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To: County Council – 12 December 2013

Subject: 'Facing the Challenge: Phase 1 update and new Directorate structure

Summary: This paper provides an update on progress delivering Phase 1 of the Transformation Plan, following *'Facing the Challenge: Delivering Better Outcomes'* which was approved by County Council in September. It outlines and charts activity across the three key themes which shape our approach for transformation and presents for approval a new Directorate structure for the Authority which is critical to successful delivery of the whole transformation agenda.

Recommendations

The County Council is asked to:

- NOTE the progress on delivering the Whole-Council Transformation Plan: Phase 1
- APPROVE the proposed operating framework and new Directorate structure critical to the delivery of the transformation
- NOTE the outcome of the formal and informal consultation process
- NOTE the actions and timescales that will result from this decision
- NOTE the intention to bring a further update and proposals for debate to a future County Council meeting recognising the changing role of members in a transformed organisation.

1. Introduction

1.1 On 19 September 2013, the County Council endorsed the Whole-Council Transformation Plan set out in *Facing the Challenge: Delivering better outcomes*.

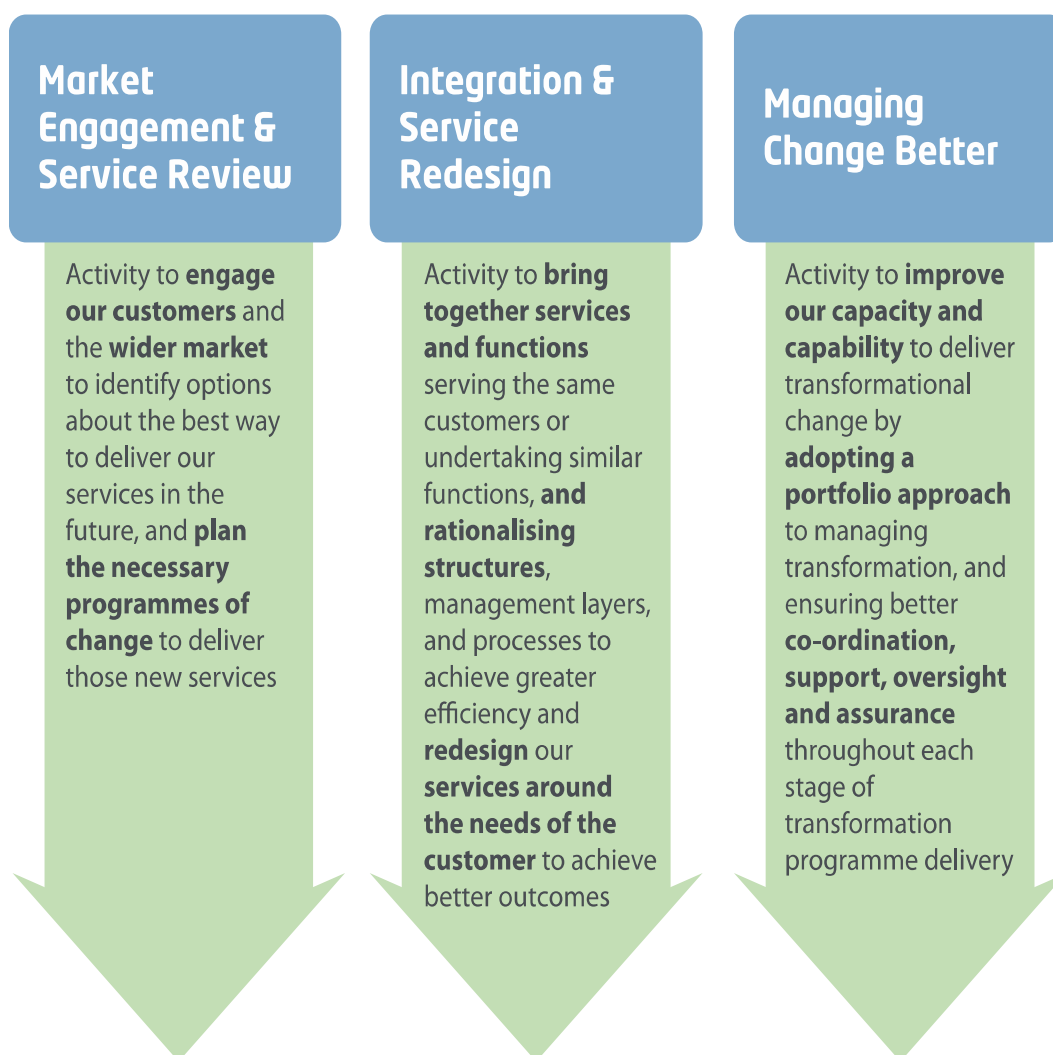
1.2 The plan will deliver the principles contained in *'Facing the Challenge: Whole Council Transformation'* which were agreed by the County Council on 18 July 2013 and described the context and rationale for change, providing a policy framework for transformation. It focused on five key principles:

- Integration of services around client groups or functions, for example the Kent Integrated Adolescent Support Service and activity and support for the Skills and Employability agenda for 14 to 25 year olds
- Single-council approach to projects, programmes and review. This involves bringing together the different strands of project and programme work being undertaken across KCC and organising them to achieve the best results for the whole organisation.

