

KERNOW

Environmental Health & Immunisation

WHITE PAPER

SHARING SERVICES, IMPROVING OUTCOMES

*DELIVERING SHARED SERVICES IN ENVIRONMENTAL HEALTH
AND IMMUNISATION THROUGH SUCCESSFUL COALITIONS*



Date: June 2018 (Version 1.4)

BACKGROUND

Kernow Environmental Services (Kernow) is the leading provider of Environmental Health and Immunisation services across Victoria. We have been delivering services to Councils for 22 years and bring considerable size and experience to Councils looking to improve their services and reduce costs.

Kernow is the largest provider of outsourced Environmental Health services in Australia. We currently operate Environmental Health and Immunisation services across seven (7) Councils in Victoria; City of Casey, Brimbank City Council, Cardinia Shire Council, Mitchell Shire Council, Baw Baw Shire Council, Strathbogie Shire Council and Pyrenees Shire Council.

Options to share services in Environmental Health has been regularly raised with Kernow by many different Councils over the past 5 years, with a strong interest continuing to grow each year. This is due to a variety of reasons such as:

1. The impact of Rate Capping now and in the future;
2. Reducing costs of services and budget pressure;
3. Improving service delivery standards;
4. Achieving the statutory requirements required by Council;
5. Reducing the risk to Council due to underperforming services;
6. Exploring different approaches to delivering services; and
7. Evidence of effective Environmental Health and Immunisation services not being managed in-house.

Kernow believes sharing services, especially under a Coalition model as proposed in this document, is an effective way to deliver stronger services at a better price. Kernow's operations reflect the fundamentals of a shared services model (albeit under a non-traditional shared services model). To help us deliver efficient and effective services to each of our current clients, our 40 Environmental Health staff and 25 Immunisation Nurses are mobilised across multiple sites to assist in driving a robust and seamless service at all times.

THIS WHITE PAPER

This white paper addresses the following:

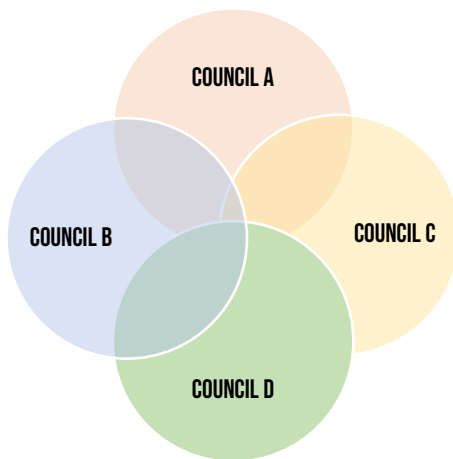
1. **What** is Kernow's Coalition concept and how is it different from a traditional Shared Services approach?
2. **Why** Councils would enter the Coalition to share Environmental Health and Immunisation Services;
3. **Tackling Perceptions;**
4. Kernow's **'Value Add'**; and
5. **Crossing the threshold** – making Shared Services come to life.

1. THE COALITION CONCEPT

Sharing services between Councils is not a new concept. There are several benefits of a shared services model. They include reducing costs, access to greater numbers of resources, access to a greater pool of skilled and specialist staff, improvement in operational process and practice and effectively delivering a bigger, stronger service through a united front.

Whilst there are definite benefits of a shared services model, there are several challenges where Councils attempt to share services. The model that Kernow proposes is not a Council-to-Council traditional shared services model rather, each Council joins with Kernow and other surrounding Councils to form group - the Coalition concept. This Coalition model mitigates many of the challenges arising from the inter-Council shared services traditional model.

