

**JOINT WORKING PROJECT BETWEEN SEVENOAKS DISTRICT COUNCIL AND DARTFORD BOROUGH COUNCIL IN ENVIRONMENTAL HEALTH – PROPOSED FORWARD OPERATING MODEL**

**Cabinet - 13 October 2011**

Report of the: Deputy Chief Executive & Director of Community and Planning

Also to be considered by: Council – 29 November 2011

Status: For Decision

Key Decision: Yes

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**Executive Summary:**

This report provides Cabinet Members with the outcome of the feasibility study and business case for the joint working project between Sevenoaks District Council (SDC) and Dartford Borough Council (DBC) in Environmental Health, and sets out the proposed operating model for the joint service. In summary, the Environmental Health Service for both Councils would be provided from the Dartford office, with a satellite office only, based at Sevenoaks, with existing face to face services for customers being retained.

It is estimated that joint savings over a five year period would total £1.68 million. Allowing for estimated implementation costs of £486,000 a pay back period of 1.6 years can be achieved.

Dartford Borough Council are considering this proposal at their Cabinet Meeting on 27<sup>th</sup> October 2011.

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**This report supports the Key Aim of** effective management of Council resources.

**Portfolio Holder** Cllr. Mrs. Bracken

**Head of Service** Head of Environmental and Operational Services, Richard Wilson

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**Recommendation to Cabinet:**

- (a) It is resolved that the proposed operating model for the joint provision of Environmental Health Services with Dartford Borough Council as detailed in the report and appendix A, be approved and that;

- (b) The Leader of the Council and the Safe Communities Portfolio Holder be delegated the authority to agree the heads of Terms for a partnership agreement, and
- (c) A provision of £243,000 investment costs be recommended to Council to support the implementation of the project as a supplementary budget request (this figure represents a 50% share of costs) and
- (d) The Leader of the Council and the Safe Communities Portfolio Holder, together with the Deputy Chief Executive and Director of Community and Planning Services be delegated to approve any consequential actions required in order to implement the proposed business model.

### **Background and Information**

- 1 Members will be aware that the Council's financial plan assumes that a saving of £150,000 per annum would be made from 2011/12 in respect of implementing a shared working proposal for Environmental Health with DBC. If not implemented, the Environmental Health team to be restructured to achieve this level of saving.
- 2 The Council already has a number of successful partnerships in place with DBC and through these have further developed good working relationships, improved efficiencies and reduced the cost of services. Building on these successes and in recognition that both Councils have shared an Environmental Health Manager since August 2008, it was felt that the next natural step would be for a joint Environmental Health Service Project.
- 3 It was agreed at the Cabinet meeting on 2<sup>nd</sup> September 2010 to employ consultants to support the development of joint working arrangements between the two councils, and to limit this Council's expenditure on this procurement to £15,000. The cost of consulting would be shared equally between the two councils.
- 4 The Consultants, Price Marriner Associates Ltd, were approached to undertake work in three stages:-
  - i. Feasibility study
  - ii. Prepare a business model for the shared service
  - iii. Implementation Plan
- 5 The Feasibility Study was completed in November 2010, and a business model prepared in February 2011. The Shared Service Project Board accepted the Feasibility Study and the amended business case, but agreed this would conclude Price Marriners involvement in the project, as even though the feasibility report and business case produced provided a useful platform, it did not provide a complete or coherent base, and the conclusion was that

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further work was needed. Expenditure on this stage of the project was £18,525 (£9,262 to SDC).

- 6 The Board at this stage agreed to seek a quotation for Darren Walklate (who was the consultant used for the shared working project in the Revenues, Benefit, Audit and Anti-Fraud project) to complete the Business Case and to form an implementation plan.
- 7 A quotation was accepted from Darren Walklate in the sum of £9,600 (£4,800 per Authority) to complete this stage of the work.
- 8 The Business Case is attached as Appendix A to this report.
- 9 Due to the timetable, it was not possible for this report to be considered by the Social Affairs Select Committee in advance of the Cabinet Meeting, but the Members of the Select Committee have been invited to this Cabinet meeting.

**Project Approach**

- 10 It was recognised at an early stage that the long term success of the project is very much dependent on the staff within the Environmental Health Team. It was therefore essential that the approach for this Project was one that allowed for high levels of consultation, involvement and engagement of staff, who would be given the opportunity to input and shape the future service.
- 11 The purpose of the project was to evaluate defined options for joint working against preferred criteria to determine a single, preferred model for shared working.
- 12 The principal components of the approach were to consider:-
  - i. Stakeholder views
  - ii. Baseline Analysis
  - iii. Discussions around process
  - iv. Other Environmental Health projects nationally
  - v. Consultancy input
  - vi. Options
  - vii. Criteria
  - viii. Options analysis
- 13 It was agreed that any shared service model would need to meet the following evaluation criteria:
  - 1) capable of fulfilling statutory obligations;
  - 2) £300,000 savings, capable of full implementation by 2012/13;

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- 3) improved capacity and resilience compared with making the same cuts in the two individual authorities;
  - 4) ability to meet agreed service standards;
  - 5) must have a single professional Environmental Health Manager reporting to Director/ Head of Service;
  - 6) £60,000 savings for 2015/16 from Trading/charging, sharing with an other partner authority; or further savings; and
  - 7) ability for customers to access services to be the same, or better, than current arrangements.
- 14 Further details of the Project approach are provided in Appendix A pages 9 – 15.