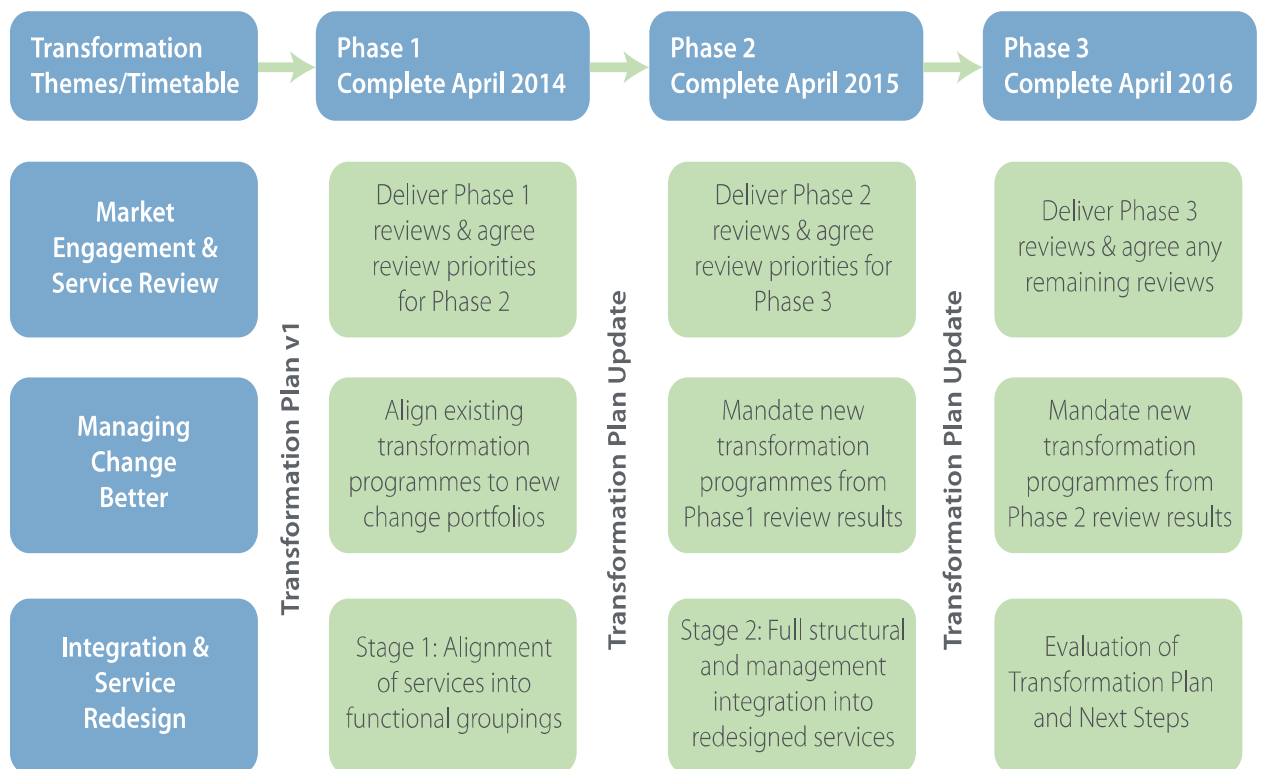
- Active engagement of the market for solutions around delivery models for all our services, encouraging new providers to create, shape and develop new and sustainable models.
- Creating viable businesses from traded services ensuring they maximise their income and credible and successful as standalone entities.
- Embedding commissioning authority arrangements

1.3 *Facing the Challenge: Delivering better outcomes* set out what will be delivered in the first phase of transformation, and the approach being taken to deliver transformation at pace. This will redesign the way we deliver services and drive structural reform of the authority as a whole by rapidly moving the organisation to a model which will deliver the financial savings required, and also ensure we are resilient and prepared for future challenges and change.

1.4 The Transformation Plan has been designed around three key themes.



1.5 Each theme has with clear timelines for delivery in their first phase as detailed in the County Council paper in September:

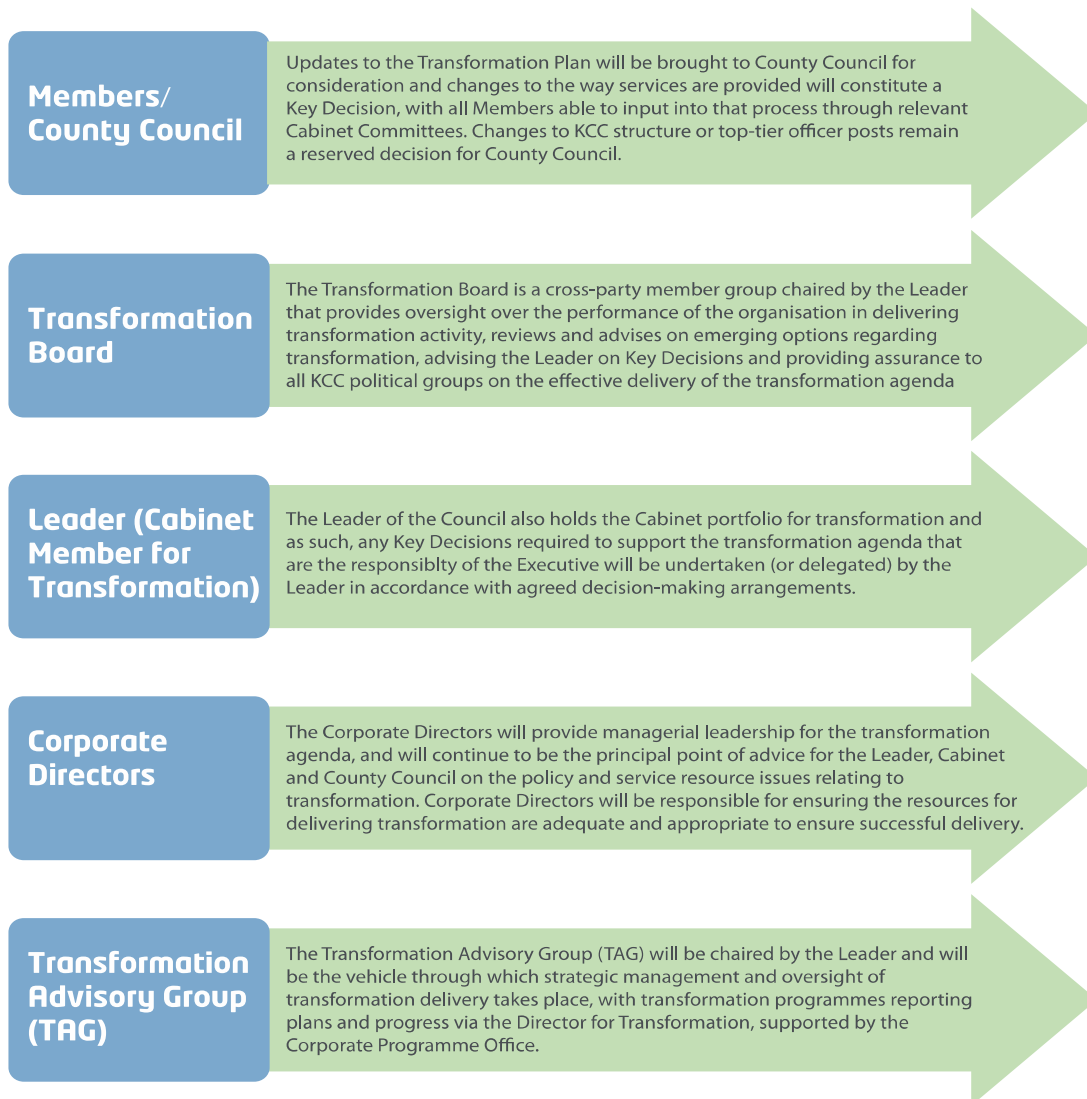


1.6 This paper provides an update on progress on each theme and, where relevant and appropriate, provides comments received on each from KCC staff and external stakeholders who responded on aspects of the theme in their feedback to consultation on the top tier realignment forms the bulk of this report.