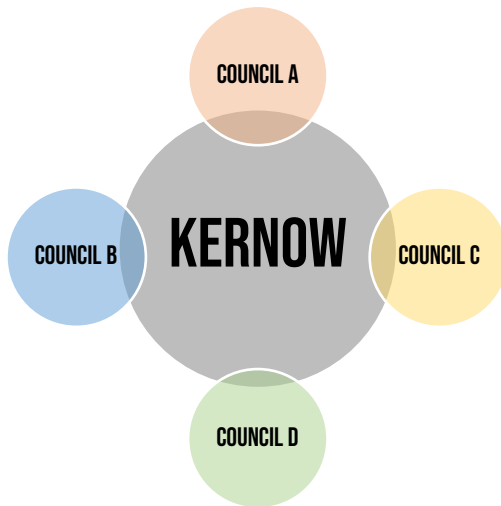
TRADITIONAL SHARED SERVICES MODEL



The major challenges of the traditional shared services model are mitigated by Kernow through the removal of inter-Council "crossover". Individual Councils retain the benefits of lower cost, improved service delivery and greater access to resources arising from a shared service model, without directly dealing with the challenges of the model. Primarily, this is because Kernow is responsible for managing the relationship with each Council and focussing on their own service under its contract with each Council - rather than requiring Councils to collaborate and negotiate.

Each Council involved in the Coalition deals directly with Kernow. This removes the involvement of several stakeholders and significant complexity in determining the delivery of the service. As more Councils join the Coalition, there is no increased complexity in managing the relationship for Council. The relationship remains a Council-Kernow relationship and all relationships are maintained through Kernow.

COALITION MODEL WITH KERNOW



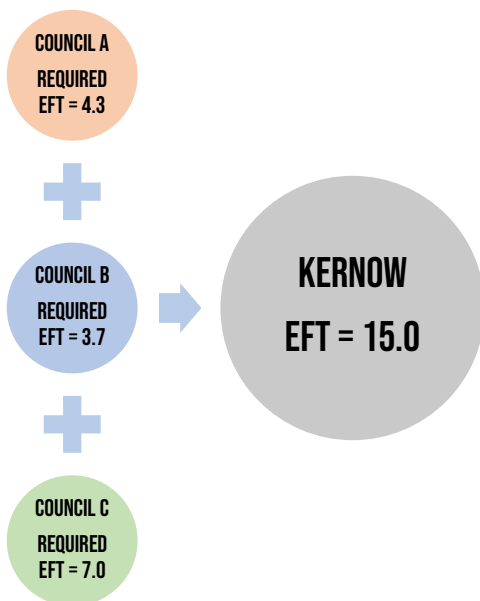
In summary, under the Coalition Model with Kernow:

- The provision of services is contracted directly to Kernow;
- Each contract is guided by a specification of works to be completed by Kernow for each member Council;
- Kernow works in partnership with each individual member Council to deliver their Environmental Health and Immunisation services; and
- Kernow provides all staff and vehicles to deliver the service - delivers flexibility and responsiveness needed to effectively and efficiently deliver the service.

2. WHY SHOULD COUNCILS ADOPT THE COALITION APPROACH?

Simply put, the Coalition approach retains the benefits, but mitigates many of the challenges of the traditional shared services approach.

1) BENEFITS ARE RETAINED



Under the Kernow Coalition concept, Councils A, B and C benefit in the following ways:

- More staff** will participate in the day-to-day delivery of the Environmental Health service. Previously, Council A had access to 4.3 EFT – under the Coalition model, 15.0 EFT are enabled to deliver the service;
- Greater ease** for Councils to only engage the resources they require. For example, if Council's A workload = 4.3 EFT, there may be a challenge with employing only a 0.3 EFT resource. Through Kernow we can use a full-time resource across multiple sites to meet all Coalition Councils workload requirements;
- Costs are lower** due with Coalition Councils are only paying for the resources they need;
- Greater support** is generated through having more staff available;
- The Council becomes **part of the Kernow network** which provides further support than just the Coalition (more detail on this aspect below);

- f. **Covering absent staff is significantly easier** with more staff available to manage workloads (continuity of services); and
- g. **Kernow will also have a dedicated Environmental Health Manager whose responsibility it will be to manage the workloads of the Coalition team delivering the services.**

The more members of the Coalition mean a larger base of resources (staff, mobility) is available to deliver the services. A larger base improves flexibility of the Coalition workforce and enables greater workloads to be completed more efficiently.

