

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019/2020

**HEALTH AND WELLBEING SCRUTINY
COMMITTEE**

28th JANUARY 2020

**REPORT OF THE DIRECTOR
PUBLIC HEALTH, PROTECTION & COMMUNITY SERVICES**

Agenda Item

Welsh Audit Office Report on
Environmental Health Services 2019

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1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide an overview of the Welsh Audit Office Report titled ‘ [Delivering with Less – Environmental Health Services – Follow up Review – Rhondda Cynon Taf CBC \(2019\)](#) ’ and give Members the opportunity to scrutinise the content and recommendations.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members scrutinise the contents of the report.

3.0 BACKGROUND

3.1 Councils have numerous statutory Environmental Health duties and citizens highly value many of the services provided. Furthermore, Environmental Health services directly impact upon the health, wellbeing and safety of residents and visitors to Rhondda Cynon Taf. The services provided cover a range of public health issues, such as food safety, pest control, dog control, housing standards, noise nuisance and air pollution.

3.2 In October 2014, the Welsh Audit Office (WAO) published [Delivering with less – the impact on Environmental Health services and citizens](#), which related to all Local Authorities in Wales and included a number of recommendations for the relevant partner organisations. The Council’s response to the recommendations from the 2014 National Audit Report were scrutinised by the Overview and Scrutiny Committee on the 25th February 2016 (<https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/M>

- 3.3 The WAO undertook an audit of RCTCBC spring 2019 and assessed whether there have been any budget and staff changes within the Council's Environmental Health services since 2014 and the extent to which it has addressed the recommendations included in the 2014 report.
- 3.4 Following the National Audit in 2014, the Council undertook a cost reduction exercise as part of the 2015-16 budget-setting process, delivering approximately £4m of full-year savings across Public Protection, including Environmental Health. The process was underpinned by a risk-assessment and an options appraisal for each area of the Environmental Health service in order to ensure the Council continued to meet its statutory obligations, as well delivering some discretionary services that were deemed to be of high benefit to the public.
- 3.5 As part of this exercise, Environmental Health services were separated into 'statutory un-controllable' (essential to deliver in order to meet the statutory obligations), 'statutory controllable' (services the Council has a statutory duty to provide, but some discretion may be exercised with respect to the level of the service to be provided) and 'non-statutory' (services the Council does not have a statutory duty to provide).
- 3.6 To inform their findings in the follow up 2019 review, WAO interviewed a selection of Officers and the Scrutiny Committee Chair and Cabinet Member, whose remit includes the Council's Environmental Health arrangements. The WAO also reviewed relevant documentation during the audit review, which took place during the period April 2019 to July 2019.

4.0 OVERVIEW OF THE REVIEW

- 4.1 The review sought to answer the question: is the Council's Environmental Health service continuing to deliver its statutory obligations given the financial challenges?
- 4.2 The Auditor's concluded that the Council had carried out a comprehensive risk-based assessment of its ability to deliver its statutory Environmental Health obligations in an increasingly challenging financial climate. The 2019 follow up report outlines how this has allowed the Council to shape its Environmental Health services within the available financial envelope and with a clear focus on strategic outcomes. This conclusion was reached as the Auditors believed that:
- Resources for Environmental Health services have reduced since 2014-15, with further reductions likely to be necessary in future years.
 - Service leads consider that the Council is meeting its statutory Environmental Health obligations.
 - There is an outcomes-focused corporate performance framework in place, which is in line with good practice.

- There is good challenge and oversight of Environmental Health matters when included on Scrutiny Committees' agenda.
- The Council engages with residents regarding proposed changes where these are likely to affect frontline services.
- The Council has begun exploring alternative delivery models and innovation to improve efficiency and value for money.
- The Council has good strategic planning arrangements in place for Environmental Health services.

5.0 KEY FINDINGS ARISING FROM THE AUDIT

5.1 The Auditors provided evidence for each of their key findings, which is highlighted in more detail in the following paragraphs.

5.2 Resources for Environmental Health services have reduced since 2014-15, with further reductions likely to be necessary in future years.

- *The cost of providing the services has reduced from £2.10 million in 2014-15 to £1.94 million in 2018-19, based on the revenue outturn.*
- *Staff numbers have reduced from 2014-15 to 2018-19. In 2014 RCT employed 73 FTEs, compared to 54 FTEs employed currently – overall reduction of 19 (figures rounded to the nearest FTE).*
- *The largest budget reductions were achieved in 2015-16 through a one-off service reconfiguration / cost-cutting exercise;*
- *Budget reductions have been applied to all areas of the Environmental Health service, with some reduced to provision of statutory services only, whilst others have maintained some of their non-statutory functions, and*
- *The most recent medium-term financial plan reported to Cabinet identified a £13.5 million and £12.8 million budget gap for the Council to address in 2020-21 and 2021-22 respectively. It is therefore likely that Environmental Health services will be under pressure to deliver further savings in the medium term.*

