

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

1. Aim

- 1.1 The purpose 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). A single employer for the service will assist in providing an effective platform for future service development. There is no intention to change the current two-site model. The information below summarises the range of benefits of moving to a single employer, and considers how this contributes to the priorities of Mid Kent Improvement Partnership.

2. Background

- 2.1 The full background to the decision is set out in the body of the main report.
- 2.2 In terms of delivering resilience and efficiencies the service has 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. During the two years since its establishment a strong network relationships have been developed between EH staff, members and key officers within other Maidstone services.
- 2.3 The MKEH service has undergone two cycles of financial and appraisal processes which has provided the EH Manager the opportunity to consider rationalising management issues to realise more efficiencies, improve service resilience, and look for opportunities for additional income streams.

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 has already demonstrated resilience, savings and improved service quality since being established. The completion of Maidstone's private water quality risk assessments and return to the Department of Water Inspectorate during year 1, 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. We have also maintained a planning consultation response rate of over 90%, within the target time in all authorities despite some long term absences, time consuming prosecutions and other reactive demands on the service.
- 3.4 Since June 2014 the service has saved between £20,000 and £40,000 for each authority. 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 that the same systems are in place across each team. The initial FSA audit in 2012 identified a staffing under-capacity within the Swale Food & Safety Team which has been alleviated through the partnership. Tunbridge Wells has relied on the expertise of officers from Maidstone and Swale for the delivery of the Pollution Prevention Control work from April 2016.
- 3.5 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 further efficiency savings.
- 3.6 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.
- 3.7 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). 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). 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.

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 manager; 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. Single Employing Employer Benefits

- 5.1 The most significant benefit to the MSK partnership of establishing a single employer for the environmental health service is the prospect of spreading the overall employment risk across the three local authorities. This point is expanded in section 6.
- 5.2 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. It will enable us to maximise opportunities to act as specialist service providers for other local authorities and develop business primary authority arrangements.
- 5.3 Any changes can be effected with more efficiency by reducing duplication of process. This includes reducing management and accountancy time for pooled budgets, and help with quarterly and end-of-year budget closure recharges for all the financial teams.
- 5.4 Although the MKEH has made significant cultural changes in the last two year, 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.

- 5.5 MKEH is in a different position to other 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.
- 5.6 This difference means that as we are retaining the structure the significant reasons for applying economic, technical and operational changes do not apply under TUPE although all other TUPE conditions will apply. The transfer of staff from the other two authorities to the new “single employing” authority will mean that individuals may choose to remain or opt to transfer employer, probably for the most advantageous terms and conditions. All new staff will be appointed under the new single employer contract.
- 5.7 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 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 essential user allowance and annual leave arrangements
 - (iv) move towards consistent HR and H&S policies and procedures;
 - (v) Create a pooled salaries budget to simplify recruitment and internal promotion processes.
 - (vi) establish one appraisal and objective setting process for consistency for managers, officers and teams within the MKEH Service

6. Risk Management

- 6.1 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 burden for MBC. Currently, Mid Kent HR, Audit, Planning Support and ICT are all hosted by Maidstone.
- 6.2 The S151 Officers review the triannual 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. However, the move to SBC for the Legal Services staff has contributed

additional mitigation, and it is only right that TWBC also takes its share of the risk too.

- 6.3 It is therefore proposed that the employment of all Environmental Health Service staff should transfer to Tunbridge Wells Borough Council 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.
- 6.4 As a consequence the original collaboration agreement will be reviewed to take account of this process.
- 6.5 The professional pool of environmental health staff is limited; with fewer officers qualifying and gaining professional registration each year we have a competitive setting in which to consider succession planning, 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.

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 a 1% cost of living increase, incremental or contributory pay increases where applicable. The costs include NI and pensions were opted, and the application of essential car user allowance for posts where this applies.
- 7.3 As mentioned in paragraph 5.5 the proposal will be for officers to transfer under TUPE terms and conditions. It has been assumed that were advantageous to the individual they will opt either to remain with their current employer (where the salary is higher) or transfer to a better salary band and package.
- 7.4 The difference between the existing budget base for 2016/17 and subsequent years has been summarised below in Table 2. The table shows 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 for 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	11,770	18,490	53,400
MBC	-1,180	-6,510	400	-7,290
SBC	6,440	7,170	26,240	39,850

- 7.5 The table shows that change 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 as the single employer.
- 7.6 Maidstone BC would provide the lowest single employer cost in the unlikely event that all staff TUPE transferred to MBC terms and conditions. Over three years the additional cost to each authority, based on the agreed proportional split of costs in the collaboration agreement would be.....TWBC £7,667, MBC£6,455 SBC£6,068zz
- 7.7 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. This would support a more equitable and consistent staffing basis for the service and the aim of fairness and equitability between officers

working within the same service. It would also support the objective of spreading the risk across the three partners within MKS more evenly.

- 7.8 The increase in cost will be absorbed predominantly through current vacancies and service efficiencies (£15,000 and other efficiency savings).

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 to improve the quality of the service provided to businesses across the district. The service has also met the expectations of the Service Level Agreement within the EH Collaboration Agreement since the start of the service.
- 8.2 MKEH needs to be able to effectively respond in the coming years to changes in the external regulatory environment that it operates in, 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 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 providing a consistent terms and conditions and also meets the aim of spreading the employment and financial risk across the MKS partnership.