

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 a functional 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 Group Managing Director and that an update be submitted to the next meeting of the Board.