

Gateway Model Business Case – Mid Kent Improvement Partnership Shared Service – Environmental Health

Overview

- A Project Board consisting of the Director of Development and Environment (TWBC), the Assistant Director/Heads of Service responsible for Environmental Health at MBC, SBC and TWBC, Environmental Health Manager (TWBC), Human Resources Manager (TWBC), Financial Business Analyst (MBC) and MKIP Programme Manager have considered the creation of a shared Environmental Health service.
- The project process started with an assessment of functions considered within the scope of the Shared Service. This process was challenging as the three authorities have formed their current services in individual ways, some delivering functions within Environmental Health or other services (licencing, environmental enforcement). This complexity had an impact on the financial models considered by Financial Business Analyst supporting the Project Board.
- Environmental Health Staff from all authorities have been very engaged in the process and have provided useful comments and suggestions to assist the Project Board. They have had opportunity to comment on the proposed models and put their preferred model with detailed description into the process.
- From a list of seven models initially considered by the Project Board, two were selected for business case evaluation by the Project Board. These were assessed together with the staff's preferred model using 'Critical Success Factors' of resilience, quality, culture and efficiency that were agreed by the MKIP Board. Following assessment, two of the three models were felt to offer viable services that would deliver effectively against the Critical Success Factors. There were marginal differences between these two models both scoring significantly higher than the third model with the one site model the preference.
- Shared Service improvements will be delivered through the introduction of electronic working, new technologies, sharing best practice, aligning policies and working across boundaries.
- Delivering cost savings is not the primary driver for the service; however the project does break even in the short term. The case for the shared service is not made on the basis of savings, though further efficiency improvements over time will be expected.
- The case for a shared Environmental Health Service is made on the basis that going forward it will provide the critical mass needed to allow the partner authorities to continue to effectively deliver their statutory responsibilities against a back drop of financial pressures and the Coalition Government's policies to reduce the level of regulatory burdens. Sharing rather than reducing or slicing services is seen as the way to increase resilience, whilst maintaining or improving quality without increasing bottom-line costs. A service of this size would also have the opportunity to expand and provide functions to others.

Purpose of Document

The purpose of this document is to allow the Mid Kent Improvement Partnership Board (MKIP) to take a decision on whether to progress a shared service for the service described below and scoped by MKIP. The MKIP Board is not a formal decision making body and each authority will need to take a formal decision to form a shared service.

The successful delivery of shared services through MKIP has established shared services as a viable means of delivering services for all partners. As a result this is a high level, rather than detailed, Business Case on which the Board will consider whether to proceed. Once approved the details of the business case and shared service will be established, developed through the life of the project and delivered. This is a dynamic process and will evolve through the project implementation process.

The documents will be monitored and amended under the ownership of the Project Sponsor throughout the project. Updates on the documents will be provided to the Board on a quarterly basis and any variations beyond the final limits agreed in this document will need to be approved by the MKIP Board.

Feasibility Assessment

The MKIP Board have approved a scoping document in September 2012 to look at sharing Environmental Health. The steer from the Board has been clear that the whole of Environmental Health can be considered, though the noise and nuisance enforcement function is handled differently across the three authorities. At Tunbridge Wells the reactive nuisance and noise enforcement work is carried out within the Environmental Health team, at Swale some of this work is carried out within the Environmental Health team and at Maidstone it is dealt with by a separate Environmental Enforcement team that has been excluded from the scope of the project.

Environmental Health is the first frontline service that has been considered by MKIP. It is primarily a statutory service delivered in the community, to residents and businesses. The current services provide good quality and have a degree of resilience. However, the service is not immune from the current financial situation facing local government, and the proposal of sharing Environmental Health is to position these statutory functions, organisationally, to allow them to prepare effectively for the inevitable challenges ahead. Whether these are a reducing regulatory burdens or changing focus of enforcement. A shared service will be able to develop robust mechanisms for the future based on good foundations inherited from the current body of expertise and competence within the service.

There are examples of sharing Environmental Health services nationally and these will be looked at as the design and implementation of an Environmental Health shared service progresses. For example, locally, Sevenoaks and Dartford agreed to share their Environmental Health service from one location, Rother and Wealden have one location and additional office base at another office with no admin support.

The local delivery issue associated with Environmental Health presents a key challenge to a shared service. Where and how staff are located becomes a fundamental consideration for the service. It is feasible to locate the service in a single location but issues of a work management and potential for reduced productive time, travel distances and travel costs have to be overcome. This can be done through sensible planning of work, supporting officers with technology, including mobile working technology, and considered use of working from home. In addition, whichever model for locating the service is chosen the other offices will need some form of 'touch down' capability for some officers.