2 Governance arrangements

2.1 The County Council in September 2013 agreed the governance arrangements that, at a strategic level, will shape and drive the transformation agenda, ensuring that it is delivered effectively and efficiently, and meets the financial and policy objectives of the Council.

2.2 The arrangements are outlined below. The Transformation Board has met twice since September to receive updates on progress across the three themes of the Transformation Plan. The Transformation Advisory Board currently meets weekly to monitor progress across the three themes.



3. Transformation Plan progress update

3.1 Some of the feedback received in response to the top tier realignment consultation related to other aspects of the whole *Facing the Challenge* agenda. This has been included as part of this update on progress where relevant.

3.2 Theme 1: Market Engagement & Service Review

3.2.1 The Phase 1 milestones for this theme were agreed as follows:

- Scoping brief for each review – end October
- Resource of Phase 1 review teams – end October
- Identify Phase 2 reviews – by end February 2014
- Phase 1 reviews complete – by end April 2014

3.2.2 Twelve services included in the first phase are shown below. Market review may apply to all or part of each of these functions.

Market Engagement & Service Reviews – Phase 1			
Type of service	Service Identified	Gross Budget for Market Review	Net Budget for Market Review
Frontline Services	Community Learning & Skills	£15,125,000	-£229,000
	Kent Scientific Services	£878,000	£243,000
	Libraries	£16,792,000	£15,174,600
	Residential Care Homes - Older People	£7,017,700	£6,920,200
Corporate Support Services	Contact Centre	£4,992,900	£3,365,600
	EduKent Services	£18,193,000	-£1,800,000
	Legal Services	£9,335,200	£8,224,000
	Human Resources	£7,693,000	£6,774,000
	ICT	£15,736,000	£15,638,000
	Finance	£15,336,000	£13,797,000
	Property	£29,493,000	£27,661,000
	External & Internal Communications	£2,458,000	£2,458,000
Total		£143,049,800	£98,226,440

3.2.3 The review team undertaking this open and challenging approach has been established and is staffed with a mix of internal service improvement managers and external experts who bring a fresh perspective from their recent experience with other organisations engaged in this sort of business development.

3.2.4 Each service has been required to produce a fact based questionnaire to inform the review team and enable them to produce a scoping document outlining how the service will be reviewed, the parties to be involved, the timetable and the objectives/outcomes that the review is to deliver. These were provided in full and at the agreed time by all twelve services and scoping briefs have been produced. These scoping briefs are currently being reviewed and consideration of alternative ways of delivering the Phase 1 services is now underway.

3.2.5 The process of market engagement and service review attracted a good deal of interest and comment through the consultation. Some concern was expressed about the timing of the review of services, including those of functions supporting the whole organisation transformation. Whilst recognising this, these services meet the criteria set out in *Facing the Challenge: Delivering better outcomes*.

3.2.6 It is important to restate that the outcomes of market engagement are not predetermined and outsourcing of services is only one option among many.

3.2.7 There are a number of possible delivery models for most of our services. In some cases, it may be decided that a service has trading potential either as part of a joint venture or through some other business model.

3.2.8 Several responses to the consultation urged the Authority to ensure that all parts of the organisation were the subject of service review, including statutory services which some felt had in the past not been subject to the same rigorous review as other parts of the Authority. The actions being taken across all three themes of transformation will ensure that this is the case.

3.3 Theme 2: Integration and Service Redesign

3.3.1 The Phase 1 milestones for this theme are shown below. These include the agreement of the new Directorate structure which is the principle subject of this paper. The Corporate Directors and Directors who are appointed to this new structure will have the overall responsibility for the successful implementation of all aspects of the Transformation agenda which is why this piece of work is being completed at an early stage in all the changes.

- Cabinet discussion of proposed revised top tier operating framework – October 2013.
- 30 day formal consultation with impacted senior managers – October/November 2013
- Informal consultation with other staff and internal and external stakeholders – October/December 2013
- Confirmation of alignment of staff to new customer service teams – November 2013
- County Council approval of revised operating framework – December 2013
- Appointment of Corporate Directors and Directors to revised top tier roles – by March 2014
- Go-live of new operating framework – 1 April 2014

3.3.2 These milestones are all on track for delivery and the outcome of the consultation process and proposed new operating framework form the core of this paper.

3.3.3 Much of the detail of how KCC services will be aligned to the new Directorates is outlined here and in the Appendices. The new structure sees a reduction from five service Directorate to four, the removal of five Corporate Director /Director posts and the bringing together of services and activity previously dispersed across the Authority into units focussed on the same client group or function around bigger integrated units. There is a commitment to ensure that all current teams are able to map themselves onto the new agreed framework. To ensure this is the case, further detail will be provided on KNet once the County Council has reached a decision.

3.3.4 There is also a commitment to ensure that the detailed service redesign of our services will start with the user of that service. i.e. the customer or client group and this work is already underway in many areas of the Authority. The service redesign work will ensure that the benefit of integrating functions into the new structure is fully realised, tackling duplication of effort, strengthening partnership working and approaches and removing unnecessary layers of management in line with the

Decision Making Analysis (DMA) model which provides the basis for all organisation design. Service redesign will be based on an improved understanding of our service users and customers enabling us to fulfil the commitment to “place the customer at the heart of service delivery”.

3.3.5 Further detail on the next steps in implementing the agreed top tier realignment is contained in later sections of this paper.

3.4 Theme 3: Managing Change Better

3.4.1 The Phase 1 milestones for this theme were agreed as follows:

- Agree a resources plan for transformation – by end October 2013
- Establishment of enhanced Corporate Programme Office – by end October 2013.
- Change Portfolios established – by end October 2013.
- Review and agree Programme Roadmap for all existing and new transformation activity in change portfolios – by end January 2014

3.4.2 Again the work on this theme is on schedule. The four change portfolios agreed in the September paper are established (see below). The Corporate Portfolio office has been set up and existing KCC programme managers have been joined by newly appointed external experts. The team is establishing methods of working with the Senior Responsible Owner(s) (SRO) for each portfolio and will be in a position to agree the Programme Roadmap by the end of January 2014.