NB: The above diagram is simply an example of how the model would work.

II) COST IS REDUCED

The cost burden to Council is reduced because there is:

1. **Reduced onus** on Council to manage the day-to-day Environmental Health and Immunisation services (managed by Kernow);
2. **Less resources required** to deliver the service - more is done with less staff;
3. **Guaranteed workload completion** (as determined by the specification and contract) and 100% compliance with legislative requirements (e.g. LGPRF, DHHS Food Safety Reporting);
4. Use of **state of the art technology** designed to specifically meet the operational needs and facilitate full mobile functionality;
5. Implementation of **efficient processes and practices** (reduction of over servicing and duplication);
6. **Delivery within budget** (set price as determined by the contract with Kernow);
7. **No agency/short term staff required** during periods of staff absence – continuation of service maintained by Kernow;
8. **A budget set in advance** - as per contract lengths (e.g. 3-year contract = 3 years budgeted); and
9. **Control of indirect/incidental costs** – these do not impact Council e.g. vehicle issues, staff issues, training.

An increase in efficiency means a cheaper the price for all members of the Coalition.

Kernow has a proven track record of delivering services cheaper than could be achieved if managed in house.

III) CHALLENGES OF THE TRADITIONAL SHARED SERVICE MODEL ARE MITIGATED

There are some inherent challenges faced by Councils attempting to share services. Some of these challenges include:

1. *Conflict between Councils over use of resources (e.g. staff, vehicles, technology);*
2. *Differences in systems and processes (this includes technology, databases, operational and management systems);*
3. *Fair distribution of resources per the workload requirements of Councils;*
4. *Adequate and appropriate coverage for all Councils at all times;*
5. *Reaching agreement on a unified approach to service provision; and*
6. *Receiving a fair return for investment.*

Under the Coalition model, these challenges do not affect Councils. Kernow is responsible for managing the resourcing requirements of each contract and ensuring service delivery in compliance with each contract.

Specifically, with Kernow as the service provider to each Council in the Coalition, the following risks are reduced or mitigated:

- Managing staff within different work environments and terms and conditions of employment (e.g. varying EBAs, management structures, HR policies, reporting, workload requirements, vehicles, technology).
This challenge is removed because all staff are employed by Kernow under standard contractual terms and conditions.
- Managing changes in workloads and prioritising incidents (e.g. bushfires, floods, pandemics, growth in workloads).
This challenge is removed because workloads and prioritisation of resources are managed by Kernow in line with its contractual arrangements with each Council. It is always our role to ensure Council requirements are fulfilled regardless of the impact caused by other Councils in the Coalition. Further to this, where the situation requires it, staff can be deployed from other sites to deal with short term emergencies or priorities to ensure the integrity of the service;
- Transition of finances between Councils (e.g. paying for staff, resources, training, short term cover).
This challenge is removed because Kernow takes care of payment of staff, resources, training etc.;
- Recruitment of staff (finding and agreeing on suitable staff).
This is Kernow's responsibility and any HR related issues are dealt with by Kernow; and
- Differences in approach to managing services/issues/risks between Council.
Kernow adopts a uniform and best practice approach when delivering services for each of our clients as well as dealing with their specific delivery requirements.

Kernow can deliver the Coalition model through a **simple, direct relationship** (Council-Kernow only), **allowing Councils to retain total control of their service** (no compromising on delivery requirements) and **streamlining the provision of staff** (reduced issues without resourcing challenges).

IV) ISSUES FACED BY COUNCILS CAN BE MITIGATED

We understand from our own experience and discussions with Councils that there are challenges arising across all municipalities.

