

NB – This report now contains further supplementary information published on Monday 7 October under procedures set out in The Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in order that relevant staff and Cabinet Member discussions could be completed and to also enable the detailed proposals to be consulted upon and the outcome of the consultation reported to the County Council meeting on 12 December 2013 for determination.

In addition the report contains, at appendix 6, information exempt from publication under paragraphs 1 and 4 of Section 12a of the Local Government Act 1972.

From: Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation
David Cockburn, Head of Paid Service

To: Cabinet

Date: 14th October 2013

Subject: Facing the Challenge: top tier realignment

Classification: Unrestricted

Future Pathway of Paper: This report introduces a formal consultation process, the results of which will be reported to County Council for decision in December 2013.

Electoral Division: All districts and divisions

Summary: This report sets out a proposed realignment of senior posts in Kent County Council for consideration by Cabinet prior to a formal consultation with the senior staff impacted by the proposal and a wider consultation with other key stakeholders including partner organisations. This paper, together with the “exempt” appendix, describes the new proposed Directorate structure, identifies the current roles impacted and outlines the roles proposed, the process of formal consultation to be followed, the reasons for the changes and the timelines for completion and implementation.

Recommendation: That Cabinet note and endorse the proposals outlined in this paper 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* agreed by the County Council on 19 September 2013. Following the outcome of the consultation, a paper will be taken to the County Council in December 2013 for decision on a top tier structure.

1. Introduction

- 1.1 On 19th 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 agreed by the County Council on 18th July 2013 contained in '*Facing the Challenge: Whole Council Transformation*' which 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
 - Single-council approach to projects, programmes and review
 - Active engagement of the market for solutions
 - Creating viable businesses from traded services
 - 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 an operating 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, each with clear timelines for delivery in their first phase as detailed in the County Council paper in September:

1.4.1 Theme 1: Market Engagement & Service Review – Phase 1 milestones

- Scoping brief for each review – end October. (On track for delivery)
- Resource of Phase 1 review teams – end October. (On track for delivery)
- Identify Phase 2 reviews – by end February 2014
- Phase 1 reviews complete – by end April 2014

1.4.2 Theme 2: Integration and Service Redesign

- 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 - 1st April 2014

All these milestones are on track for delivery

1.4.3 Theme 3: Managing Change Better

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

1.4.4 This paper is concerned with the realignment of senior staff to help achieve these objectives. However, it is important that this is seen in the context of this whole council transformation programme, the success of which relies on effective senior management across all three of the themes identified above. 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. 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 consider at this early stage how the senior roles are best configured and 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, but this realignment is the means to an end, not an end in itself. It is also inevitable that as the transformation programme, which it is acknowledged is an iterative plan, develops the realignment will need to be revisited and further changes are likely. This report therefore concentrates as much on the aims of the transformation activity as it does on the structural changes suggested.

2. Financial Implications

2.1 With the existing savings in the medium Term Financial Plan and an additional estimated savings target of £239m between 2015/16 and 2017/18, reductions in management costs at all levels across the Authority are essential as part of the strategy for meeting the significant financial challenge. Further information on the contribution of the three themes in *Facing the Challenge*, including from the top tier and the realignment of other services, will be included in the December County Council paper.

- 2.2 Details of the proposed savings from this realignment of the 26 senior posts will be available once consultation has closed and a final draft and costed structure can be created. In its current form, the proposal results in an overall reduction of 5 senior posts, or around 20%. Completion of the rearrangement of senior posts will allow detailed work to be completed on the integration of other teams into the new functional groups and the rationalisation of other management structures.

3 Realigned Corporate Director and Director Posts

- 3.1 The Transformation Plan sets out high level principles for service redesign to tackle duplication, repetition and remove low value or no value activity. Service delivery must be streamlined so people get the right information and support they need to access services in the right place, at the right time and in the best way to meet their needs.

3.2 People, place and whole council activity

- 3.2.1 Following the principles outlined in *Facing the Challenge: whole council transformation* the Corporate Directors have mapped existing services into the customer/functional groupings identified in that paper, and from that have considered what they believe to be the optimum arrangements for future Directorate and senior officer structure. The consultation process, outlined here for Cabinet's consideration, will cover only Corporate Director and Director level posts which are all detailed in this paper and its appendices. It should be noted that the titles used in this paper are only intended for the purpose of consultation. The final titles for the new Directorates will be decided once the outcome of the consultation is known.

- 3.2.2 The starting point for the integration of services and functions was to group existing services and functions between

- People based services that give support to particular individuals or families at various ages and stages of their lives
- Place based services that provide services to everyone, or on an area basis
- Corporate services that provide whole organisation functions, professional advice and support to front-line people and place based services.