3.4.3 The table below shows the current change activity being undertaken in each portfolio. Additional activity will be included as the transformation progresses and further programmes and projects are scoped and agreed. This will see a particular expansion of activity in the Place Based and Business Change Transformation Portfolios.

Activity included within each Change Portfolio			
0-25 Transformation Change Portfolio	Adults Transformation Change Portfolio	Place Based Transformation Change Portfolio	Business Capability Change Portfolio
<ul style="list-style-type: none"> • Children’s Transformation • 0-11 Children and Families Support • SEN and Disabled Children’s Services Integration • Kent Integrated Adolescent Support Services • Troubled Families • 14-25 Skills and Employability 	<ul style="list-style-type: none"> • Adults Care Pathway • Adults Commissioning • Adults Optimisation • Care Bill Preparation 	<ul style="list-style-type: none"> • Community Safety and Emergency Planning • Future Libraries • Customer Access 	<ul style="list-style-type: none"> • Trading & Transition • New Ways of Working • Integrated Commissioning

4. Top Tier Realignment

4.1 On 14 October 2013 the Cabinet noted and endorsed proposals for a formal consultation on a realignment of senior posts in the Authority to deliver the transformation plan set out in *Facing the Challenge: Delivering Better Outcomes*. This was followed by a period of formal consultation with senior staff impacted by the proposal and informal consultation with other staff and external partners and stakeholders. The transformation plan recognises that it is essential we identify the right outcomes to inform the design and delivery of our services and the right level of resource to achieve those outcomes.

4.2 Whilst the change in structure is a specific activity of the second theme, Integration and Service Redesign, this is not a traditional restructure. It is important to give certainty to both senior managers and the wider staff group about who is responsible for each new customer/functional group, each of the services being market reviewed (and implementation of the outcomes of the review) and the delivery of each transformation programme. This new Directorate structure is an early step to achieve the transformation outcomes – it is not an end in itself. It is also inevitable that our structure will need to be revisited and further changes are likely over time.

4.3 The proposal was for the establishment of four new Directorates, each with responsibility for discrete services, which will collectively deliver the three themes and five key objectives of *Facing the Challenge* taking a whole council approach. Two of the Directorates are focused on People based services that give support to particular individuals or families at various ages and stages of their lives, one on Place based services that provide services to everyone, or on an area basis, and one on whole organisation strategic and corporate support functions, providing policy advice and business intelligence to the whole Council and professional advice and support to front-line people and place based services.

4.4 The four Directorates consulted on were:

4.4.1 Social Care and Public Health

This Directorate will be responsible for the delivery of statutory social care services to individuals needing them at any stage of their lives. It will transform the way we deliver services for vulnerable adults, older people and children working in tandem with the health service and our voluntary & community sector providers. Public Health has been included because it is appropriate to position it in the Directorate providing other statutory services to people across all stages of life and integrating service provision with the health sector

4.4.2 Education and Young People services

This Directorate combines Education services with targeted services for children and young people designed to reduce demand for specialist services. By focusing on prevention and early intervention, our aim will be to reduce demand in education and children's social services by helping families earlier, improving parenting skills and the health and educational outcomes of young children, ensuring they are school ready. It will also enable the Authority to identify and intervene earlier to support families in crisis through area based working and joined up teams providing a more seamless service and better working arrangements with our partners.

4.4.3 Place Directorate

It should be noted that the title “Place” is a working title only. The final name for this Directorate will be agreed prior to the implementation of the new structure in April 2014. The new Directorate for place based services will bring together community based universal services (e.g. Libraries), countywide infrastructure services (e.g. highways and waste), economic growth shaping activity (economic development) and regulatory services (such as planning and trading standards) to be managed strategically and cohesively, allowing integration of services and commissioning where value adding and enhanced synergy in the way these universal services are provided.

4.4.4 Strategic and Corporate Services

This new Directorate will see the existing Policy and Strategic Partnership and Business intelligence functions and the professional support services joined by other whole council support and client activity.

5 Consultation Outcomes

5.1 The operational framework outlined above has been the subject of consultation and the outcomes are detailed in the following sections of the paper. Please note that for ease of reference, the job and directorate titles used throughout this paper are those that appear in the final proposal rather than those that applied during the consultation process.

5.2 The minimum requirement for a formal consultation with the 26 Directors and Corporate Directors directly impacted by the proposals was supplemented by a much wider consultation process. Given the impact on all KCC staff and the critical role they, together with the Authority’s partners, suppliers and other key stakeholders, have in helping to achieve the *Facing the Challenge* agenda, it was decided to invite contributions from these groups. This consultation was informal, but important, and the feedback has been included in this report.

5.3 The overall response to the proposals was positive and supportive of the general direction. There were no fundamental challenges to the structure of four Directorates with two relating to People services, one to Place services and one for corporate activity. It was notable that many respondents chose to comment on the whole Transformation agenda and did not restrict themselves to the top tier realignment. This suggests that there is a positive understanding that the *Facing the Challenge* programme is far more than a restructure and has to be seen in its entirety across all strands of activity if it is to succeed.

5.4 There were some common themes emerging from all consultation responses and these have been outlined in section 8. There was strong recognition that however the County Council chooses to structure itself, success for it, its partners and the residents of Kent depends crucially on continuing to build productive relationships and willingness to do things differently.

6 Responses from impacted staff

6.1 The 26 directly impacted senior staff were sent a formal consultation letter and pack on 15 October 2013. The process was led by the Head of Paid Service as the most senior officer responsible for overall corporate management. He also has responsibility for proposing to the County Council, together with the Leader, the overall officer structure required to deliver the Council's responsibilities and the manner in which the discharge of the Council's functions is co-ordinate; the number and grade of officers required for the discharge of functions; the organisation of officers and the appointment and proper management of the authority's staff.

6.2 The pack included the background to the proposal, as set out in the Cabinet paper of 14 October, draft job descriptions, structure charts, the equality impact assessment, support available to impacted staff and a statement of actions being taken to mitigate the possibility of dismissal on the grounds of redundancy. The consultation period ended on 14 November.

6.3 16 replies were received in response to the invitation to comment. Many of the contributions related to the general themes emerging from the whole consultation process (see section 8), or were comments about specific job descriptions or job titles. These latter comments have been picked up in the revised, final draft job descriptions attached at Appendix 1.