Set out below are some of the challenges that we are aware of and our response to how a Coalition Model with Kernow would deal with those challenges.

Challenges	Our Response
<p>Having experienced and extensive staff and support for the Environmental Health and Immunisation teams</p> <p>It can be difficult to attract and retain experienced staff to support the Environmental Health and Immunisation teams.</p> <p>Recent removal of Environmental Health from Skilled Occupations List (457 Visa) and the cancellation of the Environmental Health course from numerous tertiary institutions has made quality staff more difficult to obtain.</p> <p>Further to this, using inexperienced staff requires regular attention, training and support to develop and strengthen the Environmental Health service.</p>	<p>A Coalition model enables more experience and support for your Council.</p> <p>Kernow is a large organisation (of 40 EHOs and 25 Immunisation nurses) with the ability to develop and produce the best staff.</p> <p>We lead a group of motivated staff members who support each other through sharing their experiences and assist in managing workloads.</p> <p>Kernow has a structured Development Program with all staff having access to internal and external training and development opportunities.</p> <p>All teams, regardless of size, have access to all our development and training opportunities including professional networking.</p>
<p>Keeping staff up-to-date and skilled in current Environmental Health and Immunisation trends and best practices</p> <p>Environmental Health and Immunisation are diverse and specialised areas with a wide range of challenges that can test the most experienced EHO/Nurse Immuniser.</p> <p>Best practice methodologies and regular updating of skills and knowledge should always be adopted to ensure appropriately skilled and engaged employees.</p>	<p>Kernow has teams across Victoria (large metropolitan as well as small rural Councils) and to facilitate best practice standards we regularly deliver in-house training and up-to-date processes via our online portal RIAMS and through Kernow meetings.</p> <p>In addition, Kernow has a structured Development Program for all staff which identifies relevant development opportunities for staff members from "on the job" training to formal training opportunities.</p> <p>As a result of these initiatives, our staff are competent and reliable and always abreast of the best approaches to manage Environmental Health and Immunisation issues.</p>

<p>Being provided access to experienced staff and experts in all areas of Environmental Health and Immunisation</p> <p>Whilst opportunities exist for Councils to share experiences and knowledge with neighbouring Councils, there still exists challenges.</p>	<p>Kernow has depth of experience in all areas of Environmental Health and Immunisation. Our sheer size and experience ensure we have staff who are experts in many fields of Environmental Health and Immunisation.</p> <p>In-house experience arises from the fact that our EHOs work in both rural and metropolitan areas and share learnings from domestic waste water to implementing vaccine catch up programs to emerging food trends in the CALD (culturally and linguistically diverse) groups.</p> <p>This wealth of knowledge and skills is shared across all Kernow clients.</p>
<p>Use of costly short-term support during staff absences</p> <p>Annual leave, personal leave, resignation and retirement are all factors that lead to the appointment of short term contract staff to assist in the management of ongoing workloads. This can be expensive to Council and impact on business continuity particularly when having to replace a permanent position.</p> <p>The appointment of short term staff may not result in the required workloads being delivered/handled appropriately due to little/no handover or experience with the Council and its systems and processes.</p>	<p>Mobilisation of staff to ensure the continuation of service for each of our clients is a major objective of Kernow's service.</p> <p>Council's service needs to continue to residents without interruption. Kernow takes this obligation seriously.</p> <p>Kernow is responsible for maintaining staff coverage and service standards at all times.</p> <p>Kernow can leverage off its large workforce to ensure that use of costly short-term staff can be avoided.</p> <p>Kernow's systems and processes are consistent across all Council's enabling staff to easily mobilise across sites with no productivity loss.</p>
<p>Reduced opportunities to network with other EHO's/Immunisation Nurses on best practice</p> <p>At times, Council employees are not engaged with other Environmental Health/Immunisation professionals. It is common for employees to not look beyond their own Council's boundaries with their work.</p> <p>Maintaining strong and regular contact with other EHO's/Immunisation Nurses helps support staff as well as improve the service being delivered.</p> <p>Kernow encourages networking and collaboration opportunities within our own network as well as other Councils we have relationships with to promote knowledge sharing and experience.</p>	<p>Kernow understands that having staff at different geographical sites requires a concerted effort to ensure that there are opportunities for collaboration and networking.</p> <p>From an internal perspective, Kernow actively encourages networking opportunities through Kernow wide training, social activities and where relevant, project based work.</p> <p>Networking enables our staff to resolve and manage more complex aspects of their work more efficiently by accessing another staff member with specialist knowledge and expertise to provide advice and support.</p> <p>Externally, Kernow staff maintain strong relationships with non-Kernow Councils through</p>

