

Supplementary information for Single Employing Authority Proposal for Mid Kent Environmental Health

1. Aim

- 1.1 The aim of this appendix is to provide additional information to support the report on the adoption of a single employing authority for the Mid Kent Environmental Health Service (MKEH). The purpose of adopting a single employer for the service is to provide an effective platform for future service development; to establish a fair, equitable and consistent employment terms for officers working within the same service.
- 1.2 There is no intention to change the current two-site model.
- 1.3 Consideration of a single employer for MKEH provides an opportunity for the MKS partnership to spread the employment and financial risks across all three authorities in order to counter any negative effects associated with one organisation bearing the burden of employing the majority of MKS staff.

2. Background

- 2.1 Mid Kent Environmental Health service (MKEH) was established in June 2014, operating from two sites - the Sittingbourne and Tunbridge Wells' offices - and staff from both sites working from Maidstone to meet operational need, attend meetings, and liaise with Maidstone management and services.
- 2.2 The business case for the shared service centred on providing resilience, consistency, and efficiencies within the current service costs.
- 2.3 In terms of delivering resilience and efficiencies, there are numerous examples where each local authority has benefited from pooling their professional resource to ensure statutory responsibilities have been delivered. The two-site base for MKEH has worked well, with Maidstone providing an important central location for officers to work from when required to support service delivery at Maidstone and provide flexible and efficient use of officer time.
- 2.4 There are significant drawbacks to operating a shared service where the employees remain with their original employing authorities. Issues of consistency of pay scales, annual leave arrangements and employment processes, which mean that managers have to ensure that processes for each authority are followed. This is time-consuming for managers, and raises issues of equality between officers carrying out the same work but to different pay scales. Adopting a single employer will reduce these

management and cultural differences to help develop the one culture needed for future service progress.

3. MKS Priorities and Corporate Objectives

- 3.1 In 2015 the then Mid Kent Improvement Partnership (now Mid-Kent Services) Board reviewed the objectives and priorities for the partnership. The Board agreed the underpinning objectives of the partnership were; **resilience, savings and service quality.**
- 3.2 The priorities for the partnership were identified as;
- income opportunities;
 - cross-organisational working; and
 - digital transformation.
- 3.3 MKEH support the priorities of the three authorities through a range of core functions. This includes consulting on planning and licensing applications, monitoring air quality, private water quality and development of potentially contaminated land (MBC Priority 1: Keeping Maidstone an attractive place for all, SBC Priority Theme1: A Borough to be Proud of, TWBC Priority 3 A Green Borough).
- 3.4 By regulating in a consistent and transparent way we create a level playing field for businesses under food hygiene and health and safety legislation (MBC Priority 2: Securing a Successful Economy, SBC Priority Theme 2:A Community to be Proud of, TWBC Priority 1: A Prosperous Borough)
- 3.5 Moving to a single employing authority will support good governance and efficiencies reflected in SBC Priority Theme 3: A Council to be proud of, MBC STRIVE Values and the Medium Term Financial Strategy, and the TW Strategic Compass through managing public finance effectively.
- 3.6 Since its creation MKEH has already demonstrated resilience, savings and improved service quality since being established:
- (i) the completion of Maidstone's private water quality risk assessments and return to the Department of Water Inspectorate during year 1;
 - (ii) completion of over 99% of food inspections across all three local authorities in year 2, and bringing in-house the food inspection programme completely during the same year;
 - (iii) the service has also maintained a planning consultation response rate of over 90% - within the target time of all authorities despite some long term absences, time-consuming prosecutions and other reactive demands on the service; and

- (iv) recruitment to a maternity cover post at Tunbridge Wells has provided the chance for a Swale employee to act up to the role of Food & Safety Team Leader, providing resilience and development opportunities within the service.
- 3.7 Since June 2014 the service has saved between £20,000 and £40,000 for each authority through officers working across boundaries to cover recruitment vacancies, long term sickness absences, and professional assistance for specialist work (approved food businesses, consultations for planning applications).
- 3.8 In December 2015 Swale's Food & Safety Team achieved successful sign-off from the Food Standards Agency audit, which lends support to the quality of the work delivered by officers and the management of the service by virtue of the fact that the same systems are in place across each team.
- 3.9 The initial FSA audit in 2012 identified a staffing under-capacity within the Swale Food & Safety Team which has been alleviated through the Partnership. This will result in an amendment being made to the percentage allocations of costs quoted in the report, which are based on the original Collaboration Agreement, resulting in an increase in costs to Swale BC.
- 3.10 Tunbridge Wells BC has relied on the expertise of officers from Maidstone and Swale for the delivery of the Pollution Prevention Control work from April 2016.
- 3.11 The service is continually looking at ways to streamline frontline processes to achieve efficiencies, and we have engaged in a number of digital transformation projects which will be completed in 2017. Efficiencies within the Administration Team have meant that the workload of a 0.6 FTE post has been absorbed into the existing team. This will provide some capability to finance the proposed move to a single employer, releasing £15,000 per annum to offset any additional costs, together with a review of a further admin vacancy to release a further £7,000. The change of establishment has only been achievable through the shared service and pooling resources.
- 3.12 Moving to a single employing authority will assist MKEH in its efforts to develop a single service culture, with a clear brand and a marketable product. This will be based on a reputation for delivering high quality professional standards. Possible income streams include providing specialist advice and expertise to other authorities, establishing primary authority arrangements with businesses, and maximising income generation for services that attract fees and charges.

