoid the pressure of such a reduction in our funding to feel that the future has to be one of managed decline and a timid future then emerging.
16. This point was raised in the consultation process and many staff opted for creating a new future and not just face an endless "salami slicing" of Council services. Their responses are very true to a core aspect of KCC – that of facing up to our future and changing it for the better. That characteristic will be essential for us going forward and managing these challenges. We need to be able to take advantage of the new ideas that are emerging about public services and really offer a different future for public services in Kent. These draft structure proposals aim to enable that capacity to be in place as soon as possible and to aid the financial reductions we must face.
17. The structure charts that are included with this report for Cabinet to approve as a consultation draft for the organisation and our partners, attempt to capture the challenges we face and to enable the County Council to fully respond to the new opportunities in the changing financial and policy environment both from our own draft medium term plan "Bold Steps for Kent" and the Government's radical agenda.
18. A series of design principles were developed and circulated in a leaflet "The first bold step" to all staff to create a debate about what was facing us as a Council and whether we are currently organised and operating in a way that enables us to deal with that future in the most effective manner. The summary of the comments received back from staff is attached at Appendix 2. There are a wide range of comments, both critical and supportive and I have responded to each, full copies of which are available in the Member's Information Point as well as to each Member of Cabinet and the Scrutiny Boards overseeing this report. Overall there is a positive sense of energy and desire to change some of the ways that we operate as an organisation, most notably on how we connect internally and operate as one organisation. Many

of the design principles were supported and they have shaped the draft structure proposals placed before Members today.

19. The changing nature of the delivery of public services will require KCC to think very carefully about the current way it is organised. As recently as Sunday 3rd October the Secretary of State for Communities and Local Government – Eric Pickles MP made a statement of how local government must end duplication and increase its productivity, He urged us all to share more services between Councils and between other public agencies. The proposals in this restructure rise to the challenge that the Secretary of State has thrown out to all local government in ensuring we are joining ourselves up as an organisation and making the use of our internal systems much more productive. This will enable an easier connection to be made as one Council with partners when needing to join up services together.
20. It will also enable us to create new forms of service delivery vehicles with our key partners in Schools and with GP's. It will also help us to deliver more effectively in localities, joining decision making with our other partners in District Councils, the Police and Health and other local organisations to really tailor our services to the particular needs of that locality. The intention is that this locality approach does not stop at the district level but can explore closer delivery with our parish and town Councils and in local neighbourhoods.
21. All of this is exactly in line with the Secretary of State's determined vision for the future of local government delivery. On coming into office the Secretary of State declared his priorities to be;

“localism, localism and localism – but not necessarily in that order”.

22. In the face of that drive to join up and also increase our productivity; how we internally organise our business support resources also needs to alter so that we are connected and integrated as one organisation. We can then become much more efficient and productive in how we use those systems and processes – a “one pass” approach and (leading to much more effective and coherent) can then effectively integrate with others.

Explanation of the structure in general and process for staff impacted

23. In addition to the text below which describes the main themes that the proposed structure is attempting to deliver, it may be helpful for Members to look at the structure diagrams. These are portrayed in two ways, a traditional organogram of posts and reporting lines showing the whole Council and a more detailed picture outlining the top two tiers of management posts in each proposed Directorate that are directly impacted by this proposed restructure consultation. The array of functions that are shown (in the grid boxes) for that Directorate then would lie within their areas of responsibility if those senior posts at first and second tier were approved. Please note these are not all current service teams but also denote capacity and functions that will need to be created.
24. Please also note that the areas described as functions and any staff or managers within those are **not** affected at this stage by any of these restructure proposals. If at a later stage further re-organisation is required then that will be dealt with, within the terms and conditions of the KCC's employment policies. Appendix 5 of this report lists the current senior

management posts that are directly impacted by these draft structure proposals. It needs to be explicitly understood that these are the **only** posts which are affected by this process.

25. Those post holders are **not** placed formally at risk by this consultation process. That can only happen if and when Members take their final decision on the proposals at the Full Council meeting on the 16th December. It will only be at that stage that it will be possible to determine whether any of the current posts have altered significantly and therefore whether any of the post holders are then formally at risk. The Director of Personnel and Development and the Group Managing Director will be writing formally to all senior officers directly impacted by this process on Friday 15th October following the outcome of Cabinet Scrutiny Board. Formal consultation can only begin following the outcome of that meeting. However all senior staff are being briefed on the morning of the 11th October so that they are fully aware of the draft structure proposals and can ask any additional information about the process that they require. The Corporate Management Team have also all been informed of these proposals on Friday 8th October, either in a meeting or by receiving copies of the proposals due to other meetings preventing them attending.
26. It is very important to be aware that the posts at the second tier level do **not** all carry the same level of seniority, size of job or price tag for that job. The inclusion of director level posts in this way represents the first visible sign of implementing the design principle of a flatter structure leading to fewer management tiers between the top of the organisation and the front line.
27. There are a number of posts that have been designated “director” that have a very singular focus such as waste and procurement. These have been included in the most senior tiers of management as they are such significant areas for the Council and to give them a very clear focus and priority.
28. By virtue of the design principle that was endorsed by staff, this structure is aiming to connect all business support services together in one Directorate serving the whole of the Council. There are two posts in that Directorate however that are also members of the Corporate Management Team with the same first tier status as the Corporate Directors leading Directorates. These two posts are Corporate Director Finance and Corporate Director Human Resources. The reporting lines and day to day operational activity of these two divisions need to be part of the Business Strategy and Support Directorate but they play such a significant role in the life of this authority that they will be formally members of the Corporate Management team and enable to enact their strategic role in full. It is also critical for the statutory role of the Chief Finance Officer post that it is a member of the Corporate Management Team in order to be able to fulfil its duty.
29. The Corporate Director Business Strategy and Support has also been designated as Deputy Managing Director. This will ensure continuity of organisational leadership in the absence of the Managing Director. The current job title of the post of Group Managing Director is proposed to be altered through this process to Managing Director. This is now possible due to the other Directorates being re-titled away from being Managing Directors in their own right and also denoting the one Council – one organisation design principle.

Detail regarding the role of the Corporate Director

30. The post of Corporate Director denotes the most senior tier – first tier of management in the authority and membership of the Corporate Management Team. The Corporate Director along with all other first and second tier posts will share identical responsibilities in their job descriptions in regard to overarching responsibilities for being focused on; our customers, working with partners, leading services, leading people, performance, finance and risk. In addition they will also have the specialist responsibilities in line with their Directorate's functions.
31. The Corporate Director is the overall managerial head of the Directorate and as such has a key responsibility for ensuring its smooth running. The post has to have a strong relationship with the business partners who will support the operation of that Directorate. The Corporate Director is also a strategic policy client initiating the development of major policy via the Director of Business Strategy and the resources in that division and in close liaison with their Cabinet portfolio holder. The design of the business strategy division is to ensure a holistic approach can be taken to policy and strategy development in the Council and that the staff working there are able to cross fertilise ideas and develop their thinking in the broadest context of the direction of the Council as a whole.
32. Corporate Directors will still as happens currently take the lead on a number of cross cutting issues and themes that are critical for the smooth running of the organisation. Health and Safety and Equalities are two very obvious areas of work that both require the most senior posts in the authority to champion.
33. Those Directors and Corporate Directors who have responsibility for the business partner relationships for their particular functions with other Directorates are also designated Heads of Profession". This covers finance, human resources, property, IT, communications, consultation and engagement The Director of Governance and Assurance is also the Head of Profession for legal services.
34. The Chief Officer Group has been redesigned over these last three months into a Corporate Management team (CMT) and its new way of working is in line with the design principles. It will be a key element in ensuring effective corporate working and that new silos don't replace the old.
35. CMT's role is primarily in two areas. One is giving advice to Members. In large-scale multi-functional local government there are, inevitably, competing claims for resources, assets, facilities, services and political attention. In this context one key feature of corporate management is the requirement to advise Members on how best to balance differing interests and how best to weigh competing claims. Members may require a plurality of views but these must first be considered through a corporate lens – policy, service and managerial issues need to be considered in the round and not simply through the prism of one singular service domain. This if not counteracted can be a major driver of silo behaviour.
36. The other is managerial leadership. The Council's services, functions and activities are all directed to improve outcomes for the people of Kent. The

Council's top team are collectively responsible for the coherence of management direction and controls – operationally, strategically and corporately. The team is responsible for overall results, the stewardship of resources, the Council's corporate reputation and its effective risk management (results, resources, reputation and risks).

37. The Chief Officer Group whilst it has clearly undertaken a number of the above roles in the past has not operated as explicitly as the new terms of reference of the Corporate Management Team describe. This new Corporate Management Team role is critical for the smooth operation of the new operating framework of the authority.
38. In the face of all our challenges the Corporate Management Team must absolutely share one responsibility that of explicitly challenging all our areas of service and practice to ensure we are truly delivering the best we can. This is not just a question of ensuring that the things we are doing are being done in the right way. But also in the light of the significant financial, and policy changes both nationally and of our own volition that we are now doing the right things.

Delivering the new vision of the authority – delivering the design principles

39. It may seem odd in a report to Members that is primarily about draft structure proposals to say that the future operating framework cannot just be about a structure. Throughout the consultation and in the manager's meetings, we have discussed a way of looking at the organisation through a number of areas, one of which is the structure. We have also discussed the style of the Council – how it works, the systems we use, our shared values, the skills, our staff need, etc. Staff strongly responded to this and have endorsed that we need to develop other aspects of the way we work and organise ourselves and not solely focus on the structural arrangements of services and reporting lines as important as they are.
40. The earlier report that was circulated to Cabinet refers to the development of a new set of shared values and workplace behaviours that will be designed by staff for staff. This too has been welcomed in the feedback as a means of engaging the Council and making the design principles really come to life in our day to day interactions.
41. The Council will shortly be consulting on its draft medium term plan "Bold Steps for Kent". The outline of this was captured in the first design principle which shared with staff the three proposed ambitions for Kent; to grow the economy, tackle disadvantage and put citizens in control. The way we will work to deliver that, will be through operating as one Council and very much focused on the localities of Kent with our partners. The role of KCC in speaking out for the whole of Kent and its needs is also captured in this principle and the need for us to stand up for our county and ensure our needs and demands are clearly understood.
42. The structure proposals have been developed in line with the thinking in "Bold Steps for Kent" and will strongly support the new ambitions and provide capacity to implement the direction of travel for public services in KCC and the whole of Kent that is outlined in there.