	regular representation at EHPA/EHA/PHN events (Symposium, meetings, seminars, networking) both locally and interstate.
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V) WHERE THE SAVINGS ARE MADE

Savings can be identified through a shared services coalition in some of the following areas:

- **Shared Management** – the use of shared Program Managers for both Environmental Health and Immunisation allows for the direction and expertise of multiple services to be maintained by one Manager. For example, Casey, Baw Baw and Cardinia currently share an Environmental Health Manager and an Immunisation Nurse Coordinator;
NB: Each Council will still retain a Team Leader to manage the team of EHO's.
- **Shared Facilities** – securing economies of scale from greater use of fixed assets where possible, for example using one facility rather than multiple locations to operate from drives cost reductions and reduces overheads. For example, Kernow operates Baw Baw's Immunisation laboratory with Cardinia's. This reduces the need for multiple and unnecessary labs being set up and maintained (these can expensive);
- **Shared Resources** – staff can be used over multiple sites but a shared service enables a more efficient use of items such as motor vehicles, training, equipment and consumables required to deliver the day-to-day service. Staff are also able to be more effectively utilised covering day to day work activities dealing with peaks and troughs in workload efficiently;
- **Improved Service Delivery** – introducing state of the art technology meeting the specific needs for EHO's and implementation of best practice and efficient service delivery solutions eliminates duplication and over servicing resulting in improved outcomes, productivity and response times.
- **Reduced Management Fees** – as the coalition of shared services builds, Kernow applies lower management fees to existing partners. As the model strengthens with members, Kernow shares the benefits by reducing our management fee to deliver the services to generate a greater drive by existing members to assist in bringing more Councils into coalition;
- **Reduced Overheads** – combined services can deliver lower overheads such as insurances (motor vehicle, public liability, professional indemnity); and
- **Increased Buying Power** – the larger the services, the greater buying power Kernow has with items such as analyst fees, training, consumables and technology (e.g. Health Manager).

3. OVERCOMING (MIS)PERCEPTIONS

We acknowledge that there are some perceptions regarding outsourcing or a Coalition model as proposed and would like to deal with them here 'head on' by providing the following responses to the following common (mis)perceptions.