4. Current and Future Governance Arrangements

- 4.1 The Mid Kent EH Manager reports directly to the Client senior managers appointed by the three authorities. The governance arrangements for the service are through the EH Shared Service Board, which meets quarterly and reports to the MKS Board.
- 4.2 The EH Manager has monthly 1-2-1 meetings with each Client managers; John Littlemore (MBC), Mark Radford (SBC), and Gary Stevenson (TWBC). This arrangement will continue.
- 4.3 Under this proposal the EH Manager would be line managed by the senior manager of the single employing authority, and will remain accountable to the client managers at each authority for delivery of the service level agreement EH Shared Service Board arrangements.

5. Risk Management across MKS Partnership

- 5.1 Within MKS, the spread of shared services lean towards Maidstone, which has to date taken most of the burden for the Mid Kent Improvement Partnership, creating an increase in employee liabilities, financial risk, and HR burdens for Maidstone BC. Currently, Mid Kent HR, Audit, Planning Support and ICT are all hosted by Maidstone.
- 5.2 The S151 Officers review the triennial pension report, and recommend revisions of pension contributions made by the MKS host authority should liability be distorted due to partnership working. A mechanism is in place to counterbalance any distortion should one authority take a greater weight of staffing. The move to SBC providing the single employer for MK Legal Services staff has provided additional mitigation and it is only right that TWBC also takes its share of the risk.
- 5.3 The professional pool of environmental health staff is limited with fewer officers qualifying and gaining professional registration each year. The partnership offers us a competitive setting in which to consider succession planning and career progression (particularly given the influence London has on working in the south east). Adopting a single employer will simplify future recruitment and rationalise the MKEH brand.
- 5.4 It is therefore proposed that the employment of all Environmental Health Service staff should transfer to Tunbridge Wells BC from 1 June 2017, to further spread the financial and associated employment risks and responsibilities across the Partnership, and to assist in the delivery of future savings.

5.5 As a consequence, the original collaboration agreement will be reviewed to take account of this process.

6. Single Employing Employer Benefits

6.1 For the service itself, providing a single employer will mean management are given a more effective platform to meet future changes in service demand, legislative and statutory transformations. As mentioned in the introduction, central government are reviewing a number of statutory responsibilities delivered by local government. Although any changes can be effected across the individual authorities, within MKEH it will be more efficient and better for the service if any changes are dealt with in through one authority. This will enable the service to maximise opportunities to act as specialist service providers for other local authorities, and develop business primary authority arrangements.

6.2 Although the MKEH has made significant cultural changes in the last two years, by individual officers working across authority boundaries, the cultural development of the service will be more effective if a single employer is established. This has been demonstrated by the MK Legal 'One Team' approach, where the cultural changes and sense of 'one team' the Head of Service was anticipating have now been realised.

6.3 MKEH is in a different position to most MKS services that have moved to a single employer, as it has already been operating as a shared service but unusually one where the teams were employed under the terms and conditions of their original employer. In this proposal the service will essentially keep its current structure following the proposed change to a single employer.

6.4 This difference means that as the service will retain its existing structure (with no changes to the officer roles, or significantly reducing the establishment numbers) the reasons for applying economic, technical and operational changes do not apply under TUPE, although all other TUPE conditions will apply.

6.5 Instead, the transfer of staff from the other two authorities to the new 'single employing authority' will mean that individuals may choose to remain on their current terms and conditions, or opt to transfer to those of the new employer, and will probably opt for the most advantageous terms and conditions for them. However, all new staff will be appointed under the new single employer contract.

6.6 The benefits of moving to a single employer for MKEH include:

- (i) providing staff with the chance to have consistent pay scales for equivalent roles across the service in order to eliminate the current disparity in pay for the same role and responsibilities;
- (ii) ensure that new staff are appointed to the single employer;
- (iii) migrate the majority of officers to consistent terms and conditions of service such as pay, annual leave arrangements, and essential user allowance (where applicable); and
- (iv) move towards consistent HR and H&S policies and procedures.