- 3.2.3 The rearrangement of existing teams into these groups is a pre-cursor to the redesign of services around the need to become more efficient and the needs of the customer. It was therefore important to ensure minimum disruption to teams at this point and to keep existing services together except where it is clearly necessary for the future redesign activity to split them between new customer/functional groups. The realignment of senior roles has followed the same principle – there is a significant amount of transformation work already underway and it would be inappropriate to pre-empt the outcome of this work by

diverting attention through precipitate structural change. This has been balanced against the need to bring some services together more quickly where this will facilitate the next stage of service redesign.

3.2.4 The proposed realignment identifies four Directorates, two delivering People based services, one Place based services and one Corporate services.

3.3 **People based service – Social Care and Public Health Directorate**

3.3.1 This Directorate will be responsible for the delivery of statutory social care services to individuals needing them at any stage of their lives. This includes vulnerable adults, people with disabilities and children. The Directorate will be transforming the way we deliver services for vulnerable adults and older people, working in tandem with the health service and our voluntary & community sector providers. It will also be responsible for the further transformation of social care services for children. Public Health has been included here 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.

3.3.2 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.

3.3.3 The details of the proposed new structure can be found in Appendix 1. It should be noted that the Director of Commissioning post will provide commissioning advice to both Social Care and Public Health and Education and Young People services under this proposal.

3.4 **People based services – Education and Young People services**

3.4.1 This Directorate combines Education services with targeted services for children and young people designed to reduce demand for specialist services. The Directorate includes three new functional groups:

3.4.2 **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.

- 3.4.3 **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.
- 3.4.4 These two services will be part of a new Division of Preventative Services headed by a Director.
- 3.4.5 **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.
- 3.4.6 This expanded team will be part of the Division headed by the Director of Education Quality and Standards.
- 3.4.7 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.
- 3.4.8 The details of the proposed new structure can be found in Appendix 2

3.5 Place based services

- 3.5.1 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 services) 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.
- 3.5.2 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, employment and tourism. Stimulating the regeneration of areas hardest

hit by the economic downturn will be a key focus, helping them to grow and unlock their economic potential.

- 3.5.3 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.
- 3.5.4 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.

The proposed structure for the directorate is shown at Appendix 3

3.6 **Corporate services**

- 3.6.1 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 a revised Directorate for Strategic and Support Services. As well as the existing professional support Divisions (shown at Appendix 4) a number of new corporate functions have been identified to underpin arrangements to integrate and reposition whole council support. These are:
 - 3.6.2 **Customer Contact** – the customer relationships team, which includes the Contact Centre and Gateways and responsibility for the Customer strategy, including channel shift, will move to the corporate centre in recognition of the fact that despite being a customer facing activity it provides support to all our front line people and place based services and will be better able to integrate customer and business intelligence and corporate policy as part of Strategic and Support Services.
 - 3.6.3 **Media and Public Relations** – similarly, the media and public relations team provides whole council services and also works very closely with senior members and officers. It too will be part of Corporate Services.
 - 3.6.4 **Corporate Commissioning** – *Facing the Challenge* has clearly stated the intention to become more of a commissioning authority. As service delivery becomes an increasingly mixed economy, KCC's role as a commissioning authority to create, shape and develop markets will become essential to ensuring sustainable service provision. Effective

commissioning within and across Directorate boundaries is key to the whole organisation agenda. Following the recommendations outlined *Facing the Challenge: Whole Council Transformation*, Corporate Directors have considered options to integrate commissioning functions around people-based and place-based services and to establish whether commissioning and procurement should sit as discrete functions, or should be further integrated given the interdependencies between them. The proposal for consultation does not recommend integrating commissioning with procurement. Despite the interdependencies, these are discrete activities and the Authority is better served by recognising the inherently different role of each, whilst aligning policy for them closely in the same Directorate. It is envisaged that the corporate commissioning function will advise on a suitable framework to ensure only specifications that are fit for purpose are passed to procurement for tendering and contract award.

- 3.6.5 The recommended position on commissioning is not to centralise all commissioning staff into one team. The risk of commissioners being too far removed from the services they work alongside was considered too great and there will remain a significant presence in the service Directorates, including a people services wide team under a Director in Social Care and Public Health. However, 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. The team will also create strong client functions across all professional areas of the Authority.
- 3.6.6 **Business and Customer intelligence and performance** – Putting the customer at the heart of everything we do and designing our services around their needs requires us to collect and evaluate feedback from them more effectively. We must use the whole range of information collected to measure our performance across all our services and ensure the outcome of both business and customer research informs policy decisions. The proposal therefore suggests the establishment of a unit which will be responsible for business and customer intelligence and research, developing our customer strategy, consultation, community engagement, monitoring customer feedback, dealing with Freedom of information requests and insuring the resulting customer and performance insight is used effectively to inform policy and resourcing decisions.