ICT support through a single shared system is central to the success of any shared service. A separate ICT procurement exercise is underway to procure a joint system across the three authorities and the implementation and timings of the delivery of that system are vital to the success of delivering a shared

Environmental Health service.

Staff collaborated across authorities to consider the proposals for shared working in a constructive manner, raising valid concerns and identifying positive aspects for working within a shared service. Consideration of the staff views and the Project Board's response are attached at Appendix D.

A staff event was held on 26 February to discuss the issues raised and how they would be factored into proposals. The proposed service design for each of the 1 site and 2 site models takes these views into account. Following the meeting on 26 February staff were invited to provide additional comments on the draft version of this business case. These have also been considered by the project board and are included in Appendix D. Full versions of staff comments can be made available on request.

Critical Success Factors

1. Resilience – The service reaches the critical size necessary to enable cover and sharing of professional knowledge, reduces the impact of absences on all service functions and promotes effective succession planning. That the service meets the needs of the whole Mid-Kent area and provides financial and functional flexibility.
2. Quality – Existing levels of customer service are maintained to residents, businesses and internal customers in the short term and through improved resilience will be able to deliver measurable quality improvements in the medium term.
3. Culture – Creation of a service where the culture is to serve the Mid-Kent public as a whole and for the benefit of public health. Through the development of high professional standards and expertise.
4. Efficiencies – The change is self-funding so that revenue costs reduce to enable any initial investment to be paid back in the short term presenting further medium term savings opportunities through aligning common practices, undertaking joint procurement and exploring other opportunities.

Models Considered

A comprehensive list of models was produced early on in the project and the full list was considered independently by the Project Board and put to staff for comments.

The Project Board considered the models and put forward on the basis of delivering resilience as the primary driver that the models that should be considered were 1 site with 1 manager and 2 sites with 1 manager. These models were suggested for detailed modelling and proposals so that they could go forward to be assessed. The models would be considered against the existing arrangements to identify resilience, quality and cost changes.

For the staff consideration a ranking system was used based on the feedback from staff to assess which models should be considered in more detail (Appendix A). Staff ranked the models in order of preference as set out in Appendix A. The ones that were highlighted as part of the staff feedback ranking were:

1. As is (no change)
2. 1 site with manager
3. 2 sites with manager

The combined result of the Project Board and staff preferences match to 1 site with 1 manager and 2 sites with 1 manager, using the 'As Is' (no change) model for comparison a Critical Success Factor Assessment was

carried out on the recommended models.

Appendix B sets out the service design considerations for the preferred models that have been assessed by the Project Board. Maidstone staff proposed an option 8 (Appendix C) which is a proposal for 3 sites with greater collaborative working without commitment to whether or not a single manager is required. The reasoning put forward to support this option has been factored into the service design of the models assessed in the Critical Success Factor Assessment and has been discussed with staff on 26 February 2013 event with team leaders.

Critical Success Factor Assessment

- 1. Resilience – The service reaches the critical size necessary to enable cover and sharing of professional knowledge, reduces the impact of absences on all service functions and promotes effective succession planning. That the service meets the needs of the whole Mid-Kent area and provides financial and functional flexibility.**

Resilience	Comments	Score (out of 40)
1 site	Competency and expertise of staff – 10/10 Capacity and sickness/emergencies – 10/10 (centralised administration support) Geographical coverage – 6/10 (assuming home working established) Financial flexibility to respond to changing LG situation – 5/5 Functional flexibility to changes in need or national agenda – 5/5	36
2 sites	Competency and expertise of staff – 8/10 Capacity and sickness/emergencies – 9/10 Geographical coverage – 8/10 Financial flexibility to respond to changing LG situation – 5/5 Functional flexibility to changes in need or national agenda – 5/5	35
3 sites (staff preference)	Competency and expertise of staff – 7/10 Capacity and sickness/emergencies – 7/10 Geographical coverage – 10/10 Financial flexibility to respond to changing LG situation – 1/5 Functional flexibility to changes in need or national agenda – 1/5	26

- 2. Quality – Existing levels of customer service are maintained to residents, businesses and internal customers in the short term and through improved resilience will be able to deliver measurable quality improvements in the medium term.**

Quality	Comments	Score (out of 30)
1 site	Communications, process and procedure standardisation, access to other service areas, training and development, ICT	30
2 sites	Communications, process and procedure standardisation, access to other service areas, training and development, ICT	28
3 sites	Communications, process and procedure standardisation, access to other service areas, training and development, ICT	25

- 3. Culture – Creation of a service where the culture is to serve the Mid-Kent public as a whole and for the benefit of public health. Through the development of high professional standards and expertise.**