43. Draft proposals for consultation on the future structure of Kent County Council

44. It is proposed to create five Directorates – Business Strategy and Support, Customer and Communities, Enterprise, Families, Health and Social Care and Education, Learning and Skills. These Directorates aim to deliver the design principles that have been consulted upon with staff. (see Appendix 2)
45. They are also intended to reflect the three draft Council and county wide ambitions contained within the draft medium term plan “Bold Steps for Kent”. These are 1. Growing the Economy – Enterprise Directorate, 2. Tackling Disadvantage – Education, Learning and Skills Directorate and Families, Health and Social Care Directorate and 3. Putting the Citizen in Control – Customer and Communities Directorate. The Business Strategy and Support Directorate contains the policy development and intelligence function for the whole Council and contributes overall to the whole plan. These descriptions are not intended to suggest that the other Directorates would not contribute to any of the other ambitions but to show a correlation between their focus and the Council’s ambitions for the future.
46. One of the design principles was to enable the Council to work as a more integrated organisation rather than as a series of federated services. This is an essential shift if we are going to be able to focus completely on the delivery of “Bold Steps for Kent” and those three overarching ambitions. It is also an essential shift if we are to be able to channel our delivery into a series of locality delivery boards and the integrated frontline of the authority to meet the pattern of service delivery that local people require at the price we can afford.

Education, Learning and Skills Directorate

47. Overall the Directorate will focus upon ensuring strategic leadership and the County Council’s championship of high quality learning opportunities from early years through to 19+. It will make sure that there is genuine choice and diversity in provision to meet the needs and aspirations of all children, young people, and parents, with information advice and guidance so they can make the appropriate choices. It will coordinate and facilitate collaborative working amongst schools, keeping Kent at the leading edge of educational practice. It will also ensure the coordination of admissions, home to school transport, special needs education and link closely with the children’s services team to ensure every child is attending and flourishing in school. Finally it will be keeping a very close eye on standards and achievement, making sure support and intervention is there when required.
48. Capacity has been created within the proposed Directorate to develop with our community of Schools, Head teachers and Governors, a number of new vehicles to provide them with continuing professional development, school improvement, curriculum development and a really strong range of school support services which many of them access currently. It is envisaged that this type of new vehicle will enable us to support both the thinking of the new Department of Education in the greater independence they wish to see schools having and also to continue to support the large number of Kent schools who currently value a very close working relationship with us. This model as a “best of both worlds” approach has been broadly welcomed in recent meetings with head teachers.

49. The proposed Directorate also signals a move to recognise the new policy thinking within the Department of Education on the “every child matters” policy framework of integrated children’s services. There have been significant advantages gained from this policy framework. There have however been some losses mostly in the relationship with adult social services in terms of being able to conduct a real integrated assessment and develop properly integrated continuous care pathways for clients. The proposed structure tries to rebalance our service delivery models so that we are able to regain these elements and also retain the excellent work that has been done to date in this county on the integration of children’s services.
50. The current Children, Families and Education Directorate has re-organised itself to ensure in the twelve district areas of our county, there are integrated children’s services for school support, children’s social care services and preventative services such as children’s centres. These operate with a series of twelve locality boards and an over arching Kent Children’s Trust Board. This is a valuable forerunner of the thinking that is being proposed within the draft medium term plan “Bold Steps for Kent” and the 12 locality district boards and it will be essential to learn from its experiences in the development of the model being proposed for the whole Council.
51. The proposal in this draft structure is to support and maintain those links in the localities of integrated children’s services but to designate the line management “home” of targeted Children’s services as the proposed Families, Health and Social Care Directorate. Throughout the proposed consultation period there will be a number of bills and white papers published by the Government. Amongst them is expected to be an Education White Paper. This will give us further guidance on what the residual statutory duties of the local authority are likely to be in regard to education and may also discuss what the future statutory role of the Director of Children’s Services could be. The consultation period should allow enough time to take into account any proposed changes and give us the flexibility to respond.
52. Bearing in mind the current statutory requirements, it is proposed that a protocol be produced to ensure that the accountability of the Director of Children’s Services is properly maintained and not fettered by a different reporting line arrangement. The reporting links to the statutory role of the Lead Member must also be maintained pending any national review. The current statutory guidance on the role of the DCS does not insist that there has to be a direct reporting relationship of these posts.

Families, Health and Social Care Directorate

53. This Directorate will focus on the continued delivery of high quality adult social care services; develop a new model of integrated delivery of social care with our health partners and others, develop the new role of Public Health and work to ensure the Council is able to support the GP practices in the county facing their new agenda as commissioners. The Directorate will maintain the high standards of care practice for children and continue to champion safeguarding for adults and children throughout all the Council’s services. It will also seek to deliver new models of more integrated assessment and care pathways with the addition of the children’s services division and commissioning, assurance and delivery of services for other vulnerable groups.

54. The draft structure proposals for this Directorate show this as the new home of the Director of Children's Services and the line management arrangements and the locality connections to integrated children's services as described above. It must be emphasised that the dotted line is to represent a real living relationship of the services across these two Directorates.
55. This Directorate is also home to the significant range of adult social care services that are provided by the Council, both their commissioning and provision. The future of direct delivery and possible integration with health services or with other models of delivery are very current. The role of Transition Director in this Directorate is to enable the future model of service delivery to be developed for Members and also to ensure the new relationship with the GP's and their responsibilities under the Health White Paper can be properly developed.
56. Safeguarding is a critical issue for all services in the Council but most notably for adult and children's social care services. Whilst the personal responsibility and activities within the different social care teams – adults and children's, will continue unaffected, there is potential to draw together the support services to the safeguarding boards, training and promotion and the commissioning of and oversight of any investigative work that may need to happen. Whilst adults and children's safeguarding practice have a different legal basis, there are many similarities within the culture, approach and core workload of these different teams to promote and ensure safeguarding is a live issue for all our staff. The function would also be expected to look across the Council and raise the profile of safeguarding for everyone.
57. In this Directorate there is also the role of the joint post of the Director of Public Health. The post holder at present is shared between the two primary care trusts in Kent – Eastern and Coastal Kent and West Kent and ourselves. We share a third of the costs of the post each. The national changes proposed by the Department of Health are as wide ranging as the national policy changes to education. It is certainly one of the most significant policy proposals of this Government. Health is being redesigned to move the majority of commissioning decisions into GP practices, new roles for local authorities are being developed and new roles at a national commissioning body level are also being developed.
58. Kent County Council has a proud history of involvement with health and pioneered the development of Health Watch which has been mirrored by the Government in their new policy framework. We will need to see the Public Health White Paper when it is published and the further detail that will emerge from the Department of Health over the next few months as to how this role will develop. There are very likely to be many changes in this area that we will need to discuss with Members as and when the picture becomes clear.
59. Within this Directorate there is also a new division headed by a Director of Supporting People. This division is intended to house significant commissioning activity to vulnerable groups, via the supporting people commissioning body we have, for children's health and for children's social care. There is also the critical role closely related to commissioning as a function, that of quality assuring the delivery of social care. The safeguarding new function has been referred to above and will be placed here. Youth Offending and KDAAT whilst needing to retain their existing links to the

community safety function will focus on delivering particular support to the vulnerable people in need of those particular services.

Enterprise Directorate

60. Overall this Directorate focuses upon three key areas, the delivery of the regeneration of our county, the planning and environment issues that are associated with that and the delivery of major contracts that affect every single resident in Kent.
61. Growing the Economy is one of the three proposed Council and county wide ambitions in the new draft medium term plan “Bold Steps for Kent”. The County Council has made a bid with Essex to create a Local Enterprise Partnership to really drive the growth of the two very significant economies in the south east. The Government has announced the £1bn Growth Fund that we will seek to access for significant work in the LEP. We will continue to invest monies ourselves as a Council in growth activity. We have also made a very strong bid to HM Treasury as part of a place based budgeting bid for the nationally controlled funding stream that is spent within our county.
62. This bid if successful will enable us to decide how that money is most effectively spent. The delivery of this integrated funding stream will be from this Directorate. The regeneration policy development will be led from the Business Strategy and Support Directorate as part of the overall integrated policy unit and will commission this work in the Enterprise Directorate in consultation with the Cabinet Member and Corporate Director for Enterprise. This integrated approach to policy development supports the concept of the “one Council” that ensures that any major initiative is thought through in the context of the whole Council and not just a part.
63. Our highways and waste disposal services are essential in maintaining the quality of life in our county and the smooth passage of all our residents in their daily lives. These are mostly “invisible” services in that their actual provision by the County Council is often invisible to the residents that use them day to day but they are critical and fundamental services to all of us. They become instantly visible and a very high priority if things are not working smoothly. The focus of these two divisions – Highways and Waste will be to ensure just that and that we take forward the very exciting waste agenda that we have embarked upon with our District and Borough colleagues.
64. The Directorate also houses the development control and environment activity of the Council, our keen focus on the rural parts of our county and of course our coastline. The quality of the environment of Kent is very precious to this Council and the very many people visiting and living in the county and this will be a key role for this Directorate to be able to continue to develop partnerships and invest in these services at a time of real financial pressure for the authority.
65. The Directorate will also newly house the re-purposed commercial services operation we have but it will be housed with other services where we believe there could be a significant advantage if those services could be developed in a different way.
66. This should not be presumed to be on the same business model as our current very successful commercial services division that has operated to

date. The Coalition Government is encouraging the public sector to develop a wide range of new and alternative vehicles for public service delivery – social enterprises, employee buy outs, mutuals, joint ventures etc, which will all contribute strongly to local economic growth and enterprise. This division will help the Council to explore these models. As the Prime Minister said on 6th October

“The countries that succeed will be those that find new ways of doing things, new ways of harnessing the common good, better alternatives to the old-fashioned state. I am saying to the people who work in our public services - set up as a co-operative, be your own boss, do things your way. I am saying to business, faith groups, charities, social enterprises – come in and provide a great service.”

