



Report to:	Environment & Neighbourhood Committee	Date:	30 March 2017
Report title:	Review of the new Shared Environment Service		
Report from:	Mary Morrissey, Strategic Director, Environment, Housing and Regeneration, London Borough of Sutton. Roy Thompson, Director of Place, Royal Borough of Kingston.		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Jill Whitehead		
Author(s)/Contact ANumber(s):	Graham Beattie, Interim Transformation and Change Manager, SES, 020 8547 5652		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Green Council 		
Open/Exempt:	Open		
Signed:			Date: 15 March 2017

1. Summary

- 1.1 This report presents the outcome of the Shared Environment Service (SES) review. It highlights a number of notable successes from the SES first year of operation and recommends a future service development focus to assist the SES achieve its full potential. A similar report is going to Kingston's Residents Committee on 23 March.

2. Recommendations

The Environment & Neighbourhood Committee is recommended to:

- 2.1 Agree the Shared Environment Service should continue to provide shared Highways & Transport and Regulatory Services for Kingston and Sutton with a service development focus on completing the delivery of the opportunities for improvement, reconsidering the commissioning arrangements, some structural management realignment as determined by Officers and the implementation of a programme of cultural and behavioural change.



- 2.2 Agree to delegate authority to the Strategic Director, Environment, Housing and Regeneration to implement the recommendations arising from the review report in liaison with the Director of Place at the Royal Borough of Kingston.

3. Background

- 3.1 Kingston and Sutton Councils agreed to set up a Shared Environment Service made up of Regulatory Services, including Environmental Health and Trading Standards, Highways & Transport, including Sustainable Transport, in June 2015, with Kingston as host borough. Key objectives were to enhance customer service and improve service resilience, while reducing service cost.
- 3.2 Implementation of the service commenced in November 2015 and was substantially completed the following April.
- 3.3 The review considers current SES performance and makes a number of recommendations to assist with the achievement of the original objectives and associated opportunities for improvement.
- 3.4 The review included the setting up and running of a number of consultation events with staff in the SES, members of the SES Joint Member Board, councillors and selected external stakeholders. This work was led by Trudy Worth of Assur, an organisational development consultancy. Feedback was collected through 1to1 interviews, questionnaires, focus groups and group discussions. The feedback was extensive and is summarised in Section 4 of the Review Report in Appendix A, with associated recommendations incorporated into Section 6.

4. Issues

- 4.1 The SES Review Report is in Appendix A. The three principal objectives for the SES of achieving financial savings, maintaining customer satisfaction and ensuring service resilience have been broadly met over the first full year of operation, despite staff vacancies in Regulatory Services and a turnover of managers and agency staff in Highways and Transport.
- 4.2 There have been a number of notable achievements during the year. A £12m 2016/17 joint capital improvement programme has been established, including Sutton schemes deferred from 2015/16; a new Sutton Parking Strategy has been agreed, with a £1.7m delivery plan; a new Air Quality Action Plan is being delivered in Kingston; a £7m externally funded flood alleviation package has been secured; and a successful partnership has been established with NSL for the delivery of environmental enforcement services across both boroughs.
- 4.3 A range of potential opportunities for improvement in the SES remain to be fully realised. Chief amongst these are the integration of ICT systems and mobile working; the introduction of common processes and procedures; and the introduction of more self-serviced and streamlined customer enquiry processes.



- 4.4 The present SES governance arrangements are the source of some confusion and the respective Directors need to jointly look further at these and any required associated organisational change.
It is also recommended that, in Highways & Transport, the vacant Highways Contracts and Delivery team leader post is filled and the Strategy and Commissioning team is made a priority for the appointment of permanent staff.
- 4.5 A disproportionate focus on reactive work remains an issue and the report identifies a number of potential actions to address this. These include wider publication of service policies and standards; greater customer self-help via the website; and more effective one stop shop service through the contact centres. Councillors need to be provided with service briefing sheets and regular ward updates to assist them deal directly with constituent enquiries.
- 4.6 Staff had a wide range of views on the present operation of the SES. While they retained an underlying commitment to the shared service, they were particularly frustrated at the lack of progress in rationalising systems and processes and achieving the efficiencies in working practice that this would bring. They also felt that communication throughout the process had been poor and that this had caused a lack of understanding and ownership. The staff feedback highlighted the need to develop a distinct identity for the SES with its own recognisable culture and way of doing things, informed by a clear set of values and behaviours.
- 4.7 Staff feedback also highlighted the need for more effective leadership. This should be sought through the use of defined core leadership attributes and behaviours to deliver the required culture and performance in the SES, supported by a leadership development programme to ensure all managers have the necessary skills.
- 4.8 The meeting with other similar shared services in London revealed that they generally struggled to achieve the commonly sought efficiencies from shared service operation. All recognised the need to manage service demand, streamline decision making and to seek new opportunities to generate additional income as a means of supporting service delivery.

5. Options Considered

- 5.1 There are clearly a number of options for the SES at this stage including: continuing as at present; returning to the previous two borough operation; seeking either an expanded shared service or external service model; or continuing with the SES but with certain modifications.
- 5.2 As indicated in the review, the SES has broadly met its principal objectives, but requires a number of governance, structural, process and behavioural changes to fully realise the potential of shared service operation. To continue as at present is therefore not a tenable option. To return to the previous two borough operation would have significant financial consequences, require a further large TUPE exercise and would lose the benefits already gained. It, too, is not therefore considered to be a sustainable option. To seek either an expanded shared service or a service model external to the council, while remaining a possible longer term option, would be premature at this stage before the shared service has fully realised its existing potential and is in a strong position to move further forward. This leaves therefore the final option. The SES



achievements so far and the recommendations arising from the review, strongly support the option to continue with the SES but with a focus on completing the delivery of the opportunities for improvement, reconsidering the commissioning arrangements, some structural management realignment as determined by Officers and the implementation of a programme of cultural and behavioural change.

6. Impacts and Implications

Financial

6.1 The SES is designed to deliver the following total revenue savings for the two Councils:

Year	2016/17	2017/18	2018/19
Revenue Saving	£650k	£780k	£870k

6.2 The revenue saving for 2016/17 has been built into the SES base budget for this year.

6.3 Funding will need to be sought for any ICT system replacements following the preparation of appropriate business cases.

Legal

6.4 The creation of the Shared Environment Service was established by Sutton and Kingston Councils in exercise of their powers under section 1 of the Local Authority (Goods and Services) Act 1970, sections 111, 112, 113 and 136 of the Local Government Act 1972, section 3 of the Local Government Act 1999, and section 1 of the Localism Act 2011 and all other enabling powers.

6.5 As part of the establishment of the shared service, Sutton delegated relevant statutory duties and functions covering the shared service to Kingston as host authority.

7. Appendices and Background Documents

Appendix letter	Title
A	Shared Environment Service Review Report

Background documents
Shared Environment Service Review - Feedback and recommendations, Assur 15.02.17



Audit Trail		
Version	Final	Date: 15 March 2017
Consultation with other officers		
Finance	Yes	Sue Hogg
Legal	Yes	Fiona Thomsen
Other Officers:	Yes	Warren Shadbolt
Equality Impact Assessment required?	No	N/A

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