**Location**

- 15 Combining the existing services across a single site or across two sites were identified as the most appropriate. The Business Case concluded that the main office would be located in Dartford, with a satellite office based in Sevenoaks (consisting of hot desks for officers working in the Sevenoaks area, attendance at Community Safety tasking meetings and to provide a regular management presence).
- 16 The rationale for this preferred option is provided on page 8 of the business case.

**Baseline Analysis**

- 17 Pages 16 – 17 of the Business Case document provides the extent of the workload for the Combined Environmental Protection and Commercial teams to provide an overview of the existing workload levels which will need to be covered by the proposed joint staffing structure detailed on page 25 of the Business Case.

**Service Standards**

- 18 Levels of performance for both Authorities for 2009/10 and 2010/11 are shown in the tables on pages 19 and 20. Proposed service standards for 2011/12 to 2013/14 are detailed on pages 21 - 33 of the Business case. The majority of performance service standards remain as existing but two indicators, namely:
- i. % of service requests that receive a response within 5 working days; and
  - ii. % of other food inspections due and completed, propose a two year transitional period to bring them back to current Sevenoaks' performance standards. It should be noted however that for % of other food inspections due and completed the current Sevenoaks service standard is 98% and not 90%.

## **Organisational Structure**

- 19 The proposed joint staffing structure is shown on page 25 of the Business Case. This provides for 22 Full Time Equivalent (FTE) posts. This is a reduction of 4.88 FTE posts from current staffing levels across both Authorities. This reduction does not include 2 FTE post at Sevenoaks (1 Environmental Health Officer and 1 Admin post) that have been held vacant for some time in anticipation of the shared working project. Some vacant posts have also been held at DBC for the same reason

## **Staff Consultation**

- 20 Staff across both Authorities have been heavily involved in the design of the forward operating model and a formal staff consultation exercise was undertaken between 15<sup>th</sup> August 2011 and 23<sup>rd</sup> September 2011. A summary of the responses is provided in Appendix B to this report, grouped together into commonly themed areas as follows:-

- Why merge and current business case
- Proposed location
- Proposed structure and concerns over assimilation and ring fencing of certain posts
- Concerns about changes to pay and terms and conditions
- Out of hours arrangements
- Mileage payments and travelling time
- Redeployment opportunities
- Management Structure/arrangements

- 21 A full response will be provided to staff on all the issues raised during the consultation period.

## **Technology Infrastructure and ICT**

- 22 The integration of both Authorities ICT systems is described more fully in pages 26 - 31 of the Business Case. It should be noted that for both Authorities, the current IT system is 'Uniform' (supplied by the IDOX Group). So whilst there are recognized operational differences, there is already a common base of systems, knowledge, process and practice.

## **Customers**

- 23 Both Councils have Corporate performance standards and local arrangements will be maintained. Customer Service standards have been set with the broad aim of maintaining current levels of service in the longer term.

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- 24 Customer Service provision will not be substantially altered and the forward operating model envisaged. Regardless of location base, customers will continue to contact their own local Authority as current.

**Staff**

- 25 The forward operating model assumes staff will remain employed by their existing employer for a period of up to two years. During this time the Council's will be establishing, through consultation, future employment arrangements.
- 26 The project will allow sufficient time for job evaluation and aims to harmonise outcomes. There will only be job evaluation where a post has changed substantially.
- 27 A joint redundancy/redeployment and ring-fencing approach has been agreed.

**Timeline/Route Map**

- 28 This is detailed on page 40 of the Business Case.

Key Dates

13.10.11 – SDC Cabinet Decision

27/10/11 – DBC Cabinet Decision

15.08.11 – 23.09.11 Formal Staff Consultation Period

31.10.11 – 20.11.11 Appointment of manager positions

23.11.11 – 16.12.11 Remaining staff appointed

January 2012 – All relevant aspects of ICT to be in place

February 2012 – New staffing structure established

Further details of the timeline/route map are on Page 40 of the Business Case

**Financial Case**

- 29 The business case has been prepared with the following parameters:
- a five year timetable – from 2012/13 (the first year of full extent of savings);
  - costs are at 2011/12 prices – no adjustment made for inflation;
  - full implementation by April 2012;
  - staffing costs are calculated on a mix of SDC and DBC current grades, with 22% on-costs;

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- the projected costs and savings will continue to be scrutinised and refined.
- 30 As detailed on page 43, £300,000 per annum savings have been identified (£150,000 per Authority) with effect from April 2012.
- 31 The total implementation costs are estimated at £486,000 over a 6 year period, including the current financial year (page 44 of the Business Case). This provides a 'pay-back' period of 1.62 years.
- 32 The savings summary is detailed on pages 44/45 of the Business Case. Of the £300,000 identified savings, £290,000 are staff costs savings for implementing the new organisational structure.