7. Financial Implications of transferring staff to a Single employing authority

7.1 The total full time equivalent for each band of officers is provided in Table 1, together with the number of officers employed at each authority.

Table 1: The spread of FTE by function and posts across MKEH

Job Title	FTE	Maidstone (Posts)	Swale (Posts)	Tunbridge Wells (Posts)
Environmental Health Manager	1			1
Team Leaders	5	1	2	2
Administration Officer	4.58	1	2	2
Senior Scientific Officer	2	1	1	0
Scientific Officer	4.85	2	2	2
Food & Safety Officer	4.5	4	0	2
EHO	4	1	1	2
Senior EHO	9.21	2	5	4
Total	35.14	11	13	14

7.2 The financial implications of moving to a single employer have been calculated using the 2016/17 budgets for each authority, and estimating the base budgets for the following two years, allowing for a 1% cost of living increase, and incremental or contributory pay increases where applicable.

7.3 The costs also include NI and pensions (where staff have opted to be in the local government pension scheme), and the application of essential car user allowance for posts where this applies.

- 7.4 As mentioned above, the proposal will be for officers to transfer under TUPE terms and conditions. It has been assumed that they will opt either to remain with their current employer or transfer to the new employer, depending upon whichever set of terms and conditions are more advantageous to the individual.
- 7.5 Based on this analysis, the difference between the existing budget base for 2016/17 and subsequent years has been summarised below in Table 2. The table sets out a comparison of costs should each of the authorities act as the single employer. The figures provided are the increase/decrease from the base budget actual for 2016/17, and predicted through to 2019.

Table 2 Summary of Comparative Costs for MKEH based on each authority acting as Single Employer

Single Employer Authority	2016/17	2017/18	2018/19	Total across partnership
TWBC	23,140	17,850	18,490	59,480
MBC	-1,180	-430	400	-1,210
SBC	6,440	13,250	26,240	45,930

- 7.6 The table shows that changing to a single employer will generate an increase in cost for the shared service due to TUPE conditions relating to the transfer of staff, with the exception of Maidstone BC becoming the single employer.
- 7.7 Whilst Maidstone BC would provide the lowest single employer cost, balanced against the financial consideration is the need to enable the MKEH service to act as one team, and it is unlikely that given TUPE protection we would see officers transferring from their current employer to Maidstone's terms and conditions to the same degree anticipated if Tunbridge Wells becomes the single employer.
- 7.8 The figures present the total additional cost to the partnership over present costs for three years. The average increase of moving to TWBC as the single employer would be £19,826 each year apportioned between each authority in line with the current Collaboration Agreement; Maidstone 31.96%, Swale 29.22%, Tunbridge Wells 38.82%.
- 7.9 Which means the average annual increase in budget for all three councils as a result of moving to Tunbridge Wells as a single employer is £19,800 allocated as:; MBC: £6,300, SBC £5,800, TWBC: £7,700. This increase will be offset through the reduction in establishment (deletion of a composite of nearly 1 FTE) that results in annual savings of £22,000. There will be no increase in cost for any of the authorities as a result of the proposal. In

addition, it would support the objective of spreading the risk across the three partners within MKS more evenly.

7.10 The in year change between 2017/18 and 2018/19 are not additional costs but total costs above the current base budget for these years. For Tunbridge Wells as single employer year increase is £640 between 17/18 and 18/19, for Maidstone £830, and Swale £2,990.

8 Conclusion

- 8.1 MKEH has delivered on its initial business case. It has provided resilience to each of the three authorities during the last two years in a number of different ways. It has demonstrated improved consistency in processes, and delivered efficiencies utilising the professionalism of specialist officers. The service has brought back in-house the food inspection service for Swale, and the Pollution Prevention Control function for Tunbridge Wells and Swale, both of which have improved the quality of the service provided to businesses across the districts. MKEH has also met the expectations of the Service Level Agreement within the EH Collaboration Agreement since the start of the service.
- 8.2 Building on this success, MKEH needs position itself to be able to effectively respond in the coming years to changes in the external regulatory environment that it operates within, and the financial position of the three councils.
- 8.3 Moving to a single employing authority and retaining the two-office location model will help the way in which the service can respond to these challenges, through consistent management and further development of the one team culture. A single employer provides a strong platform for future changes and service development.
- 8.4 Overall Tunbridge Wells BC as the single employing authority will provide the best option under TUPE to achieve the aim of maximising consistent terms and conditions, and also meets the aim of spreading the employment and financial risk across the MKS partnership.