3.6.7 **Traded services and market engagement**

Facing the Challenge identified a number of services that are currently trading and/or will be part of Phase 1 of the marketing engagement activity. This will involve all or part of the following service areas:

- Community Learning and Skills
- Kent Scientific Services
- Libraries
- Residential Care Homes – Older People
- Contact Centre
- EduKent Services
- Legal services
- Human Resources
- ICT
- Finance
- Property
- External and internal Communications

Market review may apply to all or part of each of these functions.

3.6.8 Whilst these services will continue in their current line management arrangements until decisions on the future model of service delivery for each is finalised, the Corporate Director Strategy and Support Services will be required to have an overview of the progress of market review and development.

3.6.9 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 Business Strategy and Support. All the Directors in Strategy and Support Services Directorate manage functions that will be 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. Given the scale of impact on their roles and the scope of the change that they will be called on to lead in their own Divisions and support across the Authority, and recognising that there is likely to be senior managerial capacity to absorb the new functions detailed above at a later point, it is not possible at this stage to be specific about the final shape of the senior level roles in this Directorate.

3.7 **Cabinet portfolios**

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.

4. Timeline and next steps

- 4.1 The overall structure proposal shown at Appendix 5.
- 4.2 Subject to any comments from Cabinet, the formal consultation with impacted senior staff will commence on 15th October 2013. It is important to note that at this stage none of the Directors or Corporate Directors are “at risk” of redundancy. No decisions on the future of individuals or existing roles can be taken until after formal County Council approval for a realigned senior manager tier in December. It is also important to note that only Directors and Corporate Directors are impacted by these proposals. Those impacted are shown in Appendix 6 which is “exempt”.
- 4.3 The formal consultation process will be 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.
- 4.4 The formal consultation information will include outline job descriptions for each Director and Corporate Director role and an indicative grade for each job.
- 4.5 Informal consultation will be undertaken with other staff and key stakeholders including our partners, customers; stakeholders in other public sector organisations; voluntary sector and private suppliers; and MPs.
- 4.6 At the end of the 30 day consultation period, all the comments made will be reviewed and responded to. Any changes to structure resulting from the consultation will be incorporated into an updated report to the County Council on 12th December.
- 4.7 On 12th December the county council will be invited to consider:
 - Outcomes of consultation
 - Risks
 - New alignment of top two tiers and new operating framework
 - Grading for roles (and resulting pay)
 - Full job descriptions for each post including statements of corporate responsibilities
 - Timescales and actions for April implementation of the streamlined organisation following integration, transformation programmes and any outcomes of market review.

4.8 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 (see section 6). At this stage, any applications for voluntary redundancy which are agreed will be confirmed (see section 5).

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

5. Voluntary redundancy

5.1 It is suggested that all the senior managers impacted by this restructure are given the opportunity to express an interest in voluntary redundancy at any stage of this process from the start of formal consultation. Any such expression of interest would have no guarantee of being accepted.

5.2 It should be noted that the arrangements for redundancy payments, whether compulsory or voluntary, for senior staff are as outlined in the Kent Scheme terms and conditions (the Blue Book) and are exactly the same as those applied to all other staff in KCC employed under the Kent Scheme.

6. Process for appointing to senior roles

6.1 Once the feedback from the formal consultation process has been considered and a final structure agreed by the County Council in December, decisions will be made about whether individual senior managers are “slotted” (i.e. automatically placed) to the proposed posts in the structure. This 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.

6.2 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.

7. Equality impact assessment

7.1 An equality impact assessment for the proposed new structures is being completed and will be included in the formal consultation document to be published on 15th October. Cabinet will be informed of the outcome of the assessment at the meeting on 14th October.

8. Conclusions

The proposals contained in this report represent a significant first step in delivering the transformation plan articulated in *Facing the Challenge*. The stated objectives for whole council, integrated services; effective market engagement and review; rigorous whole organisation commissioning and contract management and managing change better rely on engaged and quality leadership from senior managers who are able to discharge their corporate responsibilities as effectively as their professional service delivery role. At the same time, it is important that disruption to our current service delivery and transformation activity is minimised which requires effective engagement with the individuals impacted, being receptive to the outcomes of the consultation feedback and timely decisions and implementation. Realigning our most senior managers to ensure they are able to deliver across the three themes of facing the Challenge will be a major milestone in the success of the whole council transformation. Once complete, we will move forward to streamline management structures and units.

Background Documents

Facing the Challenge: Whole Council transformation.
County Council July 2013

<https://democracy.kent.gov.uk/documents/s41515/Facing%20the%20Challenge%20Whole-Council%20Transformation.pdf>

Facing the Challenge: Delivering Better outcomes.
County Council September 2013

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=113&MId=5014&Ver=4>

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