6.4 Some of the comments that related to very specific items of clarification and which did not impact on the overall structure proposals have not been included in this feedback, although individual responses are being sent to all 16 respondents covering all the points raised.

6.5 The other comments received from impacted staff and the Authority's responses to them, reflected in the recommendations in this paper, are contained in Appendix 2.

7 Responses from other staff and external stakeholders.

7.1 KCC staff were invited to comment on the proposal through significant coverage on KNet and 35 individuals or teams took the opportunity to offer their opinions. The majority of these responses fell into the same general themes as impacted managers and stakeholders, outlined in section 8.

7.2 The Leader of the Council wrote to from 445 external stakeholders inviting views, including suppliers; Kent District, Borough, Parish and Town Councils; other local authorities and public sector bodies; business advisory boards; Clinical Commissioning Groups and voluntary sector organisations. 17 replies were received. There was again strong support for the general direction of *Facing the Challenge* and recognition that the reality of the current financial climate meant that there was no alternative to fundamental change. The radical nature of the proposals across all aspects of the *Facing the Challenge* programme was recognised and applauded by several respondents, although concerns about other aspects of the change were raised and are highlighted below. Nearly all respondents expressed their appreciation of the invitation to comment and many expressed their willingness and desire to continue to be involved and consulted through the design and implementation of the changes. Many chose not to comment in detail on the

proposed structure, whilst broadly supporting it, recognising that this is an internal issue for the Authority, but offered more general comments which are again reflected in section 8.

7.3 Where questions of clarity were raised, answers have been sent directly to the respondent. There were several comments from staff on the draft job descriptions and a small number of queries about the scope, number and grades of senior posts and the relative size of the new Directorates.

7.4 There were several queries about why services such as Libraries, and others were in the “Place” Directorate but actually deal with “People”. It is acknowledged that most of the Authority’s services are about the people who access them and nearly all our staff provide services to customers. The definitions of the scope and purpose of the new directorates articulate and clarify the logic for the groupings of services.

7.5 Other respondents urged that care should be taken in how services are described, particularly in relation to those in social care.

8 Frequently raised themes

8.1 A few topics attracted regular comment. For ease of reference these are reflected in this section of the paper which brings together comments on these themes from all respondents to avoid repetition of points being made by impacted managers, staff and external stakeholders. The following aspects of the proposed structure attracted particular attention. A fuller description of the feedback and our response to each of these is attached at Appendix 3.

8.2 Skills and Employability

The proposal remains that this function forms part of the Education and Young People Services Directorate.

8.3 Virtual Schools Kent (VSK)

VSK is currently part of Specialist Children’s services and the original proposal was for it to move to Education. It has been decided to recommend in this proposal that it stays as part of Specialist Children’s Services.

8.4 Director of Communication role

The proposal before County Council is that this post is deleted.

8.5 Public Health

The proposal for Public Health to form part of the Social Care and Public Health Directorate attracted comment from all groups of consultees and a response was received from Jenny Harries from Public Health England seeking reassurance that KCC recognises the responsibilities of the Director of Public Health and positions the role in such a way that these responsibilities can be discharged effectively. The need to do this is recognised and the Director of Public health will remain a member of the

Corporate Management team and Corporate Board as well as the Social Care and Public Health Directorate Management Team.

8.6 Preventative Services

The success of preventative services is critical to many aspects of the *Facing the Challenge* agenda, the financial health of the Authority and the lives of vulnerable young people and their families. This proposal has therefore been given the highest level of attention and there is agreement that the current configuration outlined in this proposal is capable of providing the required outcomes. The responsibilities of the senior managers involved across the two Directorates are described in the job descriptions and the DCS protocol will be revised to ensure there is total clarity about how the structure will operate to maximum effect and that the DCS is able to fulfil his statutory responsibilities.

8.7 Commissioning

8.7.1 In recognition of the crucial role of whole organisation commissioning in support of our ambition to be a commissioning authority to a much greater extent, a professional corporate team will be established to embed the necessary commissioning authority arrangements in Kent, including a framework to ensure robust internal challenge and contestability within KCC. It will recommend how we can improve our capacity to undertake market development and market shaping activities, define the skills required for staff engaged in commissioning activity, identify opportunities for joint commissioning across the Authority (and with partner organisations), and develop a mechanism to monitor the effectiveness of our commissioning activity and will sign off devolved commissioning arrangements.

8.7.2 The corporate team will also ensure the strong client model outlined in *Facing the Challenge* through developing a best in sector commissioning and procurement approach that has the capacity to effectively decommission and re-provision services as the need arises, adopts a commercial approach to contract management across all service provision, whether internal or external, and has the ability to shape markets and undertake market development to encourage new providers to create new markets.

8.7.3 It is not intended to transfer any of our existing commissioning teams into the Strategic and Corporate Services Directorate and the further details of the approach to be taken beyond that outlined in Appendix 3 will be established as part of the Change Portfolio activity on corporate commissioning. There will be strong member oversight of the Authority's commissioning agenda and activity.

8.8 The way we do things

The objectives of *Facing the Challenge* can only be achieved through developing exceptional working relationships within the Authority and with our partners. This is well understood and was reiterated throughout the responses to the consultation from all groups. Further detail is given in Appendix 3.

9 Financial Implications

9.1 The reports on this subject in July and September to County Council made clear the financial climate facing local government over the medium term and probably beyond. Savings of £239m were estimated for 2015/16 to 2017/18. Before that, it was estimated at the time that we would have to deliver around £104m in order to balance the 2014/15 budget (including the reverse of £25m of one-off savings necessary to balance 2013/14 budget).

9.2 As the thinking on delivering transformation develops, so does the high level savings options. At this stage, we cannot be precise as to where the savings might be made and how they will be delivered, but we have to start to make assumptions about what might be possible.

9.3 As a first guide, we are looking at the following savings ‘targets’ in order to meet the £241m latest estimated savings requirement for 2014/15 to 2016/17 identified in the consultation launched on 8th November. An explanation of each of the six headings is provided in the remainder of this section of the report:

	Potential Saving £m-£m
Market Engagement Activity	15-20
Commissioning & Procurement Activity	15-20
Service Review & Integration Activity	55-65
Additional Income opportunities from trading	10-15
Efficiencies from existing savings plans	20-25
Reduced Demand through targeted preventative services	65-75
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Total	180-220
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9.4 Even the upper range of these programmes does not deliver the full £241m and would leave a shortfall of around £20m. We will need to have innovation, rigour and determination to meet the financial challenge presented to us by Government. We will need to develop and continually refine the financial modelling over the coming year(s) by analysing our service activity levels, costs, and the developing trends, compared to the outline savings targets above, and continue to search for new potential savings. During this period we face many uncertainties and likely new burdens. The 2015 Election could have a significant impact on local government, and the Care Bill (reflecting the Dilnot report) presents massive uncertainty, which is further considered later in this section.

