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To: Personnel Committee

Date: 28 November 2013

Subject: Facing the Challenge

Classification: **Unrestricted**

SUMMARY: This report updates Personnel Committee on the top two tier restructuring and associated HR implications to date of the transformation programme Facing the Challenge.

1. Introduction

- 1.1 Facing the Challenge – Delivering Better Outcomes set out the Council's approach to delivering a radical rethink of how KCC delivers services to the people of Kent. The paper was agreed at County Council on 19 September 2013.
- 1.2 The consequential restructuring of the top two tiers of the County Council's structure has commenced and by the end of November confirmation of the alignment of services under the proposed directorships will be made.
- 1.3 Since the County Council met the Corporate Programme Office has been established, headed up by Paul McCallum. Market engagement reviews for the initial 12 services has commenced with information sought from and provided by those services and the market engagement review team has been established.

2. Top 2 tier restructuring

- 2.1 Consultation on the realignment of the top two tiers of the organisation's structure commenced on the 15 October 2013 and is therefore due to end on 14 November 2013. Formal consultation meetings have been held with trades unions on the 16 October and 7 November 2013.
- 2.2 From the 15 November to the 4 December feedback will be provided to those people who responded to the consultation and the final proposal announced. This proposal will be presented to County Council on 12 December 2013 after which each directly affected member of staff will be advised of their personal status regarding the realignment.
- 2.3 Some may be slotted into posts in the new structure if:
 - the job is the same grade as before the reorganisation,

- there are the same number of jobs (or more) as job holders
 - the job is deemed 75% the same type of work in terms of job accountabilities, activities and broad objectives.
- 2.4 Those that are not slotted will have the opportunity to apply and be interviewed for roles in the new structure if the role they are interested in is within two grades of their current job grade. Interviews will take place during January 2014.
- 2.5 Anybody who does not secure a post through either slotting or interview will receive notice of redundancy.
- 2.6 The employees affected by the realignment proposal have also been offered the opportunity to express interest in voluntary redundancy. Decisions to let people leave the organisation on this basis will be determined by reference to what skills, experience and capability the organisation will need in the future.
- 2.7 The new top tier structure will be implemented on the 1 April 2014.

3. Realignment

- 3.1 An initial high level mapping of the new 'Facing the Challenge' KCC Directorate structure has been produced, showing the activities and operational areas that are planned for each new directorate and the estimated staff that would move into each area. Detailed costs of the old and the new senior structure and the resultant savings have also been produced. Both of these documents will be updated in November following any changes stemming from the top tiers consultation exercise.
- 3.2 In December the building of the new structures and teams on the Oracle HR System will begin. From January 2014 the detailed mapping exercise to enable the Council to move the 11,000 staff in KCC (non Schools) from the old to the new Directorate and team structure will start. This work will involve close liaison between HR, Finance & ICT to ensure alignment with the new budget structure. The implementation of updated systems will occur in the last week of March 2014 taking account of new appointments and movement of staff in the intervening period.
- 3.3 From the 1 April 2014 all staff will be allocated to their new Directorate and team structures on the Oracle HR System and on ICT systems (emails, logins, telephone directory etc).

4. Approach to restructuring

- 4.1 Kent County Council uses an established approach to managing change in structures within the Authority. This is based on statutory requirements, tried and tested approaches to change management and the principle of employment stability.
- 4.2 However, in anticipation of the changing needs of the organisation HR has been moving to ensure that the organisation's response to change is more flexible,

adaptive and agile. This will help the organisation take a more purposeful approach to deployment and ensure that there is a greater degree of organisational and individual realism in the way redeployment is managed.

- 4.3 The approach will also ensure that we do not, due to the phasing of change, lose skills and capability that are essential to the organisation but not necessarily needed in the service that staff were previously working in.
- 4.4 In looking at a more agile approach to restructuring it is important to set out the intent of the organisation. The concept of employment stability on which our approach was previously based, is an aspect of managing change that has increasingly less relevance to the needs of the organisation. As the Council faces difficult challenges in response to budgets and the requirements of service delivery it is even more essential to ensure that the authority has the correct skills, experience and capability needs. The Council's procedures and approach to change will let it achieve this principle.
- 4.5 Alongside this the Council still recognises the statutory requirement to consult on redundancies and will continue to do this in an open and transparent way with staff and trades unions. It will also, wherever possible, seek to mitigate the impact of redundancies on its staff.
- 4.6 A more detailed framework under which the County Council manages the people aspects of change is currently being prepared.

5. HR response to Facing the Challenge

- 5.1 HR recognises the need for a co-ordinated response across the Division to enable it to deliver the HR aspects of Facing the Challenge. A project group has been established that brings together all the component elements of the HR response. The project group's work streams are:
 - Organisational Design and Realignment
 - Self Sufficient Manager
 - Organisational Effectiveness
 - Workforce Development/Training
 - People, Policy & Strategy
 - HR and Associated Systems and Reporting
 - Engagement
- 5.2 A high level project plan has been produced to identify the key interventions from HR and the timescales they will be delivered within. The project plan is provided in the context that HR has a number of imperatives it must deliver before, or by, 1 April 2014 to support the realignment of the County Council. Equally there are other projects that will be delivered beyond the 1 April which will help change and support the organisation to deliver the other significant principles of Facing the Challenge. Work on many of these projects will start before April 2014 and are shown in the project plan.

6. RECOMMENDATIONS

- i) Personnel Committee notes the progress on the top two tier restructuring exercise.
- ii) Personnel Committee notes the proposed approach to restructuring.
- iii) Personnel Committee notes the HR project based response to Facing the Challenge.

Paul Royel
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