

Change to keep succeeding Appendix 1

The challenges facing us

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

The demographic challenge

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

The service delivery challenge

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

The financial challenge

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

12. They require some bold steps to be taken.

The policy challenge

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

notably on how we connect internally and operate as one organisation. Many of the design principles were supported and they have shaped the draft structure proposals placed before Members today.

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

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

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

Explanation of the structure in general and process for staff impacted

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

employment policies. Appendix 5 of this report lists the current senior management posts that are directly impacted by these draft structure proposals. It needs to be explicitly understood that these are the **only** posts which are affected by this process.

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

Detail regarding the role of the Corporate Director

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

corporately. The team is responsible for overall results, the stewardship of resources, the Council's corporate reputation and its effective risk management (results, resources, reputation and risks).

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

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

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

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

Education, Learning and Skills Directorate

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

policy framework of integrated children's services. There have been significant advantages gained from this policy framework. There have however been some losses mostly in the relationship with adult social services in terms of being able to conduct a real integrated assessment and develop properly integrated continuous care pathways for clients. The proposed structure tries to rebalance our service delivery models so that we are able to regain these elements and also retain the excellent work that has been done to date in this county on the integration of children's services.

50. The current Children, Families and Education Directorate has re-organised itself to ensure in the twelve district areas of our county, there are integrated children's services for school support, children's social care services and preventative services such as children's centres. These operate with a series of twelve locality boards and an over arching Kent Children's Trust Board. This is a valuable forerunner of the thinking that is being proposed within the draft medium term plan "Bold Steps for Kent" and the 12 locality district boards and it will be essential to learn from its experiences in the development of the model being proposed for the whole Council.
51. The proposal in this draft structure is to support and maintain those links in the localities of integrated children's services but to designate the line management "home" of targeted Children's services as the proposed Families, Health and Social Care Directorate. Throughout the proposed consultation period there will be a number of bills and white papers published by the Government. Amongst them is expected to be an Education White Paper. This will give us further guidance on what the residual statutory duties of the local authority are likely to be in regard to education and may also discuss what the future statutory role of the Director of Children's Services could be. The consultation period should allow enough time to take into account any proposed changes and give us the flexibility to respond.
52. Bearing in mind the current statutory requirements, it is proposed that a protocol be produced to ensure that the accountability of the Director of Children's Services is properly maintained and not fettered by a different reporting line arrangement. The reporting links to the statutory role of the Lead Member must also be maintained pending any national review. The current statutory guidance on the role of the DCS does not insist that there has to be a direct reporting relationship of these posts.

Families, Health and Social Care Directorate

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

and the locality connections to integrated children's services as described above. It must be emphasised that the dotted line is to represent a real living relationship of the services across these two Directorates.

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

Enterprise Directorate

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

contribute strongly to local economic growth and enterprise. This division will help the Council to explore these models. As the Prime Minister said on 6th October

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

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

Customer and Communities Directorate

68. The purpose of this Directorate can be summed up very simply as owning the “front line” for the whole Council. It could be thought of as a “Directorate of the front line” – and by that we mean both the physical buildings, the call centre and web access. The Council has made a significant investment over recent years in the Gateways – jointly run with our partners. This has been nationally recognised as excellent practice. This Directorate will have a clear focus on developing the Gateway model across all our public access buildings and re-engineering services to take full advantage of delivering an integrated front line to the public and delivering savings from that.
69. The Directorate will also be home to a range of services that share a similar characteristic in that the public choose to use them – i.e. “they come to us”. In addition to the Gateways, there are the registrar service, libraries and our parks. It will also house key strategic services for the Council from community safety and public protection to adult learning, skills and youth services. These services have a particular significance in relation to the Kent economy.
70. This will require a significant change programme to re-engineer services so that the reality of the frontline service can really fulfil the vision of the Gateway model. There are also a number of new approaches to service delivery that will need development. The draft medium term plan “Bold Steps for Kent” contains a proposal to create locality delivery boards. The intention is to pilot a number of these next April. A resource will need to be created to develop these pilots. We have also made two further place based budgeting bids one building on the leading edge work on the Margate Task Force and another building on earlier work around offender management that paved the way for many of the Total Place pilots that then took place nationally. If these bids are successful then the activity will be driven from here. This division is also home to KCC’s commitment to create the Big Society. “Bold Steps for Kent” raises a number of ideas such as a Big Society Bank, working more closely with volunteers etc, and all this work will be developed from here.
71. The Directorate will also be home to the new integrated division of Communications, Consultation and Community Engagement. This is a key design principle that has been warmly welcomed. Concerns have been raised