9.5 Market Engagement savings will come when alternative delivery models and/or service providers, through proper procurement routes, can show that the **same or better service** can be provided at a lower cost. All of our services will be subject to this scrutiny over the next three years, building on the extensive savings already made from commissioning significant levels of services across the Council, such as in Highways and Social Care.

9.6 Commissioning and procurement savings will be delivered by even more rigour over both the scope and the price of those contracts and services which we already

purchase from private and voluntary sector providers via competition in the marketplace and with corporate oversight.

9.7 The service review and integration savings will evolve as the new areas of responsibility bed-down in the new Directorates. Directors will look at more effective ways of providing their services (as we have with the recent review of Children's Centres) within the indicative budgets we will provide them with for the next three years. Integration will deliver efficiencies particularly from management structures and removal of any duplication of effort.

9.8 Additional income needs to be found from exploiting market opportunities, ensuring we provide traded services at a reasonable profit, by setting our limited companies increasing dividend targets, and by looking for new business opportunities in those areas where we already have some expertise, such as providing back-office support for external organisations. We will also, as is normal, look at increasing charges in line with benefits increases.

9.9 The progress on efficiencies from existing savings plans is probably the most advanced of these streams as we have already (as the heading suggests) begun work to deliver these as part of the 2013-15 Medium Term Financial Plan. These include back-office efficiencies and procurement savings.

9.10 By making substantial investment in our preventative services and targeting them to those most in need, we aim to **significantly reduce demand** for high cost intervention. This is potentially the biggest area of savings as we look for those preventative services to reduce, for example, the number of children taken into care, and the number of people in residential care, and the need for extensive support for elderly and vulnerable people living at home. It must be stressed that this is not about cutting services or denying people access to these services, but simply about helping people earlier, thereby avoiding often unwelcome interventions later on.

9.11 Members should be aware that the numbers shown above are our best estimates at this early stage. The numbers will change regularly, including the overall total, as a result of a number of factors including the provisional settlement, local tax base and final quantification of additional spending demands. The figure of £241m is made up of estimated additional spending pressures of £140m, reduced government funding of £143m, £10m increase in Council Tax base and our share of business rates, and £32m from increasing Council Tax up to referendum level. These amounts will almost certainly change before we finalise the budget for County Council in February.

9.12 Ensuring the County Council can set legal budgets, and keep to them, over the medium term is not a unique pressure to Kent. The local government sector is universal in its deep concern for being able to deliver services with the ever decreasing funding it is being given. We are well placed to meet this challenge, but with lower than average levels of reserves we must maintain the pace and urgency that we have started, and ensure no slippage to our transformation programme.

9.13 We will need to make sure that we keep up the pressure on central government to reform outdated legislation which places spending burdens on local authorities. This will apply across many of the savings strands identified above but will be particularly important in helping us meet the very ambitious targets set out under reducing demand. It is essential that legislative requirements do not prevent our

overall aim of reducing reliance on publicly funded services. An example where legislative requirements could actually impose additional spending demands without adequate funding is in the Care Bill currently progressing through Parliament.

9.14 Councils are working to establish with a greater degree of confidence, the real cost impact of the Care Bill (in particular Dilnot related changes) legislative changes. The main change in the Bill would introduce a cap on the total amount an individual has to contribute towards their care costs from April 2016.

9.15 Nationally, the Association of Directors of Adult Social Services, with the LGA, have agreed to develop a model which all Authorities would use to help them quantify what these changes mean for them and also to have the evidence to lobby the Government for adequate funding. Indeed, the Department of Health concedes that it needs to do more work on the determining the full costs associated with the changes. Our very early estimates of the impact are in the range of £22m - £45m per year.

9.16 The Government has not made any announcement on how the reforms in the Care Bill will be funded, other than this will be addressed in the Spending Review for 2016/17 alongside other spending priorities. The Spending Round 2013 announced £335m would be made available in 2015/16 to help local authorities to prepare for the changes (including deferred payment arrangements from April 2015) although it has subsequently transpired that this funding has been effectively top-sliced from the main Revenue Support Grant settlement rather than new money. The Spending Round 2013 also announced the creation of a £3.8bn pooled budget for closer working between health and social care authorities although this is not intended to fund the reforms in the Care Bill.

9.17 In conclusion, we have to manage our resources like never before, make sure every penny spent delivers real benefit, and maintain the flexibility to respond to a constantly changing financial landscape.

10 The Proposed Operating Framework and Top Tier Realignment

10.1 As a result of the consultation process, relatively minor changes have been made to the original proposal and some services have moved within the new operating framework. However, the main outcome of the process has been to validate and endorse the changes to the Directorate structure as a necessary early step to achieve the innovative and proactive activity outlined in all aspects of *Facing the Challenge*.

10.2 The overall structure proposal is shown at Appendix 4 which includes the grade for each role. The pay and grading structure for senior officers was thoroughly overhauled in 2010 and the evaluation of the grades of the posts has been confirmed by the HayGroup who undertook a detailed analysis of our senior roles at that time. HayGroup are an internationally recognised management consultancy with an expert understanding of job evaluation and market pay, and particular experience in the public sector. Their advice helps to ensure the implications of the new organisational structure are fully understood.

10.3 An outline job description for each Corporate Director and Director post is included at Appendix 1. In addition each of these senior managers will be expected to meet the corporate responsibilities defined in Appendix 5. Some changes have

been made to the job descriptions both as a result of the consultation responses and to ensure a consistent approach.