**Governance**

- 33 It is anticipated that the partnership arrangement will have a governance document and partnership agreement that clearly sets out the partnership arrangements to ensure the parties adhere to the values, responsibilities and performance of the joint working project. This will cover:-
- Functions and responsibilities
  - Delegations
  - Financial reporting and budgetary arrangements
  - Exit strategy
  - Performance measurement
  - How risks and benefits will be shared
  - Staff transfers
- 34 This will be in the same format as the existing shared working arrangement between the two Authorities on the Revenues and Benefit Project.
- 35 SDC and DBC will remain as two separate Councils, keeping their own sets of accounts, their own identities and own Councillors. An officer Partnership Board will be created from each Council. The responsibility for Environmental Health Services for SDC will remain with the Head of Environmental and Operational Services.
- 36 Further information on the proposed Governance arrangements are on pages 46-50 of the Business Case.

## **Key Implications**

### Financial

- 37 The current SDC financial plan assumes that the Council will achieve annual Joint Working Savings of £150,000 from 2011/12 onwards, with respect to the Environmental Health Service. The successful delivery of this project will achieve these annual savings.
- 38 The proposal is based on savings and implementation costs split equally between SDC and DBC.
- 39 A further annual saving of £60,000 (£30,000 per Authority) has been identified with effect from 2014/15 onwards in respect of generating additional Income and/or expanding the partnership to another Authority and/or additional staffing savings.
- 40 Implementation costs are estimated at £486,000 over a 6 year period, providing a 'pay-back' period of 1.62 years.
- 41 There are differences in the structure and detail of the accounting system for each Council. It is essential that these are aligned, not least in order to allow consideration of budget savings resulting from the shared service.

### Community Impact and outcomes

- 42 The provision of front line, statutory based, customer facing services is a key part of the proposed service provision. Achieving significant savings whilst safeguarding service standards is a key aspect to future service provision.

### Legal

- 43 There will be a legal agreement for the proposed joint working arrangement. This document, along with detailed governance arrangements still needs to be finalised and therefore it is recommended that final approval be delegated to the Leader of the Council and to the Safe Communities Portfolio Holder.
- 44 Decisions regarding prosecutions and legal action will initially be retained by each Council. It is presumed that legal advice will follow the same approach. In future, however, a common approach to enforcement will be essential to ensure consistency.

### Resources (non-financial)

#### *Accommodation*

- 45 DBC have confirmed they can accommodate the SDC staff at their current Civic Centre. Any additional costs associated with staff moving offices plus IT integration have been accounted for in the implementation costs estimate.



Equalities

- 46 Equality issues have been fully considered and are covered in the governance arrangements and in the risk assessment.

**Conclusion**

- 47 Assessment against criteria

The table below summarises the evaluation criteria and describes the current position based on the forward operating model

<b>Agreed Criteria</b>	<b>Outcome</b>
Capable of fulfilling statutory obligations	The service standards set out in this report are designed around meeting statutory obligations
£300k savings capable of full implementation by 2012/13	This report details how the achievement of £300,000 savings per annum would be achieved while limiting the impact of the reduced service delivery.
Improve capacity and resilience compared with making the same cuts in the two individual services	The forward operating model has been designed to ensure sufficient capacity and flexibility. A larger team of officers brings increased resilience, capacity and a wider pool of skills, knowledge and experience. The new combined service will focus on achieving quality services to met customer needs at the lowest possible cost.
Ability to meet agreed service standards	Processes will be redesigned to maintain service quality and concentrate on outcomes. This should result in services being delivered at a lower cost, but achieve the same ends for the customer.
Must have a single professional EH manager reporting to Head of Service/Director	The service is designed to include a single professional Environmental Health Manager. This will make it easier to attract new partners to join the model down track and ensure the service is self contained.
£60k savings form 2015/16 by charging/trading, sharing with a third	The financial case has included further savings of £60,000 per annum, these

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party or further savings	savings are considered reasonable by the Project Board and are linked to ambitions to find a third party for who the partnership could carry out work or who could join the partnership.
Ability for customers to access services to be the same or better than current	The Business Case does not affect the current local outposts. Access to services will remain substantially the same. In fact there will be some small improvement in access as customers currently only able to access services at their own Council will (under the new arrangements) be able to access services at both councils.

**Risk Assessment Statement**

48 Risks to the delivering of the Project have been separately assessed and are detailed on pages 51-54 of the Business Case.

**Background Papers:** Feasibility Study prepared by Price Marriner Associates – November 2010

Sources of information: Business Case prepared by Price Marriner Associates – February 2011

Business Case prepared by Walklates – September 2011

Various minutes of Environmental Health Shared Services Project Board

Staff Consultation details and responses

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