67. This division will also house the project resources for the major regeneration activity that may continue to be invested in by us and our partners. As explained above it will also provide the engine room for any implementation of combined expenditure if we are successful in our Place Based Budgeting proposal on regeneration monies spent in Kent. We will learn more about that after the 20th October and the spending review announcement.

Customer and Communities Directorate

68. The purpose of this Directorate can be summed up very simply as owning the “front line” for the whole Council. It could be thought of as a “Directorate of the front line” – and by that we mean both the physical buildings, the call centre and web access. The Council has made a significant investment over recent years in the Gateways – jointly run with our partners. This has been nationally recognised as excellent practice. This Directorate will have a clear focus on developing the Gateway model across all our public access buildings and re-engineering services to take full advantage of delivering an integrated front line to the public and delivering savings from that.

69. The Directorate will also be home to a range of services that share a similar characteristic in that the public choose to use them – i.e. “they come to us”. In addition to the Gateways, there are the registrar service, libraries and our parks. It will also house key strategic services for the Council from community safety and public protection to adult learning, skills and youth services. These services have a particular significance in relation to the Kent economy.

70. This will require a significant change programme to re-engineer services so that the reality of the frontline service can really fulfil the vision of the Gateway model. There are also a number of new approaches to service delivery that will need development. The draft medium term plan “Bold Steps for Kent” contains a proposal to create locality delivery boards. The intention is to pilot a number of these next April. A resource will need to be created to develop these pilots. We have also made two further place based budgeting bids one building on the leading edge work on the Margate Task Force and another building on earlier work around offender management that paved the way for many of the Total Place pilots that then took place nationally. If these bids are successful then the activity will be driven from here. This division is also home to KCC’s commitment to create the Big Society. “Bold Steps for Kent” raises a number of ideas such as a Big Society Bank, working more closely with volunteers etc, and all this work will be developed from here.

71. The Directorate will also be home to the new integrated division of Communications, Consultation and Community Engagement. This is a key design principle that has been warmly welcomed. Concerns have been raised about needing to ensure flexibility in communicating to different groups and this is acknowledged in the design principle itself. This division will also co-ordinate all external consultation activity and will also connect the engagement activity that takes place with all areas of Kent but at present is not internally as connected as it could be. We are losing the opportunity to add a whole Council value to this engagement. Further work will be needed to establish what connections with the teams currently involved in community engagement should look like and how embedded in Directorates or drawn together in this division the service should be.

Business Strategy & Support Directorate

72. The provision of a sound, efficient corporate support and strategy function is an essential component in enabling the effective operation of KCC as a public service provider delivering a range of services to the community. Therefore whilst the role of this area of business is self-evident – *how* it is set up and the business model it follows invariably depends on the wider political, financial and policy pressures the organisation must respond to.

73. In responding to the increasingly clear direction set by the Coalition Government for the future of public services it is clear that a number of key principles are critical success factors

- Efficiency
- Effectiveness
- Customer Experience
- Intelligent commissioning
- Engagement

74. Priorities will now have to be set across and between different services – rather than simply within them - in order to deliver the size of the financial savings required by the Treasury. The challenge will not be to become more efficient at doing what is currently being done, but to focus resources on doing the right things. This will require the political and managerial leadership of the authority to continually evaluate what services to provide, how they should be delivered,

75. The role of BSS therefore must be to structure itself and its business model around meeting the changed needs of the organisation – it must therefore:

- Continue to provide transactional support services, but seek to provide these at ever-lower cost to the organisation.
- Support the political and managerial leadership in its strategic decision making role in regard to the prioritisation and value of services.

76. These core activities are the driving force behind structural changes that provide support for:

- A clear separation of the activities that are about ‘deciding’ what should be provided from those responsible for providing services
- An overall reduction in layers of management
- Professional and technical support services and resources to be delivered from a single point and not replicated in individual services

- Priorities to be set in relation to the identified needs based on independent, sound, accurate, reliable data.
77. Therefore central to ensuring KCC is fit for the future is the need for a strong corporate function to offer clear intelligence and effective controls for the organisation in support of its strategic decision-making role, whilst professional, technical and other support services are grouped together to provide consistency, economies of scale and remove unnecessary duplication.
78. Within this Directorate is a new business strategy division. The division would undertake high-quality policy analysis, to provide in-depth professional advice in support of Cabinet and CMT in their strategic decision-making role. The division would act as an integral driving force behind the decisions of Cabinet/CMT, with the functions to ensure they have the capacity to provide the full range of analysis and advice required.
79. This will be a mix of generalist and service specialists networked into the service delivery, partnerships and national and local government policy framework that are able to provide sound evidence based advice and judgement on service policy questions and opportunities in support of Cabinet and CMT. This policy function handles both strategic and specialist policy activities to support the business of the Council, including strategic and spatial planning, regeneration, social and education policy. In addition this function would allow Directorates to access high quality, professional policy advice and support, from specialists with service specific-knowledge. It would also provide the capacity for specific one-off pieces of work on behalf of Cabinet/CMT, as and when the need arises.
80. Partnerships work would be directed by, and inform, organisational strategy in a way that is targeted towards specific objectives. Delivering through and with partners will be a core requirement over the medium to long term and the management and support of partnership arrangements to drive this agenda forward needs to be mainstreamed into the strategic decision making process of the authority.
81. The Business Intelligence Unit would focus on providing the information and research capability that drives meaningful and effective prioritisation and decision making. The logic behind this is both the fundamental role they play in effective, evidence-based strategy & prioritisation, and the critical mass of core skills sets required for these functions.
- Horizon scanning
 - Knowledge management
 - Needs/ demands analysis function
82. Monitoring and management of KCC's progress against strategic objectives as set by Cabinet/CMT. Working closely with the business review and audit functions, Performance Management will provide the strategic decision-makers of the organisation and external regulators with robust, timely information about how well services are performing, identified reasons for performance variance and options and solutions open to resolve against poor performance. The information gathered by the function will also feed into the analysis and prioritise phases of strategic decision-making, by allowing Cabinet/CMT to gain a holistic understanding of what is working well and what isn't.

83. The corporate and business support to all the Directorates of the authority will be conducted through this Directorate. This includes the key support functions that underpin the business of the whole authority (Finance, Information Technology, Law, HR and Property) as well as governance and democratic support. The overriding objective should be for all our support functions to be provided at the lowest possible cost whilst meeting appropriate business need. Economies of scale require and a 'one Council' approach necessitates the continued provision of support services in Directorates no longer can be afforded. Effective market understanding and sound commissioning / procurement skills should ensure an ability of corporate support services to cater for even the most service specific of Directorate requirements.
84. In order to make the model work all corporate support functions should be grouped together. However, a strategic interface does not necessarily mean that support functions would be delivered to a one-size-fits-all business model. Different support services to different services must recognise their different market conditions and complexities which mean there may be different business solutions as to the most cost effective way to provide these services to the organisation. For any support service there are a number of business models that will be explored by service managers to ensure provision in the most effective way. These will be explored throughout this consultation period.
85. As mentioned earlier in the report there are two Corporate Directors also housed within this Directorate. They are first tier officers who are Members of the Corporate Management Team providing strategic advice and guidance to the operation of the whole authority. They also deliver significant operational activity that supports the smooth running of the whole Council. Therefore on the basis of the design principle they need to be based here. The two statutory posts that reside in this Directorate (Monitoring Officer and Chief Financial Officer) have at all times a clear and direct relationship with the Managing Director even though there is no direct reporting relationship.
86. The post of Director of Governance and Assurance has been created so to reflect the increased need of the authority to build upon its current governance environment and to ensure in the light of the very significant changes both policy wise and financially that we are facing, the Council is spending its money wisely and taking its decision well. It is also intended over time to explore how we could develop our currently very successful legal services into a company
87. Property continues as a division in this structure but will change to become the corporate landlord and home of all the Council's capital development activity.
88. The HR Division will also draw together all the learning and development activity currently undertaken within Directorates to achieve greater economies of scale and coherence within the development programmes of the Council's staff. Some of this training is also directed at the Council's partners and wider related workforces. This will of course be maintained through this new function.

Conclusion

89. Cabinet have before them a draft proposed structure for consultation and new ways of working within the Council. There are also actions contained within the previous report that will enable us to ensure that we can shape the whole of the Council's operating environment and not just the "reporting lines".
90. There have been three weeks of consultation with staff and eight meetings with 219 managers to assess whether in the face of all that we see in the future – policy changes both here and nationally and financial changes to name a few – we are still fit for purpose in our current arrangements.
91. The Managing Directors and Executive Directors and Director of Finance and HR have had a number of 1:1 meetings with the Group Managing Director about these ideas and have had two meetings as sub groups of CMT (due to annual leave) on 1st September and the 8th September and one CMT discussion on the final draft this week – 5th October. It is a very difficult balancing act being both consultee and affected by a developing process and being able to fully discuss matters in a personally disinterested way. I do acknowledge that some members of CMT would have liked more involvement. However I believe the way it has been structured has enabled them to properly influence my advice to Cabinet.
92. A wide range of views have been received, and overall although Members can clearly judge for themselves from the feedback that they have it is my view there is a broad level of support for change and a recognition that we cannot stay the same.
93. Many of them say – "let's see what we could change into" and these draft structure proposals offer that alternative view. This is a genuine consultation and many of the early ideas on what the structure could look like have been altered by the feedback received so far.
94. A risk register is attached as Appendix 3 for Cabinet's assessment in their consideration of their decision to proceed with this consultation. It is important that this is fully considered in the decision process.
95. There are two particular types of risk that Cabinet must consider. There are the type 1 risks that are very clearly laid out in the register and the mitigating actions that are in place or are proposed. There are also the type two risks that if we do not take this decision now – what are the consequences of not acting in the light of all the challenges we face. If this is as successful as it is believed and will position the Council to be able to deal with its challenges in a stronger and more effective way than if we stay as we are – what additional benefits and opportunities do we risk for the people of Kent and our staff.
96. A community impact assessment is also contained as Appendix 4 assessing the implications and impact of this decision to formally consult on a new structure.
97. In the previous report to Cabinet already circulated paragraph 7. ii) indicates that this restructure must of course contribute to the savings that the council needs to make in response to the CSR shortly to be announced. It is also recognised good practice for any organisation to be constantly assessing

whether its managerial overheads are at the right price and are organised in the most cost effective way for the current and developing circumstances for that organisation. At this stage it is not possible to accurately quantify a amount- although human resources estimate a potential saving of at least £500,000 from these proposals.