1. ***Kernow will take over the service:*** No. It is and will always be your Council's service. The operational and strategic direction of the service is always owned by Council. Kernow simply delivers the workload as outlined in the specification and as agreed with Council.
2. ***We have to take the same direction as other Councils in the Coalition:*** No. Using Kernow will ensure that any differences in service delivery your Council might prefer will be delivered without influence from other Coalition Councils. Every Council is different and does things their own way.
3. ***Kernow won't tell us everything:*** No. Transparency and openness is critical to maintaining a strong and trusting relationship. Without it, Kernow would not have maintained the relationships with Councils that it has over the last 20 years. Where issues arise, communication will be made in an effective and efficient manner to Council's nominated Manager. It is in Kernow's best interests to ensure your Council has all the information it needs at the time it needs it.
4. ***Kernow will just do the bare minimum:*** No. Ask any of our long standing and valued clients and they will confirm we always go over and above the specification requirements to ensure we deliver the very best service we can. It is in our interest to ensure the service that is delivered and the experience of Council and its residents is exceptional.
5. ***Kernow is a private organisation so they'll only focus on their profit:*** No. We have a strong interest and investment in Environmental Health across Australia. We employ 40 EHO's and 25 Immunisation Nurses in all types of roles across Victoria so it is important we ensure our profession is the best it can be. We regularly work with professional bodies (EHA (Vic), EHA (National), EHPA) and DHHS Victoria (Immunisation/Environmental Health/Food Safety units on a variety of initiatives (e.g. training, Special Interest Groups, projects, meetings). Our staff are also very experienced and many of them have been employed by Kernow for over 10 years.
6. ***Kernow will replace all our staff with their own:*** No. Local knowledge is valuable to ensuring the delivery of the service is effective and this is assisted using existing staff. Whilst we will implement our own delivery methods and approach to managing the service, it is not part of our approach to remove all existing staff.

4. KERNOW'S "VALUE ADD"

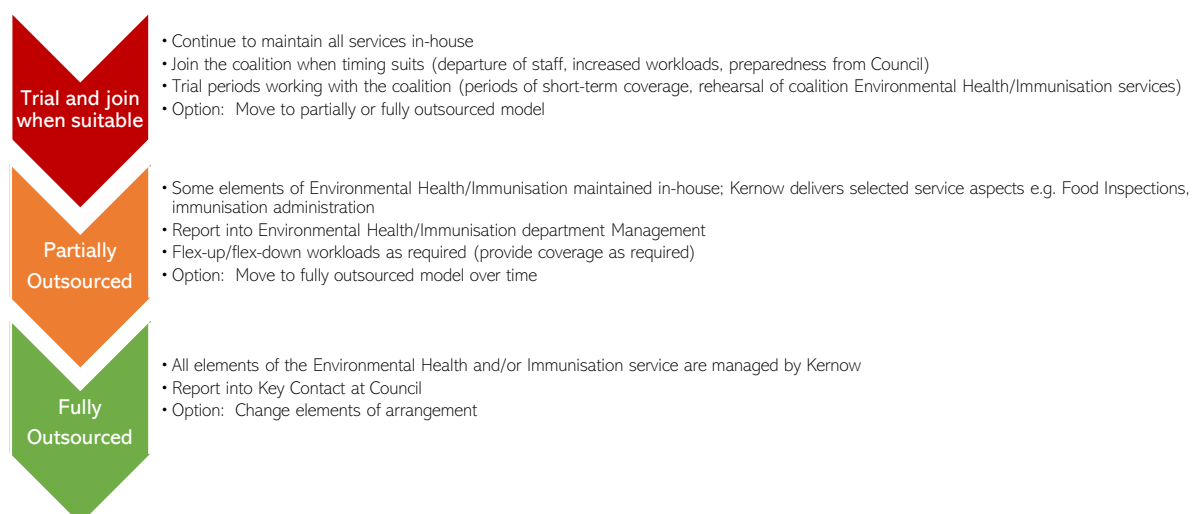
Kernow adds value to your service in the following ways:	
<p>RIAMS (Regulatory Information and Management System)</p> <p>RIAMS is a cloud-based content management system providing Environmental Health and Immunisation professionals support in all aspects of their work – procedures, guidance, legislation, documents, news feeds and notices. With over 40 Councils in Victoria subscribing to RIAMS, it is the leading support tool for Environmental Health and Immunisation.</p>	<p>Training</p> <p>Kernow delivers professional training packages in collaboration with EHA/EHPA (Environmental Health's professional body) and is focussed on bringing a contemporary approach to the industry.</p> <p>Kernow is driving major innovation in Environmental Health and Immunisation through delivering competency-based training through e-learning and web-based services</p>
<p>Access to a large network of EH and Immunisation professionals</p> <p>Support from 40 EHO's/25 Immunisation Nurses, multiple Senior Managers and a huge range of experts working with Kernow ensures we are the premier Environmental Health and Immunisation support network.</p>	<p>Experience</p> <p>With 22 years' experience in Environmental Health and Immunisation, Kernow has significant credibility and a wealth of knowledge as well as how to best deliver services.</p> <p>We have a proven track record of success over this time – feel free to contact any of our clients to discuss our services.</p>
<p>Relationships</p> <p>Kernow is well respected in the industry and has forged strong and positive relationships with many key stakeholders in Environmental Health and Immunisation. From the State Government (DHHS), professional bodies (EHA/EHPA) and service providers (Open Office – Health Manager) we have connections to all influential groups.</p>	<p>Responsiveness / Emergency Management</p> <p>Kernow has the ability to respond quickly and suitable mobilise resources as required. Whether it is staff absences to emergency management scenarios (bushfires, floods, pandemics) we can respond immediately.</p>
<p>Integrating with Council</p> <p>Kernow's approach to being in a partnership with Council is ensuring we integrate with the existing teams and departments. Developing relationships and synergies with Council is important to delivering a strong and effective service. This has been achieved at every Council we have worked with and is an essential part of Kernow's service delivery model.</p>	<p>Remove the Headaches</p> <p>Our role is to assume the responsibility for issues faced by the Environmental Health and Immunisation teams and manage them on behalf of Council. Ownership of issues means Council is updated/engaged as required and not consumed with ongoing/day-to-day challenges.</p>