Culture	Comments	Score (out of 20)
1 site	Values and beliefs, leadership style, personal relationships	20

2 sites	Values and beliefs, leadership style, personal relationships	13
3 sites	Values and beliefs, leadership style, personal relationships	5

4. **Efficiencies – The change is self-funding so that revenue costs reduce to enable any initial investment to be paid back in the short term presenting further medium term savings opportunities through aligning common practices, undertaking joint procurement and exploring other opportunities.**

Efficiencies	Comments	Score (out of 10)
1 site	Staffing and travel costs	8
2 sites	Staffing and travel costs	10
3 sites	Staffing and travel costs	5

Preferred Model

Based on the Critical Success Factors scoring 1 site is the preferred model. Whilst the 1 site is the highest scoring model the 2 site model shows an 8 point variant and would deliver the advantages desired by MKIP.

	1 site	2 sites	3 sites
Resilience	37	34	26
Quality	30	28	25
Culture	20	13	5
Efficiencies	8	10	5
Total (out of 100)	94	86	61
	PREFERRED		

Staff Input

There has been extensive staff input into these proposals via:

Staff event Oakwood House – 16 October

Staff consultation on preferred models (Heads of Service Meetings and individual LA staff responses 17 October - 5 November 2012)

Staff document submission Food and Commercial and Environmental Protection submissions – November 2012 and January 2013

MKIP Programme Manager meeting with staff representatives for Food and Commercial and Environmental Protection – 4 Dec 2012

Maidstone alternative model submission – January 2013

Staff event with team leaders – 26 February 2013

Staff submissions – 4 March 2013

Timescales and Project Plan

See Appendix E

Finance Appraisal

Appendix F – Financial Appendix - sets out the investment required up front to deliver a shared service and the subsequent payback period for both 1 site and 2 site models.

Due to travel costs 1 site pays back a year later than 2 sites but delivers the full savings on an on-going basis, whereas 2 sites pays back more quickly but delivers less savings on an on-going basis.

Appendix F also sets out the proposed cost split of the service showing the current estimates of the numbers

of FTE at each level of the structure. Producing a final cost split for the service has required significant work in order to factor in the variations in how services are provided across the three authorities. More detail is available to support Appendix F which has been set out to present the information as simply as possible.

Assumptions

That the ICT project to deliver a joined up software solution for MKIP Environmental Health delivers successfully and on time

That the technology is available to support mobile, flexible and homeworking

That work demand, borough and premises profiles remain consistent within the last 3 year data collected to support the proposed cost recharge.

That further efficiencies (resulting in additional cashable and non-cashable savings) can be delivered through shared service working, including for example, reviewing external contracts and internal budgets.

Risks

Risk	Control & Management	MKIP Control
Performance impact on Environmental Health services	Managed through the project by agreeing quality tolerance (see tolerances below)	Managed by Environmental Health Manager during delivery
Failure to deliver project impacting on benefits realisation and return on investment	Managed through project controls and managing a subset of risks to be identified by the Environmental Health Manager	Managed by Environmental Health Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Employment change risks (lower moral, reduced performance, dealing with change)	Managerial support and leadership HR support for officers Availability of EAP HR Support Training Communication	Managed by Environmental Health Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Redundancy cost risks (i.e. maximum redundancy costs are required)	Estimates based on an average of professional and administrative redundancy costs.	If likely to occur Environmental Health Manager will need to review the business case, revise cashflow projection and get approval from Project and MKIP Board
ICT project risks	Management through the ICT Project	Managed by the Head of ICT (or delegate) through maintaining risk registers and controls in ICT project

Project Governance

Project Board

<p>Project Sponsor – Jonathan MacDonald, Director (TWBC) Senior Customer(s) – Steve Goulette, Brian Planner, Gary Stevenson (Senior managers responsible for Environmental Health, MBC, SBC, TWBC) Senior Supplier(s) – Ryan O’Connell (MKIP Programme Manager), Andrew Cole (Head of ICT Partnership)</p> <p>Project Team Environmental Health Manager – To be confirmed Project Manager (MKIP) – To be confirmed ICT assurance – To be confirmed HR Assurance – Nicky Carter (TWBC) Other as required by the project</p>
<p>Maximum Tolerances</p> <p>Maximum cost - £199,430 (projected project costs +10%) Maximum timescale – operational from June 2014 Maximum impact on Environmental Health services – no drop below agreed targets (to be confirmed by August 2013)</p>
<p>Next Steps</p> <p>Maidstone location calculations to be completed (space, costs and savings profile impact) – April 2013 Tri-Cabinet Meeting for final approval – May/June 2013 Appointment of Environmental Health Manager – June - July 2013 Implementation plan – August 2013</p>