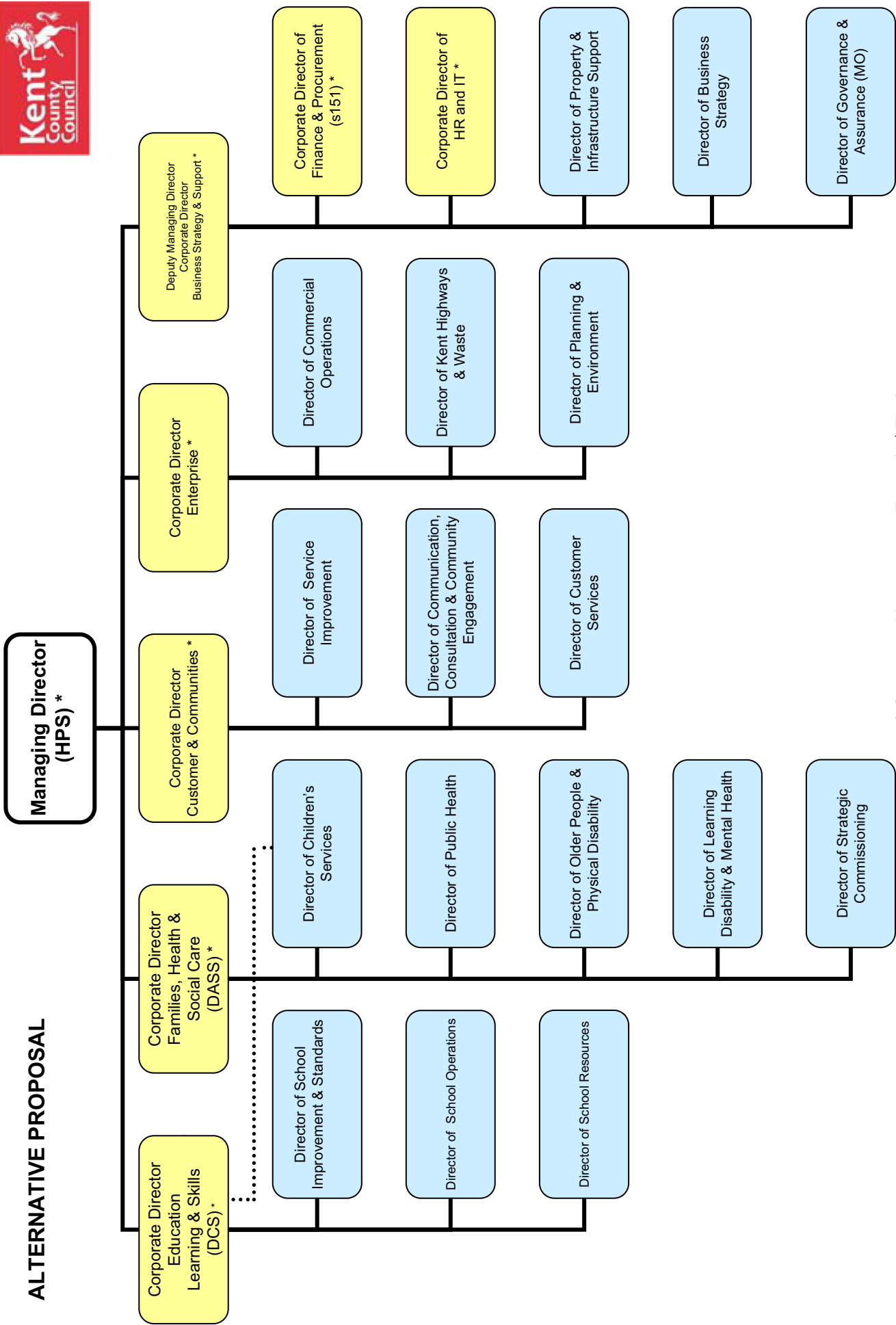
98. Whilst that is undeniably useful, what is much more important is whether or not the council's structure and its managerial resources are organised in the best way possible to deliver the quantum of savings that we know we must.

The real value in this redesign is that it provides the platform as we work through the changes for major savings to be delivered.

99. I commend these draft structure proposals to Cabinet to endorse for formal consultation until the 3rd December 2010. The outcome of that consultation process will then be brought before Full Council for its decision on the 16th December 2010.



ALTERNATIVE PROPOSAL



* Corporate Management Team (1st Tier)

CORPORATE DIRECTOR
Education, Learning & Skills
(DCS)

Director of School Improvement & Standards	Director of School Operations	Director of School Resources	Dotted line relationship to Director of Children's Services
<p>Early years and Childcare</p> <p>Standards and School Improvement</p> <ul style="list-style-type: none"> ▪ Primary School Improvement ▪ Secondary school improvement ▪ Special school improvement <p>14-19 Entitlement</p> <p>Careers guidance</p> <p>Connexions</p>	<p>Association of Schools</p> <p>Governor Services</p> <p>Information and support for parents</p> <p>Financial Awards</p> <p>Admissions & Transport</p> <p>Commissioning</p> <p>Attendance and Behaviour</p> <p>Assessment of Learners with Additional Needs</p> <p>Planning & Provision</p> <p>Children and YP disability (including SEN, health assessment and transition planning)</p> <p>Specialist services</p> <p>Educational Psychology</p>	<p>Education finance, Schools personnel service</p> <p>Development of a schools company/vehicle to include:</p> <ul style="list-style-type: none"> ▪ Property ▪ Personnel ▪ Traded services ▪ Continuous professional development ▪ School improvement service 	<p>This means that connections are maintained to the team around the child and the team around the school</p> <p>Links with the 12 district teams, locality boards and the Children's Trust</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Families, Health & Social Care
(DASS)

Director of Strategic Commissioning	Director of Children's Services (dotted line to DCS)	Director of Older People & Physical Disability	Director of Learning Disability & Mental Health	Director of Public Health
<p>Children's Health Commissioning</p> <p>Children's social care Commissioning</p> <p>Supporting People</p> <p>Strategic Commissioning OP / PD & LD & MH</p> <p>Contracts & Procurement</p> <p>Planning & Market Shaping</p> <p>Quality assurance of health and social care</p> <p>Safeguarding Adults and Children</p>	<p>Children's Services West Kent (Initial duty and assessment, child protection and long term care, prevention including children's centres)</p> <p>Children's Services East Kent (ditto)</p> <p>Children's Services Mid Kent (ditto)</p> <p>Corporate Parenting (includes, including adoption and fostering, Unaccompanied Asylum Seeking Children and care leavers)</p> <p>Links with the 12 district teams, locality boards and the Children's Trust (joint commissioning with partners to support vulnerable young people)</p>	<p>HoS Ashford /Shepway</p> <p>HoS Dover /Thanet</p> <p>HoS Canterbury /Swale</p> <p>HoS Maidstone / Malling</p> <p>HoS South West Kent</p> <p>HoS Dartford, Gravesham & Swanley</p>	<p>HoS LD – WK</p> <p>HoS LD – EK</p> <p>VPN Manager</p> <p>Transition support to Directorate to create for e.g. Community Health Trust</p> <p>Development team (commissioning & back office)</p> <p>Development team to create social enterprises</p> <p>Relationship to Director of Service Improvement</p>	<p>Public Health Intelligence</p> <p>Commissioning of provision</p> <p>Health promotion</p> <p>Case management of Health watch</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR Customer and Communities		
Director of Service Improvement Need close links to Director of Business support	Director of Customer Services	Director of Communication, Consultation and Community Engagement
Re-engineering resource Change resource Developing new models for externalising service delivery, e.g. outsourcing/ mutuals / social enterprises Locality Delivery Team Place based budgeting delivery of offender management proposals Margate Task force Place based budgeting delivery of Margate task force proposals Supporting independence Welfare reform Kent supported employment Building social capital (SILK) Big Society Volunteering	Gateway Delivery Contact Centre Business web development Health watch Libraries & Archives Registrars Arts & Kent Film Office Sport, Leisure & Olympics Countryside Access – PROW Country Parks & Kent Downs AONB Extended Schools Youth Service Community learning & Skills Adult Learning Adult Apprenticeships Community Safety Trading Standards Youth Offending service KDAAT	Engagement / public involvement Community Liaison Business partners- Directorate communications Internal Communication Employee Engagement Media and Operations Digital & Moving Images Events

