

ITEM

ITEM

Executive – 6 March 2008

SHARED SERVICES – ENVIRONMENTAL HEALTH

Report of Head of Environmental Health

Statutory Powers: Local Government Act 1972

Financial Implications: Joint net efficiency savings of £27,000 per annum are identified for 2008/09 rising in excess of £111,000 per annum in 2013/14.

Purpose

To seek Members approval for a shared service arrangement between South Hams and West Devon Environmental Health Services.

Relationship to Corporate Priorities - The proposal will directly support Council Priorities CP1 – CP6 through the provision of a more robust, efficient and flexible service.

Recommendation

That the Executive RESOLVES TO:

- (i) approve the sharing of Environmental Health Management between South Hams and West Devon taking a phased approach from April 2008.**
- (ii) instruct officers to take all the necessary steps to negotiate and complete such agreements between the two councils and with their staff as they may be advised are required to implement this decision .**

Background

1. An opportunity has arisen for the sharing of Environmental Health services between the South Hams and West Devon. Although the Environmental Health Service does not form part of the tripartite programme of Shared Services for the South Devon and Dartmoor Partnership, it was identified in the 'Cornwell Report' as a service that could potentially be shared. Discussions between the two services have been continuing for some time concerning the potential benefits of sharing a joint service between the two authorities. This opportunistic arrangement could also lead to an extension to include Teignbridge DC in the future.

The Need for Change

2. Both services are currently well-performing but it is recognised that there are a number of drivers that support the need for change:
 - An increasingly regulatory framework to which local authorities are obliged to comply including those from the Food Standards Agency, Health and Safety Executive and Better Regulation Executive. The demands placed through these regulatory frameworks can be quite resource intensive and undue burdens can therefore be placed on smaller authorities which naturally have less overall resource to work with.
 - There is an increased demand for specialist knowledge in a wide range of regulatory arenas. The increasing need for specialist is further reinforced by the Chartered Institute of Environmental Health's approach to demand more specialist officers within the Environmental Health field. The potential training and competency issues arising out of the development of such specialisms have an adverse effect on small authorities in respect of officer training and training budgets. The attainment of a wider officer base has natural efficiencies to cope with such increasing demands.
 - The sharing allows a "best of breed" approach to be taken to the delivery of services. This will allow for more robust, streamlined and effective systems and work processes to be developed between the two authorities.
 - The establishment of the Better Regulation Executive will place increasing burdens on local authorities particularly in respect of the possibilities of becoming a "primary" authority which will place increasing responsibilities on such organisations to co-ordinate food and occupational health and safety matters with a consequential increase demand on available resources.
 - Increasing demands upon the services both in the complexity of subjects dealt with and the volumes of work is likely to increase in future years resulting in a need for greater flexibility in service delivery.
 - There is a need for the service to fit in with wider corporate agendas such as "customer first" and "towards excellence" programmes.
 - GERSHON efficiencies will have to be delivered for the foreseeable future.
 - There is an increasingly environmentally aware and demanding population that expects a high level of public protection to be provided.
 - There is a natural affinity between the two services with a similar ethos and professional outlook. ICT systems are identical.
 - The proposal to merge services fits in well with the wider shared service agenda.

The Proposal

3. A phased approach is being planned with management gradually being merged over a period of 18 months starting in April 2008 between South Hams and West Devon. This will allow a more gradual transition, reducing the impact on service performance and allowing a thorough exploration of where the greatest benefits can be achieved. In addition a process of 'lean reviews' will be carried out and formal review periods established to streamline systems and processes.
4. A new joint management team will be created across the two councils with four main teams:
 - Environmental Protection team dealing with pollution, drainage, nuisance, contaminated land, pest control and other environmental issues;
 - Private Sector Housing and Community team dealing with all aspects of Private Sector Housing, including energy efficiency and issues such as Public Health;
 - Commercial team dealing with food safety, occupational health and safety and infectious disease;
 - Licensing and admin team dealing with all aspects of commercial licensing and registrations and also providing administrative support to the other teams.
5. At the start of the shared service there will be some functions that are initially retained by each authority, such as Pest Control, however it is planned that the provision of these services will be reviewed as part of the 'lean reviews' to be undertaken. Separate cost-centres will exist allowing each Council to retain control over its individual budgets. This will also enable local accountability with management costs will be shared between the two authorities.
6. There is the possibility of extending the arrangements to include Teignbridge DC and preliminary discussions have been held which indicate that possibilities exist for a formal sharing. It is felt that further discussions should be held following the announcement of local government structures within Devon. Attempting a tripartite arrangement at the present time would significantly delay the process of merging between South Hams and West Devon.

Anticipated Benefits

7. It is anticipated that there will be a number of service-specific benefits arising out of the arrangement. In particular there will be a widening of the professional base, increasing the resilience of the service and the ability to provide specialist advice to an increasingly aware client base.
8. In addition to the service-specific benefits detailed previously there will also be financial savings arising from the sharing of services. A joint net saving of £28,000 is anticipated in the first year, rising to £427,000 in Year 6 with a continuing annual saving thereafter of £111,000.
9. Implementation of a full shared service in terms of staff resources will be subject to Personnel Panel approving an acceptable implementation plan for a new service management structure.

10. The exact apportionment of costs and savings between the two authorities is still being finalised, but will be equitably split.

Governance Issues

11. Each Authority will control its own budget and therefore the resources that it wishes to place into the service. Reporting and accountability to Members will remain unchanged. The Head of Service post and associated costs will be effectively split equally between the partners who will be responsible.

12. A clear agreement will need to exist in the longer term between the Authorities governing the sharing and financing of the rest of the proposed shared management posts. This will be worked up in line with the wider shared service agenda.

Local Government Review

13. Members may be concerned that the review of Local Government structures within Devon may pose a threat to the proposal. However there will be savings, albeit relatively modest, within the April 2010 deadline for any changes to be implemented across Devon. Any actions taken now will not have a negative impact on either authority, but may have advantages should any restructuring be announced. It will also provide a 'learning curve' for others.

Strategic Risk Assessment

Opportunity	Issues/Obstacles	Benefits
The sharing of Environmental Health Services with West Devon offers opportunities for increasing service resilience and performance.	Local Government Review in Devon.	Phased approach will ensure that benefits are realised within possible timeframe for reorganisation
Opportunities also exist for other services that follow later in the programme to learn from the merger of two major services.	Failure to fully engage staff and trade unions in the change process. Possibility of partnership arrangements failing	Staff and unions have been consulted. Formal review periods will reduce the likelihood of the partnership arrangements failing.

Conclusions

14. The sharing of Environmental Health services with West Devon will not only deliver financial savings for both Councils but also deliver significant other benefits. It is anticipated that service performance will not suffer as a result of the merger. Risks have been identified but suitable measures can be put into place to mitigate them.

Ian Bollans
Head of Environmental Health

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Paula Brooks
Strategic Director (Operations)