10.4 There are four service Directorates, whose overall purpose remains as defined in the consultation (see section 4) will contain the following Divisions and functions:

10.4.1 Social Care and Public Health

Corporate Director Social Care and Public Health (DCS & DASS)				
Director Commissioning	Director Specialist Children's Services	Director Older People and Physical Disability	Director Learning Disability & Mental Health	Director Public Health
Children's Health Commissioning	Initial Duty and Assessment	Enablement	Assessment and case management	Health Improvement
Strategic Commissioning - Children's Social Care	Child Protection	In-house Provision – residential homes and day centres	Learning Disability and mental health In-house Provision	Health Protection
Quality Assurance of Health and Social Care	Children and young people's disability services including short break residential services	Adult Protection	Adult Protection	Public Health Intelligence and Research
Integrated Commissioning – Health and Adult Social Care	Children in Care (Children and Young People teams)	Assessment and Case management	Partnership Arrangement with the Kent & Medway Partnership Trust and Kent Community Health NHS Trust for statutory services	Public Health Commissioning and Performance
Contracts and Procurement	Assessment and Intervention teams	Telehealth and telecare		
Planning and Market Shaping	Family Support Teams	Sensory services		
Commissioned Services including Supporting People	Adolescent Teams (Specialist Services)	Dementia		
LASAR (Local Area Single Assessment and Referral)	Adoption and Fostering	Autism	Operational support unit	
KDAAT	Asylum	Lead on health integration		
	CRU/OoH	Integrated Equipment Services and Disabled Facilities Grant		
	Family Group Conferencing Services			

10.4.2 It should be noted that due to the well developed transformation programmes already being undertaken in the existing Families and Social Care Directorate which will result in recommendations impacting on service delivery models and structures, the level of change contained in this proposal does not attempt to pre-empt the outcome of the major transformation programmes and any further senior management revisions and change.

10.4.3 The Director of Commissioning post will provide commissioning advice to some teams in both Social Care and Public Health and Education and Young People services. The role will also have oversight of the KSAS project although the project team will be managed through a transitional arrangement after April 2014.

10.4.4 Education and Young Peoples Services

Corporate Director Education & Young People Services		
Director Preventative Services	Director of Education Planning and Access	Director of Education Quality and Standards
Integrated Youth Services includes Youth Justice, Youth Work (including Youth Centres and outdoor activity centres) Children's Centres Early Intervention and Prevention for children, young people and their families including Family CAF co-ordination Adolescent Services Social Work Assistants Inclusion and Attendance includes Education Youth Offending, Educational Welfare, Inclusion Officers, Child Employment and Young Carers Co-ordination Early Years Treasure Chest Commissioned Services for early intervention and prevention	Provision Planning and Operations includes school place planning and provision, client services, outdoor education and the work of the AEOs Fair access Admissions and Home to School Transport includes Elective Home Education, Home Tuition and Children Missing Education Special Educational Needs Assessment and Placement Educational assessment processes for pupils with Special Educational Needs and Disabilities includes Portage and Partnership with Parents Educational Psychology Service	Early Years and Childcare Safeguarding and Education School Standards and Improvement including Governor services, School Workforce Development and Performance and Information. Skills and Employability for 14-24 year olds includes Kent Supported Employment & Community Learning & Skills Inclusion Support Service Kent (formerly MCAS)

The Directorate includes three new functional groups:

10.4.5 **0-11 Integrated Services:** Early intervention and prevention services provided to families and children aged from 0-11 are currently provided separately across KCC. We will bring those services into a single integrated service with a cohesive service offer to families in Kent. By focusing on prevention and early intervention, our aim will be to reduce demand in education and children’s social services by helping families earlier, improving parenting skills and the health and educational outcomes of young children, ensuring they are school ready and being able to identify and intervene earlier to support families in crisis.

10.4.6 **Kent Integrated Adolescent Services:** The development of the Kent Integrated Adolescent Support Service has provided the blueprint for the integration of early intervention and prevention services within Kent, through area based working and joined up teams providing a more seamless service and better working arrangements with our partners. This programme will continue to develop that new service, moving toward formalising the improved working practices and approaches developed to date.

10.4.7 These two services will be part of a new Division of Preventative Services headed by a Director. The Director will also have oversight of the Troubled Families programme, although the programme team will be managed through a transitional arrangement.

10.4.8 **14-25 Skills & Employability:** There will be an emerging programme of work to explore and develop the way we work with our partners to raise attainment, improve vocational education & apprenticeships, increase participation and employment and target support effectively for vulnerable learners. This will include not only more integrated and efficient ways of working within KCC, but increasingly engaging with our partners such as employers, Jobcentre Plus, the business community and District Councils.

10.4.9 This expanded team will be part of the Division headed by the Director of Education Quality and Standards.

10.4.10 As with the structure in Social Care and Public Health, it is likely that once these services are brought together, further integration within the Directorate will be possible and desirable.

10.4.11 **Place Directorate**

Corporate Director Place		
Director Economic Development	Director Highways Transportation & Waste	Director Environment, Planning & Enforcement
Economic & Spatial Development	Highway Operations	Sustainability and Climate Change
Strategy & Development	Programmed Works	Heritage Conservation
International Affairs	Transportation	Country Parks

<p>Regeneration Projects</p> <p>Arts including Kent Film Office</p> <p>Volunteering</p> <p>Big Society</p>	<p>Public Transport</p> <p>Future Service Improvement</p> <p>Contract Management</p> <p>Waste Resource management</p> <p>Road Safety including Road Crossing Patrols</p>	<p>Strategic Transport Planning</p> <p>Planning Applications Group</p> <p>Regulatory Services- Including Public Rights of Way & Access, Trading Standards, Coroners, Kent Scientific Services & Countryside Management Partnerships</p> <p>Flood Risk and Natural Environment</p> <p>Kent Downs Area of Outstanding Natural Beauty</p> <p>Sport</p> <p>Community Safety & Emergency Planning, including Community Wardens</p> <p>Gypsy and Traveller Unit</p> <p>Local Development Plans</p>
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Head of Libraries and Registration and Archives is a direct report to the Corporate Director

10.4.12 Functions included in the Directorate make up a mix key frontline, strategic, policy and commercial functions. The Directorate will have a key role in promoting Kent as a highly attractive location for business and employment as well as stimulating the regeneration of areas hardest hit by the economic downturn.

10.4.13 It will also promote Kent as a great place to live and work, providing a range of front-facing public services which are used or experienced by everyone in Kent every day and are the touch point for local communities. This includes leisure and culture facilities, including the Turner Contemporary; highways; pavements; streetlights; new infrastructure; household waste disposal and recycling services.

10.4.14 The Directorate will have strategic responsibility for the future of the county in terms of planning and transport policy, and major transport improvement schemes. It has a key objective to ensure the interests of Kent's residents, businesses and its environment are represented in policy development.