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

**CORPORATE DIRECTOR
Enterprise**

Director of Kent Highways and Waste	Director of Commercial Operations	Director of Planning & Environment
<p>Community Operations</p> <p>Network Management</p> <p>Transport & Development</p> <p>Technical Services</p> <p>Countywide Improvements</p> <p>Waste Management</p>	<p>Commercial Services</p> <p>Kent Scientific Services</p> <p>Visit Kent</p> <p>Locate in Kent</p> <p>Produced in Kent</p> <p>Tourism</p> <p>Project management capacity</p> <p>Delivery of regeneration projects and any place based budgeting proposals on regeneration</p>	<p>Development Planning (MWF & LDF's)</p> <p>Planning Applications</p> <p>Environmental Programmes & Partnerships (rural agenda & climate change)</p> <p>Natural Environment & Coast</p> <p>Gypsy & Traveller Unit</p> <p>Heritage Conservation</p> <p>Emergency Planning</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

CORPORATE DIRECTOR
Business Strategy & Support
And Deputy Managing Director

Corporate Director of Finance & Procurement (Chief Financial Officer - S151)	Director of Business Strategy	Director of Governance and Assurance (Monitoring Officer)	Director of Property and Infrastructure Support	Corporate Director of Human Resources & Information Technology
<p>Audit & Risk</p> <p>Financial Services</p> <p>Financial Management</p> <p>Business partners - Directorate Finance</p> <p>TP Procurement team</p>	<p>Corporate policy</p> <p>Europe / International</p> <p>Public affairs</p> <p>Public health</p> <p>Economic development</p> <p>Regeneration strategy</p> <p>Strategic planning – spatial & transport.</p> <p>Strategic assets strategy</p> <p>Social policy</p> <p>Education strategy</p> <p>Customer strategy</p> <p>Engagement strategy</p> <p>Performance Management & Monitoring</p> <p>Business Intelligence & service review</p> <p>Partnership support</p> <p>External Funding</p> <p>Cabinet Office</p>	<p>Information resilience and transparency</p> <p>Corporate data protection</p> <p>Democratic Services</p> <p>Legal Services (transition to external arms length trading organisation)</p> <p>Elections</p> <p>Coroners</p>	<p>Capital & infrastructure support</p> <p>Strategic Asset & Enterprise Fund</p> <p>Delivery of Total Place activity</p> <p>BSF, PFI & Academies</p> <p>Directorate PFI & development (KASS)</p> <p>Business partners Directorate – Property</p> <p>Office Transformation</p> <p>Estates management & property operations</p>	<p>HR Business operations (includes graduate scheme)</p> <p>HR Employment Strategy</p> <p>Organisation development (including embedded – learning and workforce development)</p> <p>Business partners Directorate – HR</p> <p>Business support – case work Directorate HR</p> <p>Health and Safety</p> <p>ICT commissioning</p> <p>ICT operations</p> <p>Kent Connects</p> <p>Business partners - Directorate IT</p>

Please note: The headings listed below the 1st and 2nd tier Director posts are intended to be indicative of the functions contained within that division and directorate.

Appendix 2

The First Bold Step

Report on the informal consultation process

Informal Consultation process

1. The leaflet 'The first bold step – proposals for consultation with staff on a new KCC' was published on KNet on Wednesday 9 September following agreement by private cabinet and the Conservative Group to this. Hard copies were sent to home addresses for all staff without access to KNet.
2. This was an informal consultation, not done to meet an obligation under employment law, and with no mandated timescale. Three weeks were allowed to the submission of responses from staff.
3. All staff were invited to respond with their views. Responses could be made electronically or in hard copy. Consultation closed on Friday 1 October at which point:
 - 4,000 copies had been distributed
 - 7878 copies were accessed or downloaded from KNet
 - 319 responses had been received: 41 in hard copy and 278 online
 - 170 staff members have requested to be involved in further activity to transform KCC.
4. Responses could be made anonymously and with the implication that staff could speak openly, freely and without recrimination. All responses have been read by Katherine Kerswell who has responded personally to every respondent who opted to include their e-mail address.
5. Comments were predominantly positive and supportive, though some questioned the value of consultation. Most welcomed the proposals for change and overwhelmingly recognised the need for change now. Many advocated a reduction in the cost and number of senior managers, or were fearful that the cost savings would fall disproportionately on front-line staff and service delivery. A large number of comments were specific to their service and directorate, often focussing on improvements to process and cost savings.
6. Comments were wide ranging. A summary of the responses is provided below from paragraph 10 onwards.

7. In addition to seeking responses by email and hard copy, feedback was sought from senior staff through meetings with Katherine Kerswell. In all, 242 senior staff were invited to, and 219 attended, 1 of 8 meetings between 9 September and 30 September at which Katherine presented and sought feedback on whether we should change the organisational framework in order to be able to respond to the very different policy and financial context facing us and our own plans under Bold Steps for Kent. Meetings were all held at Sessions House and each meeting included a question and answer session. There was a balanced mixture of all directorates at every meeting.
8. As part of each 90 minute meeting, feedback was sought from staff on:
 - 8.1. likes and dislikes – “how I feel about KCC”.
 - 8.2. their view of current KCC values in practice
 - 8.3. ‘horizon scanning’ - what risks did they see that would need to be recognised and managed as we transform the organisation.
9. Feedback was by individual rather than by groups, unprompted in that individuals could comment on any aspect of KCC, not prioritised or ranked or given a position in a range, and not moderated or challenged. The feedback provides a simple unedited snapshot of managers’ opinions of KCC and by implication of themselves. A summary of the feedback is below. It was very evident after the first two meetings that feedback from managers in each meeting was broadly the same in what it praised KCC for and what it criticised KCC for.

Summary of the responses from the Informal Consultation

10. The responses received to “The First Bold Step”, whether at meetings with managers or as written responses, are summarised below. Appropriate direct quotes are included in italics.
11. The following general themes were evident:
 - 11.1. There is appetite for change: we are realistic about the financial situation, and we accept the need to change and do it now. No one denied the financial situation or proposed delaying change.
 - 11.2. The engagement of staff in the process of change is seen as wholly positive and we want more not less communication. A very few individuals thought information was being withheld and that there were *fake consultations when decisions are pre-made*.
 - 11.3. KCC is seen as a good employer. There were a small number of negative comments, but the majority view was that we: *value staff; value staff contribution; train staff; are a fair employer; a good employer; and have good pay and pensions, we are inclusive*.

11.4. We like our colleagues. We are *fair, kind, polite, fun, have respect for each other* and are *caring*. We are *principled, honest, show courage, are dedicated, committed* and *hard-working* and we are a *loyal workforce*.

11.5. We are critical of our management style.

12. **Our strategy** was accepted. Staff showed their approval of the strategy through their endorsement of *support for vulnerable people, support for the local economy* and a *desire, if not always followed through, to put the customer first*. There were the following challenges to the strategy:

- in addition to tackling disadvantage we should continue to provide high quality services for the rest of the population
- we should not lose sight of children and young people's services as a priority
- our commitment to grow the economy should not be at the expense of the environment.

13. **Our structure** was accepted.

13.1. No one disagreed with a flat structure and no alternative types of structure were proposed. There were only three comments on structure and they proposed:

- three directorates: one for each of the three ambitions of our strategy
- KASS and Children's Services to combine
- the federated system be retained.

13.2. There was a very strong dislike of silos. Among managers 15.2% (i.e. 33) explicitly cited silos as something they disliked about the way KCC worked: *it is sometime easier to work with partners than with other parts of KCC, silo mentality between directorates, silos within directorates; deliberately duplicate to self-protect, protect budgets rather than deal with problems*. There were 2 comments that thought we worked well across directorates. In comparison there were over 50 comments to the contrary on silos, duplication and failure to share information

14. **Our systems**

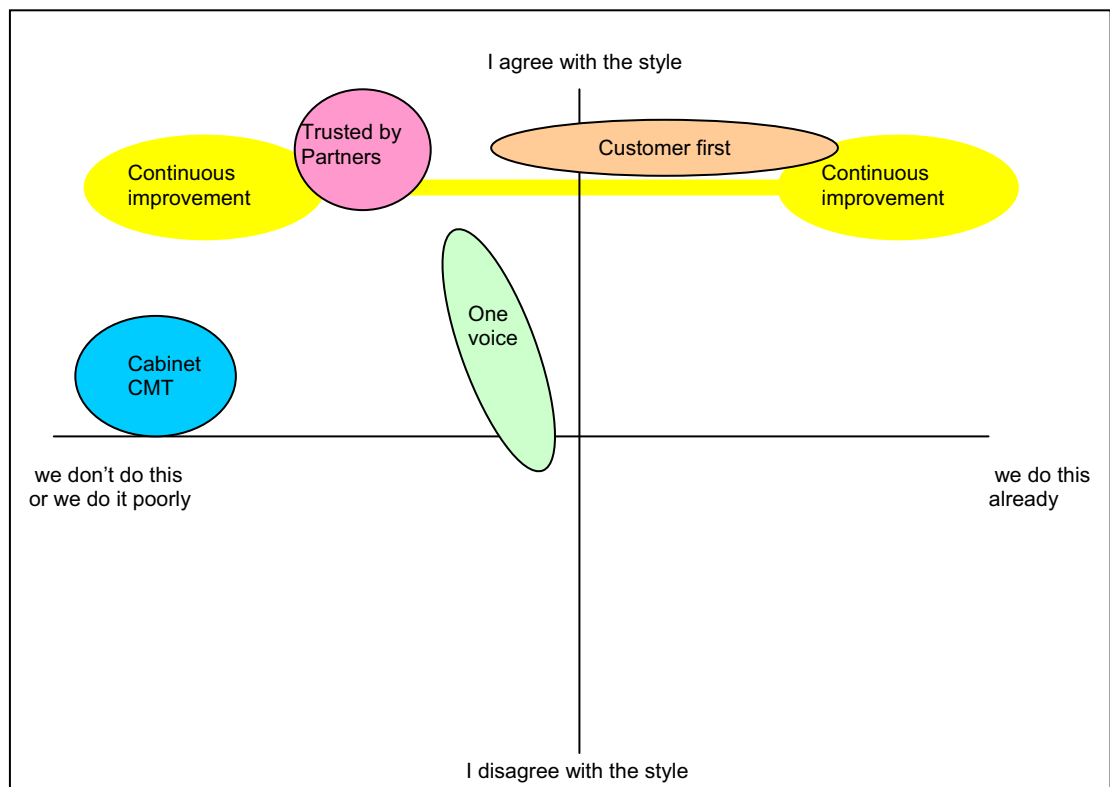
14.1. While some thought we manage well, others were critical of the way we manage and are managed – and that criticism came from managers. We *micromanage, we overmanage; we have top heavy oppressive management; we are obsessed with protocols and process and tick boxes. We talk big about empowering*

managers but it does not happen; we have a treacle layer which can be insular and resistant. There is favouritism, ego and he/she who shouts loudest gets heard. We are not decisive.