5.3 Service leads consider that the Council is meeting its statutory Environmental Health obligations.

- *In 2015-16, as part of a Council-wide budget reduction exercise, the Council undertook an assessment of its Environmental Health services.*
- *This included identifying statutory and non-statutory Environmental Health services and assessing the relative benefit to the public of those services that were deemed discretionary.*
- *This exercise was used to inform an options appraisal that subsequently determined the future configuration and level of Environmental Health services to be delivered. The Council elected to continue provision of certain discretionary services that were judged to deliver high public benefits.*
- *The Council has subsequently considered its statutory responsibilities in certain areas (for example the Air Quality Plan and performance against the Food Hygiene Rating Scheme).*
- *Most officers were able to articulate statutory and discretionary service requirements in relation to their own areas of remit. Some of our*

interviewees were new in role and are still developing an understanding of these.

- *The original review of statutory / discretionary services was comprehensive and took into account the Council's statutory obligations, as well as the public value of the services in question. The Council has continued to place assurance on the original piece of work since 2015-16 and should consider whether it would benefit from a refresh to ensure it continues to enable effective decision-making and is reflective of the Council's strategic priorities and the needs of the local population.*

5.4 There is an outcomes-focused corporate performance framework in place, which is in line with good practice. However, there is no holistic overview of how Environmental Health services are performing in the context of the wider Public Health Protection and Community service.

- *Environmental health services form part of the Council's Public Health, Protection and Community Service Directorate. Services which tend to be in the public eye – such as leisure, libraries and homelessness - receive the most attention in the Scrutiny process, with Environmental Health services receiving relatively less scrutiny.*
- *It is, nevertheless, an obligation of the Council to ensure these services are delivered to a high standard, and there is capacity in place to scrutinise and continually assess performance against statutory obligations.*
- *In particular, several staff identified that upcoming changes to statutory reporting of communicable diseases may result in capacity issues across the service as more staff need to be trained to be able to address the increased demand.*
- *The Public Protection Service produces a quarterly performance report supplemented by a performance dashboard. We note that the dashboard contains the following:*
 - *RAG (Red, Amber, Green) rating of delivery of each of seven service priorities, although it is unclear how the rating is derived;*
 - *Financial position of each service area against budget;*
 - *Performance against a set of key performance indicators. We note, however, that there are no remediating actions or action owners for underperforming KPIs (for example, as at Q3 % of HMOs that have been issued with a full licence only reached a maximum of 89.50% against a target of 92% with no explanation for this included in the dashboard), and*
 - *Qualitative narrative on highlights and pressures of the service.*
- *The accompanying report includes qualitative information to support the performance indicators, and provides an overview of service priorities, operational issues, service development and pressures.*
- *However, from our review of the performance information, we note that only a few indicators reported relate directly to Environmental Health services – the remainder cover other services that are in scope of Public Protection, such as trading standards.*
- *Each service also produces an annual self-assessment, which informs the delivery plan for the following year. This is produced by the Head of*

Service with input from operational managers, and goes through a three-stage review process:

- Service Director;*
- Group Director, and*
- Cabinet Portfolio Holder.*

- This is a helpful document and provides a comprehensive narrative assessment of all areas of performance against the Council's priority outcomes. It features quantitative and qualitative examples, as well as specific sources of evidence, to support the evaluation.*
- Although the final evaluation is subjective on a scale from 'poor' to 'excellent', multiple stages of review provide additional assurance of this assessment.*
- Whilst a positive and helpful exercise, this is annual and retrospective and is not, in itself, sufficient to assure comprehensive overview and challenge of Environmental Health services in a context of statutory requirements.*
- Therefore, whilst Environmental Health performance data is reported to a range of strategic and governance forums, the data reported does not in itself provide a holistic overview of service quality in relation to local targets and statutory standards. The Council tells us that the service holds and monitors a full suite of business as usual and process measures, but that it would be difficult and disproportionate to report everything to Members through the Corporate Performance Framework.*

5.5 There is good challenge and oversight of Environmental Health matters when included on Scrutiny Committees' agenda.

- In 2018, Scrutiny Committees at RCT were reconfigured. Environmental Health, previously scrutinised by the Environmental Services Committee, is currently within the remit of the Health and Wellbeing Scrutiny Committee, which meets on a quarterly basis.*
- There was consensus amongst the views of our interviewees, which included both officers and members, that current Scrutiny arrangements are sufficient to effectively hold services to account. This was, in part, attributed to stable membership of Cabinet and Scrutiny Committee in recent years.*
- With respect to Scrutiny training, we note that the Council provides a range of training courses to Scrutiny members/Chairs, covering key skills, such as financial analysis (including challenging the budget), Charing and assertiveness training.*
- Furthermore, Committee members have the option to request specific technical training from Democratic Services, who will determine the most appropriate setting in which to deliver this. This can either be provided by an external consultant, or a relevant officer from within the Council.*
- Although we heard representations that some Committee members may benefit from additional training on how to ask more probing questions or scrutinise services more effectively, our review of Committee papers showed a good level of challenge when Environmental Health matters were on the agenda (for example, in*

relation to outsourcing of the kennelling facility or the local toilet strategy).