10.4.15 Strategic and Corporate Services Directorate

Corporate Director Strategic & Corporate Services (Head of Paid Service)				
Corporate Director Finance	Corporate Director Human Resources	Director Information & Communication Technology	Director Governance & Law	Director Property & Infrastructure Support
Audit and Risk	HR Business Centre	ICT Commissioning	Democratic Services	Capital and Infrastructure Support
Financial Services	HR Employment Strategy inc.	ICT Operations	Legal Services	Strategic Asset Management/Rationalisation
Finance Business Partners	Internal Communications	Kent Connects	Elections	Property Enterprise Fund
Financial Management	Organisation Development	Business Partners	Member Services	Business Partners – Directorate Property
Strategic Finance	HR Business Partners	Enterprise Architecture	Clerk to the Lord Lieutenant	Estates Management & Property Operations
Procurement	HR Advisory Team	ICT Infrastructure	Senior Information Risk Owner	
Director School Resources	Health & Safety including Staff Care Services	Service Support		
Academy Conversion		Business Solutions		
Finance Business Partners		ICT Security		
Development of delivery model for support services to schools				

10.4.16 The new Directorate will include the Head of Policy and Strategic Partnerships and the Head of Business Intelligence, both of whom will be direct reports to the Corporate Director.

10.4.17 Corporate services are fundamental to successful integration and whole council transformation, both in terms of ensuring activity that relates to the whole organisation is coherent and cohesive, but also in terms of the professional advice offered to service directorates being instrumental in enabling them to achieve service transformation at pace and in the most effective way possible. All corporate services that provide support to front-line people and place based services will form part of this revised Directorate. As well as the existing professional support Divisions a number of new corporate functions have been identified to underpin arrangements to integrate and reposition whole council support. Further details of the teams involved in these units are shown at Appendix 6. The activities are:

- **Customer Contact**
- **Media and Public Relations**
- **Customer intelligence and performance**

10.4.21 **Traded services and market engagement**

Whilst traded services and those being reviewed under the market engagement arrangements will continue in their current line management arrangements until decisions on the future model of service delivery for each is finalised, the Corporate Director Strategic and Corporate Services will have oversight of the progress of market review and the development of Kent Commercial Services.

10.4.22 As with the Social Care and Public Health and Education and Young people Services Directorates, there is significant change to be accommodated in the existing roles and structure of this Directorate. There will be senior managerial capacity to absorb the new functions detailed above at a later point, although it is not possible at this stage to be specific about the final shape of the senior level roles in this Directorate. All the current senior managers manage functions that are the subject of market review. It is also inevitable that these Divisions will need to respond to changes in the rest of the organisation which will impact on nature and volume of support required. At the same time, it is vital that the Directors remain focussed on the work required to support the rest of the organisation in its transformation activity.

10.4.23 The services mentioned above that will be transferring in to the new Directorate will, therefore, be managed on a transitional basis until the outcomes of the various service and market reviews are completed. Transitional arrangements will also apply to the Troubled Families and KSAS programmes mentioned earlier in the paper.

10.4.24 There are some individual members of staff who directly support the existing Directorate structure and aspects of organisational activity whose position needs to be clarified as the changes are implemented. There will be separate discussions with these individuals prior to April.

11 Cabinet portfolios

11.1 Effective and timely decision-making will be critical to the delivery of all aspects of this Transformation Plan. KCC operates a clear decision-making framework, set out in the Constitution, which places responsibility for strategic decisions with Members and responsibility for the delivery or implementation of those Member decisions with officers. Should these governance and decision-making arrangements prove insufficient to support the pace of change required to deliver transformation, then they will be reviewed, with any alternative arrangements brought to County Council for consideration and approval.

11.2 As outlined in Facing the Challenge: Whole Council transformation, as the role of the County Council transforms, the way elected Members undertake their local representative role will also change, and will increasingly be delivered through:

- Advocacy – representing resident interests at an individual and community level, working with other democratic representatives and bodies from across the political spectrum, and the public, private and voluntary sector to ensure individuals and communities have a voice in how all public services are shaped and delivered, not just those traditionally provided by local government.
- Brokerage – working with commissioners and providers across all public services to identify innovative and cost-effective ways of meeting local community and individual need, and leveraging and brokering resources from across the private, public and voluntary sector to help solve local community problems.
- Communication – through representing the community to the council rather than the council to the community, Members can provide strong intelligence of local community need to help shape the commissioning and procurement of services, but also feed resident views when shaping the strategic priorities and overall direction of the council.

11.3 As public services increasingly fragment, the need for leadership from a democratically elected strategic local authority will become more, not less, important. The political leadership will be more focussed on making the prioritisation and investment decisions, rather than decisions on day-to-day service activity, with the organisation having the responsibility to provide political leaders with full financial and non-financial data necessary to make strategic investment and disinvestment decisions.

11.4 A paper for debate on this changing role of members will be brought to a future County Council meeting.

11.5 Cabinet portfolios will remain in their current configuration in order to help ensure stability during the changes arising from these proposals. However, these will be reviewed before the April implementation of the new structure.

12 Timeline and next steps

12.1 Once the realignment has been agreed by the County Council, formal confirmation will be given to the senior managers impacted on whether they are at risk of redundancy or “slotted” to a post. At this stage, any applications for voluntary redundancy which are agreed will be confirmed

12.2 Throughout this period it is critical that regular communication to all staff and ongoing engagement with managers is continued.

12.3 Decisions about whether individual senior managers are “slotted” (i.e. automatically placed) to the proposed posts in the structure will be done following the Kent scheme terms and conditions of employment. 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 terms of job accountabilities, activities and broad objectives.

12.4 Following the slotting process, any remaining vacant posts will be filled by Member appointment panels in the normal way. It will be critical to the stability of the organisation and its ability to deliver transformation that any senior posts left vacant are filled as soon as possible and it is intended to hold the initial selection process during January 2014.

13 Equality impact assessment

13.1 An equality impact assessment for the proposed new structures has been completed. Of the 10 protected characteristic groups considered, it is felt that there could be a potential impact on 4 characteristics – age; gender; disability and people with carer's responsibilities. The details of the assessment are included at Appendix 7 and for all four identified characteristics the potential impact is assessed as low.

Background Documents:

Facing the Challenge: Whole Council transformation - County Council July 2013
Facing the Challenge: Delivering Better outcomes - County Council September 2013
Facing the Challenge: top tier realignment - Cabinet 14 October 2013

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