14.2. Gateways were welcomed. There were reservations about their implementation and whether staff will be adequately trained to deal with service issues.

15. **Our shared values.** No one thought we had a set of shared values, although some were confident they had a set of shared values within their directorate. No proposals were made for shared values.

16. **Our style** drew the largest response. There was broad agreement with the styles, but considerable disagreement over the extent to which we currently exhibit those styles. Below is a diagrammatic representation of where the responses fell:



16.1. We put the customer first

- Staff accepted this without exception as a style we should have for external customers, and showed a massive commitment to public service. But staff were largely silent on how we should treat internal customers.
- Many thought that we already put the customer first, but a substantial number thought we *spoke of putting the customer first but in practice did otherwise*. Specific comments were:

we are controlling; we pretend to consult; we don't really want to know what the public thinks.

16.2. We communicate as one voice as one unified organisation

- Staff largely accepted this as a goal. They want us to speak out for Kent as a whole and communicate clearly and more often. Some comments show discomfort over 'one voice' as it *stifles debate* and is *Orwellian*. *One respondent thought we should retain separate cultures and styles.*
- We are not a unified organisation as evidenced by the comments objecting to silos and duplication throughout the organisation. Autonomy and the flexibility to make local decisions found favour with a few respondents.

16.3. Cabinet and CMT work as a joint team with clear roles

- A small number thought the *administration is clear about what it wants* and *liked the experienced leadership at MD level.*
- But the substantial majority of comments were negative. *No joint working with the senior leadership team; CMT in-fighting and 'them and us' between the centre and the directorates; too many plans and directives with mixed messages; business planning is meaningless and non-responsive; and we challenge Government on regulation but we still over-regulate and monitor internally.* It must be noted that all of these quotes came from managers.

16.4. Everyone is hungry for continuous improvement

- Staff accepted this style without exception, but have polarised views on our current performance
- Many staff said we already practiced this style: *we are innovative, creative, willing to change, forward thinking and willing to take risks and try new things.*
- A greater number disagreed. Many thought we failed to innovate, others said we are *big on rhetoric of creative and challenging thinking but the reality is we are risk averse; we are resistant to change; it has to be like that because that's how we have done is for years; governance restricts innovation; we don't deliver but strategise well; we fail to act on what we hear, we know best and fail to learn from the past; and we are sometimes dazzled by our own brilliance.*

16.5. **Our relationship with partners should be based on trust**

- Staff accepted this style without exception, but we do not practice it. A few thought *we work well with partners* but most spoke of a poor relationship: *we preach at prospective partners; we are autocratic with partners, we are dismissive of partners and districts, we think we know best and we are arrogant.*

17. **Our skills.** The general view was that we value staff training and staff appreciate that, but otherwise this style generated little comment.

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(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	Risk Rating
RA 1	the change to the framework is happening at the same time as other demands on KCC: external policy changes and financial changes; planning and delivering the new medium term plan. That places great demands on KCC management resources.	5	4	This change in framework is being led by the Group Managing Director and supported by a programme manager reporting directly to her. CMT is the Programme Board, and the programme has weekly visibility at CMT. (It is the role of GMD and CMT to lead the organisation through major change and manage the inherent risks, and it essential that CMT and their direct reports are committed to the change). A project plan and timeline are in place, a project team established, risks are identified and mitigation steps already taken. Transition planning is taking place and a detailed transition plan is being developed. CMT will discuss and examine the different proposals and create models for new ways of working.	3	3	9
				Type 2: the consequence of NOT implementing the new framework at this time: 1. It is imperative that the process of delivering a new operational framework dovetails and aligns absolutely with the preparation of the Council's medium term plan and delivery to that plan over the next four year. 2. The success of each of these relies upon the success of the others. 3. If we do not make these savings we may have to resort to managed-decline and be unable to deliver the quality of services that Kent is renowned for.			

Managing Business Risks - Risk Assessment

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 3	<p>Senior managers do not support the new framework and actively resist the changes.</p> <p>Partners and key stakeholders - headteachers, governors etc - do not support the changes.</p>	3	3	<p>Full consultation is taking place in order to engage staff in the process of change and allow them to influence the outcome.</p> <p>Elements of the new operational framework will be designed with staff and managers to create relevant new solutions and buy-in.</p> <p>Early contact, regular communication and other meetings with partners and stakeholders to explain our ideas.</p> <p>Proposals have been made for voluntary redundancy and for filling vacant posts according to standard protocols (i.e. the Council's 'slotting in', priority candidate, and redeployment processes)</p>	2	2	4
RA 4	<p>staff morale falls and impacts on service delivery</p>	3	4	<p>Full consultation and engagement has taken place and staff have welcomed the fact that we are actively pursuing change. The risk to morale is limited to senior staff who are impacted by these proposals.</p> <p>Uncertainty damages morale; moving quickly and decisively will reduce this risk.</p> <p>Communication plans are in place and for most staff and most services any proposed changes to, and consultation with, the senior management will not impact their day-to-day delivery of service.</p> <p>It is the role of senior managers to show leadership during change.</p> <p>Type 2: the consequence of not changing the framework</p> <p>1. Failure to tackle silo-working may actually have a worse effect on morale. Staff expect change and are ready for it.</p> <p>2. Maintaining the current culture may worsen staff morale as the informal dialogue so far has indicated a positive desire among staff for change</p>	3	2	6
RA 5	<p>Staff who are not successful in being 'slotted in' or redeployed to a new post as a priority candidate may leave.</p>	3	3	<p>HR is ready to appoint replacements following the standard processes of looking first for internal candidates to 'act up' as interims.</p>	2	3	6

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 6	consultation is legally challenged causing delay	5	2	Mitigation has already taken place: - we are allowing longer than statutorily necessary - we are communicating widely and frequently - we have a robust process that is legally defensible - meetings have been held, and will continue to take place, with the Trades Unions	4	1	4
RA 7	HR division does not have the resources to manage the HR elements of the project or produce the new HR structure in time for 1 April 2011	3	3	HR have scoped the requirement and dedicated staff to this project	3	2	6
RA 8	Finance division does not have the resources to recast the 2011/2 budgets to align with the new structure, or create the new accounting structure and controls, possibly due to being occupied by other major projects (Oracle release 12 in Nov 2010 and IFRS)	5	4	Finance are currently scoping the work. Extra resources will be provided if necessary. The workload will be eased by: - restructuring at directorate level: individual outward-facing services will not be restructured but will either not move or move in their entirety to a new directorate structure - all moves will take place at the end of the FY - so no need for mid-FY adjustments - finance can reassess their current workload priorities in the light of Member decisions today as this proposed new structure was outside their knowledge when the business plan for the division was set in April 2010.	4	3	12

Type 2: the consequence of NOT implementing the new framework on 1 April 2011

The work will become more complex, and maintaining proper financial controls made more difficult if the change does not align with the year end.

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager
completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood		Impact	Likelihood	
RA 9	The change in framework weakens financial controls	5	3	Finance are engaged on scoping the changes necessary. The work to ensure robust financial controls in the new organisational framework will be itemised in the transition plan. The change at a single date (1 April) means we avoid the intermediate states (and their associated risk of confusion over accountability) which are inevitable if the changes are done as a sequence over time. Type 2: taken at face value this risk could be used to advocate not changing the framework at any date	3	3	9
RA10	The change to a new framework causes confusion over accountabilities and responsibilities (not just financial matters, but accountabilities and responsibilities for services in general)	4	4	The changeover applies only to Tier 1 and tier 2 managers. Responsibility for services and finance will need to be clarified through the transition plan and the 'D Day' handover plan A single changeover date for all affected will be planned for to reduce the opportunity for confusion among staff in general.	2	2	4
RA 11	Actions 'in flight' and responsibilities are dropped or lost during the change to a new framework (not just financial matters, but accountabilities and responsibilities for services in general)	3	3	We will have a scrupulous transfer of all activities including (a) a default destination for activities in each existing directorate - anything that is not itemised goes to the default destination and (b) a small close down team to make sure there are no trailing edges in any directorate that closes.	3	1	3
RA 12	Changes to IT may not be made in time	5	3	IT are already working with HR and finance to identify changes to systems, and examining changes to IT support systems. The next stage is to identify whether, as a result of the new structure, staff need access to additional applications (a service moving to a new directorate may need access to some of that directorate's internal systems)	3	3	9

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager

completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Rating	Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		Risk Rating
		Impact	Likelihood			Impact	Likelihood	
RA 13	Service delivery suffers as a result of changes to top-level structures, and performance drops	3	4	12	Individual services are not being restructured, but continue unchanged except that the reporting line to a director may change on 1 April This 'no change' message for services will be repeatedly communicated. Detailed planning will take place for every directorate to identify every exception to the 'no change' rule. The new directorates will be expected to nominate a transition manager to ensure that all the necessary steps are taken in advance to ensure smooth operation from 1 April. We aim to fill tier 1 posts in January 2011. Tier 1 appointees will be 'designate' until 1 April 2011 giving them time to prepare for a new role.	3	2	6
RA 14	Adverse media coverage. Staffs openness about the areas for improvement could be portrayed by the media in a manner that is damaging to KCC's reputation	4	3	12	By starting the savings on efficiency at the top tiers of management, the changes should be seen in a positive light. The positive support of staff for the changes is a factor that supports us - we need to maintain that support through engagement of staff. It is the sign of an excellent organisation that it is willing to examine how it currently operates and be frank and open about itself and look for ways to improve.	4	2	8