<p>Strength and Vision</p> <p>Kernow is a large organisation with strong roots in Environmental Health and Immunisation across Victoria. We are continuing to grow and expand as a business and will continue to be a formidable player in Environmental Health well into the future.</p> <p>The industry has changed over the past 22 years and we have evolved, building our services and delivering what Councils demand from their Environmental Health and Immunisation departments.</p>	<p>Developing a Workload Specification</p> <p>Kernow can work in collaboration with Councils in understanding workload indicators and developing a specification.</p> <p>Our significant experience helps Councils know what is involved with their workloads and providing a clear overview of what is involved.</p>
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5. CROSSING THE THRESHOLD – HOW TO MAKE SHARED SERVICES HAPPEN ...

I) OPTIONS WITHIN THE COALITION MODEL

There are a number of variations and options with the Coalition model.



II) FACTORS INFLUENCING PRICE

The price for delivering the service for each member of the Coalition is determined individually.

Price is evaluated by using some of the following factors:

1. *Specification of workloads* – what type of services (all, part) do you want Kernow to deliver and how large is this workload?
2. *Proximity of member Councils* – Councils adjoining each other naturally create service delivery efficiencies and contain prices;
3. *Geographical size of Council* – impacts on service delivery timeframes;
4. *Handover workloads* – catch up workloads may be required when the service is transitioned across to Kernow (outstanding issues, incomplete statutory requirements);

5. *Current systems and set up* – databases and technology used (e.g. tablets) to manage the services for Council may need to be introduced and/or configured properly; and
6. *Contract Length* - minimum 3-year contract required. Options to extend can be included (options are at Council's discretion).

III) CREATING THE COALITION NETWORK

Steps towards building the Coalition network include:

- Discussion with all interested Councils within your region;
- Distributing information regarding the Coalition concept and the advantages and benefits of Shared Services under this model;
- Confirmation that Councils could join when it suits their operations, including trial periods in the interim; and
- Consideration of the options within the Coalition model e.g. outsourcing of part of the services.

Kernow would be happy to provide any further information as requested or to facilitate a meeting to discuss the model or any questions in relation to this white paper at your convenience.



Wes Old
General Manager
e: wesley.old@kernow.net.au
m: 0439 937 539



Sean La Fontaine
Business Development Manager
e: sean.lafontaine@kernow.net.au
m: 0400 904 157