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

Business Strategy & Support Directorate

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

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

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

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

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

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

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

- A clear separation of the activities that are about ‘deciding’ what should be provided from those responsible for providing services
- An overall reduction in layers of management
- Professional and technical support services and resources to be delivered from a single point and not replicated in individual services
- Priorities to be set in relation to the identified needs based on independent, sound, accurate, reliable data.

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

that underpin the business of the whole authority (Finance, Information Technology, Law, HR and Property) as well as governance and democratic support. The overriding objective should be for all our support functions to be provided at the lowest possible cost whilst meeting appropriate business need. Economies of scale require and a 'one Council' approach necessitates the continued provision of support services in Directorates no longer can be afforded. Effective market understanding and sound commissioning / procurement skills should ensure an ability of corporate support services to cater for even the most service specific of Directorate requirements.

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

Conclusion

89. Cabinet have before them a draft proposed structure for consultation and new ways of working within the Council. There are also actions contained within

the previous report that will enable us to ensure that we can shape the whole of the Council's operating environment and not just the "reporting lines".

90. There have been three weeks of consultation with staff and eight meetings with 219 managers to assess whether in the face of all that we see in the future – policy changes both here and nationally and financial changes to name a few – we are still fit for purpose in our current arrangements.
91. The Managing Directors and Executive Directors and Director of Finance and HR have had a number of 1:1 meetings with the Group Managing Director about these ideas and have had two meetings as sub groups of CMT (due to annual leave) on 1st September and the 8th September and one CMT discussion on the final draft this week – 5th October. It is a very difficult balancing act being both consultee and affected by a developing process and being able to fully discuss matters in a personally disinterested way. I do acknowledge that some members of CMT would have liked more involvement. However I believe the way it has been structured has enabled them to properly influence my advice to Cabinet.
92. A wide range of views have been received, and overall although Members can clearly judge for themselves from the feedback that they have it is my view there is a broad level of support for change and a recognition that we cannot stay the same.
93. Many of them say – "let's see what we could change into" and these draft structure proposals offer that alternative view. This is a genuine consultation and many of the early ideas on what the structure could look like have been altered by the feedback received so far.
94. A risk register is attached as Appendix 3 for Cabinet's assessment in their consideration of their decision to proceed with this consultation. It is important that this is fully considered in the decision process.
95. There are two particular types of risk that Cabinet must consider. There are the type 1 risks that are very clearly laid out in the register and the mitigating actions that are in place or are proposed. There are also the type two risks that if we do not take this decision now – what are the consequences of not acting in the light of all the challenges we face. If this is as successful as it is believed and will position the Council to be able to deal with its challenges in a stronger and more effective way than if we stay as we are – what additional benefits and opportunities do we risk for the people of Kent and our staff.
96. A community impact assessment is also contained as Appendix 4 assessing the implications and impact of this decision to formally consult on a new structure.
97. In the previous report to Cabinet already circulated paragraph 7. ii) indicates that this restructure must of course contribute to the savings that the council needs to make in response to the CSR shortly to be announced. It is also recognised good practice for any organisation to be constantly assessing whether its managerial overheads are at the right price and are organised in the most cost effective way for the current and developing circumstances for that organisation. At this stage it is not possible to accurately quantify a amount- although human resources estimate a potential saving of at least £500,000 from these proposals.

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

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

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

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