Managing Business Risks - Risk Assessment

(template source: Risk and Audit)

Change To Keep Succeeding
 Objective: to deliver a new organisational framework completed by: Jeff Hawkins, Transformation Programme Manager completed 7 October 2010

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Rating	Risk Control Measure		Assessment of Mitigated Risk (with controls in place)		Risk Rating
		Impact	Likelihood		Impact	Likelihood			
RA15	<p>Not able to plan for the 2011/12 budget. Within the planning for the four-year MTFP - as well as ensuring we are able to achieve overall balance and implementation of any proposals - it is clearly essential that we have proposals costed and ready to balance the 2011-12 budget. This could be disrupted by the change programme.</p> <p>Impact of these proposed changes to senior management and disturbance to existing management teams may undermine the ability of senior officers to support KCC in implementing the significant actions that are likely to be required for the MTFP and the reductions we may face of between 25% - 40% in funding</p>	5	4	20	<p>These changes to management arrangements are being widely consulted upon, have been preceded by a widely-held informal consultation, and officers are well aware that change is underway. The responses have shown a broad recognition of the need for change and awareness of the difficulties we have from our current style of working.</p> <p>The timing of this process is well ahead of the actions necessary for any implementation of the MTFP, and any changes to senior management arrangements should be in place by the end of January 2011. Any vacancies that may arise from this process will, in the first case, be filled by internal acting-up interims to ensure continuity.</p> <p>CMT as the programme board for the change programme and for the MTFP should ensure that work is not carried out in two separate but parallel workstreams but is co-ordinated.</p> <p>A separate workstream with the programme board will oversee the detailed activity necessary to compile the budget proposals for 2011-12 and ensure actions are prepared/pursued appropriately. This will be reported separately to CMT.</p>	5	2	10	
RA16	<p>There is currently a safeguarding inspection into Children's social care. It is important that the inspectors do not make any invalid assumptions about the impact upon the service of the consultation or the proposed change to</p>	5	3	15	<p>KK and RT will speak directly with inspectors to explain and allay any concerns</p>	5	1	5	

Managing Business Risks - Risk Assessment

Appendix 3

(template source: Risk and Audit)

completed by: Jeff Hawkins, Transformation Programme Manager

completed 7 October 2010

Change To Keep Succeeding

Objective: to deliver a new organisational framework

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)		Risk Control Measure	Assessment of Mitigated Risk (with controls in place)	
		Impact	Likelihood		Impact	Likelihood
RA17	Risk of opposition to the business support directorate model	4	3	Detailed transition planning provides the opportunity to address concerns and, within the remit of a business support directorate, to adjust the delivery of service. Workshops will be held with staff and managers to design new processes for business support.	2	3
				Type 2. Failure to implement the business support directorate Retention of the current federated model of business support within directorates perpetuates the duplication of effort and silo-working and their associated cost - something which staff have identified as a feature of KCC that needs to change.		
RA18	Risk of opposition to the new Education and Families model from headteachers and partners	4	3	Consultation and explanation of the model. Reassurance around Children's Trusts and Locality Boards. Await guidance from Government on new role	2	2

EQUALITY IMPACT ASSESSMENT SCREENING GRID

“Change to keep succeeding”. The transformation of the Council’s operating framework.

Minority strand	Could this policy, procedure, project or service affect this group differently from others in Kent? YES/NO	Could this policy, procedure, project or service promote equal opportunities for this group? YES/NO	Assessment of potential impact HIGH/MEDIUM/LOW/ NONE/UNKNOWN		Reason for assessment
			Positive	Negative	
Age	Yes	Yes		Medium	<p>Younger employees may be more likely to have shorter service than others and be less experienced.</p> <p>Younger workers may be impacted in terms of redundancy payments, or in terms of pay progression given the proposal involves staff potentially affected will receive pay based on performance based on the Total Contribution Pay Scheme (TCP).</p> <p>Older staff should also not be treated less favourably over younger staff on the grounds of age.</p> <p>The proposed evaluation of roles by Hay Group will ensure equal opportunities and alignment of pay / roles.</p>

APPENDIX 4

Disability	Yes	Yes	Medium	<p>The recruitment process may require reasonable adjustments to be made for staff with disabilities covered by the Equality Act 2010.</p> <p>The new posts may require reasonable adjustments to be made for staff with disabilities covered by the Equality Act 2010.</p> <p>Managers will need to be aware of disabilities in the above and ensure staff are not treated less favourably as a result.</p>
Sex (Gender)	Yes	Yes	Low	<p>Female senior officers are under-represented compared to the KCC workforce (65% v 84%).</p> <p>Female staff may also have shorter service due to caring responsibilities.</p> <p>Female staff are also more likely to have primary caring responsibilities or be part time.</p> <p>Most post-holders are however full-time.</p>

APPENDIX 4

Gender Reassignment	No	No	No	None	None	None	Gender reassignment should not be a factor in this project, either in recruitment or in performing the roles.
Race	No	No	No	None	None	None	As above
Religion or belief	No	No	No	None	None	None	As above
Sexual orientation	No	No	No	None	None	None	As above
Marriage & Civil Partnership	No	No	No	None	None	None	As above
Pregnancy & Maternity	No	No	No	None	None	None	As above

Current Posts Impacted

Chief Executive's Department

Executive Director of Strategy and Business Support
 Director of Finance (s.151)
 Director of Law & Governance (MO)
 Director of Personnel & Development
 Director of Property
 Director of Commercial Services
 Director of Strategic Development Unit & Public Access
 Director of Public Health

Children, Families and Education

Managing Director Children, Families & Education
 Director of Commissioning and Partnerships
 Director of Capital Programmes and Infrastructure
 Service Director - Learning
 Director of Resources and Planning
 Service Director - Specialist Children's Services

Communities

Managing Director – Communities
 Director of Cultural Services
 Director of Community Safety & Regulatory Services
 Director of Youth Services & Kent Drugs Alcohol Action Team
 Director of Policy & Resources

Environment, Highways & Waste

Executive Director, Environment, Highways & Waste Directorate
 Director of Environment & Waste
 Director of Integrated Strategy & Planning
 Director of Kent Highway Services

Kent Adult Social Services

Managing Director, Kent Adult Social Services
 Transforming Social Care - Lead Officer
 Director of Strategic Business Support
 Director of Operations
 Director of Commissioning & Provision x 2

NB: These are the only posts directly impacted by this process.

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By: Peter Sass: Head of Democratic Services and Local Leadership

To: Scrutiny Board – 3 November 2010

Subject: **Interim appointments - notification process**

Classification: Unrestricted

1. Background

(1) This item has been placed on the Scrutiny Board's agenda at the request of Mrs Dean. It relates to the process for notification to the Scrutiny Board of interim officer appointments at a cost of £20,000 or more and how this differs from the process for appointing of Consultants.

(2) If appointments are made on a consultant basis then the following provisions of the Constitution apply:

“Where a contract for a Consultant is estimated to cost £20,000 or more details of the proposed award must be forwarded to the relevant Cabinet Member prior to the appropriate officer making the award. In this context a Consultant is defined as a named individual (i.e. the Council states it wants individual x) taken on to perform a particular, temporary, and defined, task.

Being a named individual a ‘Consultant’ must, by definition, have been sourced via a non-competitive process. All contracts for a Consultant for £20,000 or more must be reported, as a non-competitive procurement, to the Head of Democratic Services within 14 days of the contract being awarded so that s/he may notify Members of the Scrutiny Board. “(Appendix 5, pp 125-126).”

(3) Mrs Dean's concerns are that interim appointments at a cost of £20,000 or above are capable of being made without the non-executive Members of the council being made aware of it.

(4) Mrs Dean has requested that the Scrutiny Board scrutinise this matter and consider making recommendations to the Selection and Member Services Committee and the County Council to amend the provisions within the Constitution relating to Consultants so that they can also include reference to the appointment of interim managers.

2. Recommendation

The Board is asked to consider what action it wishes to take.

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By: Paul Wickenden, Overview, Scrutiny and Localism Manager
 To: Scrutiny Board – 3 November 2010
 Subject: **Select Committee work programme**

Summary: To receive an update on the current Topic Review Programme and the resources available to deliver it.

Resources to Deliver the Select Committee Work Programme

1. I currently have two and a half FTE Research officers supporting the Select Committee topic review programme. They are supported by three Democratic Services Officers from the Overview and Scrutiny team who also support the Policy Overview and Scrutiny Committee. In addition I have one Research officer who is dedicated entirely to the Health Overview and Scrutiny Committee. There is also the Cabinet Scrutiny Committee Research Officer, who in addition to supporting this Committee also carry's out a number of specific projects to support the development of the Overview and Scrutiny function.

Select Committee Work Programme – 2010

Renewable Energy and Extended Services Select Committee

2. (1) The Select Committees on Renewable Energy, under the Chairmanship of Mr Ferrin, and Extended Services under the Chairmanship of Mr Burgess, have now completed their work and their reports have been finalised and are due to be considered by the Cabinet on 29 November 2010 and due to pressure on the County Council agenda, possibly the meeting of the County Council on 16 December 2010.

Educational Attainment Select Committee

(2) The Select Committee on Educational Attainment of Pupils in Schools in Areas of High Deprivation is due to start its work shortly. Mr C Wells is the Chairman designate. Mr Wells as Chairman designate, and Mr Vye one of the proposers for this review will be meeting with the Cabinet Member and Managing Director on 3 November 2010 to discuss the scope of the review and to narrow its focus into a manageable review. It is now well embedded in the Select Committee process that prior to meetings of the Select Committee to gather evidence from invitees a period of time is spent undertaking desktop research and written evidence is called for. In this way it is easier for the Select Committee to identify those key witnesses whom it wishes to interview and discuss with a number of issues personally. With this in mind it is unlikely that any hearings will take place until February with a report to the County Council in the summer May/July.

Select Committee: Dementia

(3) The Select Committee on Dementia is currently being established and will be starting its work shortly with a view to reporting to the July meeting of the County Council. Mrs Dean is Chairman designate.

Topics for future reviews

3. (1) Based on the current work programme there is one full time Research Officer available to begin work on a new review.

(2) To date one suggestion for a Select Committee topic review has been submitted and assessed. This is for a review on “The Student Journey” which has been put forward by Mr M Dance and Mr Kit Smith. A copy of the assessment form is attached (**Appendix 1**).

(3) Any further suggestions for reviews, which are assessed prior to the meeting, will be circulated to Members of the Board.

4. Recommendations that

(a) the progress of the Select Committee topic reviews on Renewable Energy and Extended Services and the proposed Select Committees on Educational Attainment and Dementia be noted.

(b) the Board decide whether it wishes to establish a Select Committee on “The Student Journey”.

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Background Papers – Nil

ASSESSMENT OF A SELECT COMMITTEE TOPIC REVIEW

* - sections to be filled in by the proposer of the topic

<p>*Subject of Proposed Review:- <div style="text-align: center;">“The Student Journey”</div></p>
<p>*Reason for the Review:- (see Note 1 below)</p> <p>To follow through one of the major outcomes of the year-long 12 District regeneration visits by REDPOSC and CFEPOSC – the student journey through education skills and qualifications to better jobs and sustainable social and economic regeneration.</p> <p>Regeneration in Kent will only come with skills and jobs and will be sustainable with the extra spend of such jobs.</p>
<p>*Issues to be covered by the Terms of Reference:-</p> <ul style="list-style-type: none"> • Present journey for students in Kent • Potential for greater skills and regeneration – ‘bottom-up’ approach • Equality of opportunity • Networking/Partnerships • Training and skills provision - employer needs
<p>*Scope of the review:-</p> <p>To trace the present student journey by desk-top study and 1:1 interview with students and stakeholders. 12 year olds to 20+.</p> <p>To explore inequality of provision and opportunity for disadvantaged and talented/gifted students.</p>
<p>*Purpose and objectives of the Review:-</p> <p>i) Review of present position – what is it like for students?</p> <p>ii) Recommendations for:</p> <ol style="list-style-type: none"> a) information, advice and guidance (IAG) b) provision of skills c) workability d) models for success e) sustainable social/economic regeneration via improved student journeys
<p>Proposer of the review - (Please print name and sign)</p> <p>KIT SMITH, Chairman CFE L&D POSC 11/10/10</p> <p>MARK DANCE, Chairman, REDPOSC11/10/10</p> <p style="text-align: center;"><i>(handwritten original of form is signed)</i></p>

Are there any reasons why this review should not be put forward for inclusion in the work programme for 2010/11?

The CFE Directorate is concerned about the timing of this review. With the coming of the Education White paper and the Wolfe Review on qualifications there will be significant changes in national policy. It is possible that if the review commences in 2010/11 in its proposed form it could become out of date before it is completed.

There is also concern that there will be duplication in relation to the work of the 14 – 19 Planning and Commissioning Officers within the newly formed 14 – 19 Entitlement Service.

It is not clear what evidence there is to support the assumption that there is inequality of provision and opportunity for the disadvantaged and talented/gifted students. This would need to be further considered within the scope of the review if it is to be progressed. Furthermore the Directorate suggests that should the review go ahead it focuses on 14 – 19 as this is within the jurisdiction of the Local (Education) Authority, with 14 being the point in which young people make their choices.

How will the review contribute to corporate objectives and priorities?

The Kent Partnership has identified three overarching ambitions to guide partnership activity and these are subsumed within the consultation draft of KCC's Medium Term Plan to 2014/15: Bold Steps for Kent. These are:

- (i) To tackle disadvantage
- (ii) To put the citizen in control
- (iii) To grow the economy.

The Select Committee will contribute to (i) and (iii). Bold Steps for Kent also sets a new direction for Kent in terms of: choice, economic growth, communities, localism, empowerment and personal responsibility.

The Kent Children's Trust is moving ahead with developing a new Children and Young People's Plan and there has been extensive consultation with children, young people and families to identify priorities for action. The consultation has identified seven areas of greatest need to be addressed:

- (x) Emotional and mental health
- (xi) Healthy start in life
- (xii) Safeguarding
- (xiii) Primary aged children's learning
- (xiv) Adolescent engagement
- (xv) Housing/accommodation
- (xvi) Family poverty.

The review will contribute to (xiv) and (xvi).

Will the review support the achievement of PSA or LAA targets? If yes, please identify targets:-

The review will support Kent Agreement/LAA Performance Indicators:

NI 117: 16 -18 year olds who are not in education, employment or training.

NI 78: Achievement of 5 or more A* - C grades at GCSE and equivalent including GCSES in English and maths (floor) – (local target).

Does the review need to be completed within a specific timeframe? If yes, please give details:-

Not known.

How will this review have an impact on KCC policy development and/or help to influence national policy?

If the review is included in the 2010/11 work programme there is potential for it to cause confusion given that significant changes are expected in national policy.

How will this review add value to the County Council and residents of Kent?

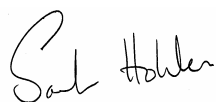
The CFE Directorate is concerned that the review will not add value if it goes ahead in its proposed format in the 2010-11 work programme. If the review is postponed for one year and there is some adjustment to the scope of the review there is potential for the review to add value to young people, employers and providers.

Any additional comments from the Portfolio Holder/Strategic Director:-


The Portfolio Holder and Strategic Director are in agreement with the comments above, particularly in relation to the timing and possible policy changes.

The Portfolio Holder also believes we need to look at pathways between vocational provision in schools and that in FE colleges to avoid duplication of qualification/training and assure consistent quality. The Portfolio Holder believes this select committee should be delayed.

Portfolio Holder's Signature:-



Strategic Director's Signature:-



21/10/10

Contact Officer:-
Lynne Miller

Date:-
25 October 2010

<p>Are there any reasons why this review should not be put forward for inclusion in the work programme for 2010/11?</p> <p>No</p>
<p>How will the review contribute to corporate objectives and priorities? The review will contribute to key pledges within the draft Medium Term Plan 'Bold Steps for Kent':</p> <ul style="list-style-type: none">- 'Linking skills to economic need- Shifting from careers advice to career management skills- Delivering a higher level skills base <ul style="list-style-type: none">▪ Skills development is a key challenge for Kent highlighted in '21st Century Kent: a blueprint for the county's future'.▪ "Unlocking Kent's Potential: a framework for regeneration" cites "increasing the number of graduates in Kent and retaining them" as a key target, along with "developing a new partnership with the HE sector".
<p>Will the review support the achievement of PSA or LAA targets? If yes, please identify targets:-</p> <p><i>(LAA and PSA are no longer requirements)</i></p>
<p>Does the review need to be completed within a specific timeframe? If yes, please give details:-</p>
<p>How will this review have an impact on KCC policy development and/or help to influence national policy?</p> <ul style="list-style-type: none">- Implementation of MTP 'Bold Steps for Kent'- Implementation of 'Unlocking Kent's Potential'- Influence delivery among 14-19 Entitlement team
<p>How will this review add value to the County Council and residents of Kent?</p> <ul style="list-style-type: none">- Improve efficacy of IAG offered to young people, ensuring that they are work-ready and able to better informed decisions about their future education and employment.- Improve employment opportunities for young people by strengthening partnerships between local employers and educators- Improve the targeting of skills and training provision to meet local employment opportunities, enabling young people to be more successful in their pursuit of a first job.

Any additional comments from the Portfolio Holder/Strategic Director:-

The proportion of young people aged 18-24 who are unemployed in Kent has risen dramatically in the last two years: between Feb 2008 – Feb 2009, there was a 103% increase in the number of 18-24s claiming Job Seekers' Allowance (at an estimated cost to the economy of around £546k per week). This increase was mirrored in all districts across Kent during this period, with Sevenoaks experiencing the highest rise of 16.1%. In Thanet, 12.3% of this entire age group were out of work.

Whilst the recession has undoubtedly impacted upon the employment prospects for young people in Kent, it is timely to explore our education and skills provision in partnership with local employers. In particular:

- The relevance of training and skills provision for young people against local labour market needs and growth industries in Kent
- The extent to which education prepares young people for work, and enables them to apply their learning in a new context.
- The efficacy of partnerships between local employers and local educators, and the opportunities that exist for young people hoping to enter the labour market at 16+, 18+ and post-degree.
- The extent to which IAG enables young people to make informed choices about further education and employment – particularly those who are considering making a large investment in Higher Education.
- The potential impact of changes in HE funding to the future supply of skilled workers in Kent

The issues to be covered could include:

- Present journey for students in Kent – pathways and opportunities for young people at key transition points (16+, 18+ and 21+).
- How do young people access careers support at the different stages on their journeys? (e.g. school / college-based careers support; HE careers advice; JobCentre Plus; Connexions?) To what extent does this advice prepare them for their educational choices, and then securing sustainable employment?
- What local opportunities exist for young with different levels of skills and/or experience – and in what sectors? How are these opportunities currently communicated?
- Networking/Partnerships between employers and educators at all levels (school, FE, HE, vocational providers). What learning points have been gained from the recent 'Future Jobs Fund' pilot in Kent?
- Equality of opportunity: what prevents young people from securing employment? To what extent is 'experience' a barrier for young jobseekers?
- Training and skills provision – sector growth areas in Kent and employer needs

Portfolio Holder's Signature:-

Signed by Mr Kevin Lynes

Strategic Director's Signature:-

Signed by Ms Barbara Cooper - Director Economic Development

<p>Contact Officer:- Barbara Cooper – Director of Economic Development (01622) 221856 Barbara.cooper@kent.gov.uk</p>	<p>Date:- 25 October 2010.</p>
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