- We note that tailored technical briefings can be requested by individual members from the Democratic Service, as and when appropriate. We note that this has occurred previously on a number of occasions, for topics such as air quality.*
- The Health and Wellbeing Scrutiny Committee does not currently undertake an annual self-assessment. Although not a mandatory requirement, we recommend this is performed, in line with best practice and to ensure the Committee remains an effective forum to oversee the Environmental Health service.*

5.6 The Council engages with residents regarding proposed changes where these are likely to affect frontline services.

- We are satisfied that the Council has arrangements in place to gather service user views on proposed changes to the Environmental Health services, and this is carried out when the proposed changes are likely to affect the local population.*
- From discussions with service leads and operations managers, we understand that any changes that are likely to affect frontline services are subject to public consultation prior to implementation.*
- This was supported by documentation we reviewed, for example:
- Transfer of the kennelling service to a third party provider – full public consultation undertaken in July 2016 and results included in the Cabinet report to inform decision-making, and
- Local toilet strategy – full public consultation undertaken in Autumn 2018, with results presented to the Health and Well-being Scrutiny Committee in Winter 2019. We note that this included engagement not only with service users, but also partner organisations, such as the Wales Council for the Deaf.*
- The above changes to the services were also subject to an equality impact assessment, which is designed to ensure they do not negatively affect more vulnerable members of the society.*
- The RCT website provides a range of information for service users, including the services provided, request forms and key documents, such as performance objectives, Committee papers and key decisions.*
- All ongoing and closed public consultation documentation is also published on the website in open access, encouraging service users to participate.*

5.7 The Council has begun exploring alternative delivery models and innovation to improve efficiency and value for money

- There is a consensus amongst key Council officers and Members that the Council needs to explore more transformational, outcome-based service changes in order to address future financial challenges.*
- We have noted examples of these already being implemented, for example, through outsourcing the legacy kennelling service to a third party provider. Although ultimately delivering a saving, the process was driven by improving the outcomes for dogs, and these have improved substantially since the service was taken over.*

- *Further, the Environmental Health service is in the process of digitalising many aspects of its services, with Food Health & Safety close to becoming fully paperless and HMO becoming a fully online service.*
- *Having recently introduced agile working across services, including some Environmental Health teams, the service has reduced the office space required by 30% as travelling staff are able to manage their workload more effectively.*
- *The Council has also introduced income generation initiatives through the pest control service, which was previously free at point of delivery, but became a fee-generating service in 2015-16.*
- *Although the charges were benchmarked against other Welsh Authorities, and some consideration was given to the potential impact of introducing charges and resulting reduction in service uptake, from discussions with Council officers we understand that the decrease in uptake has been more significant than anticipated.*
- *To address potential negative impact on public health, the Council is currently investigating the option of reduced charging for service users claiming unemployment/long-term illness benefits to enable them to access the pest control service if required.*
- *Pest control/animal control services have also been identified in the most recent self-assessment as an area for improvement, with a view to review base costs and deliver savings in future years.*
- *Overall, whilst the Council has explored various income generation opportunities, further work is required to consolidate these in order to provide a reliable income stream to mitigate against future funding reductions.*

5.8 The Council has good strategic planning arrangements in place for environmental health services.

- *Following on from the 2017-18 self-evaluation, the Public Protection service was assigned three key service priorities in its 2018-19 delivery plan, which are aligned to the Council's overall strategic objectives and outcomes.*
- *The officers interviewed could articulate how their areas of the Environmental Health service contributed to delivery of wider Council objectives and the key risks to achieving those.*
- *Discussions with key Council officers highlighted that the Council acknowledges the importance of outcomes-based budgeting, innovation and use of technology to future-proof Environmental Health services.*
- *We have observed evidence of the Council considering its Environmental Health services in the context of its wider service agendas, such as public health, community safety, planning and economic growth.*
- *The 2018/19 delivery plan has a set of specific milestones and actions related to use of technology and agile working, such as completing delivery of the Council digital plan. Steps have already been made with the introduction of digitalisation across some parts of Environmental Health services.*

- *Furthermore, we have observed evidence of the Council utilising data (for example, benchmarking) to inform decision-making around service provision; for example, when introducing service charges to pest control.*
- *As the service is looking to achieve future financial and operational sustainability, we recommend consideration is given to how the activity data collected can inform future developments to service provision.*
- *Potential areas for future innovation could include:*
 - *new commercial and collaborative delivery models for RCT services, and*
 - *use of data to predict service need and target responses rather than maintain universal service provision.*
- *Analysis of activity data, some of which is already being collected, would enable evidence-based decisions around cessation or scaling back of services, whilst ensuring that those that benefit the service users the most remain.*

6.0 PROPOSALS FOR IMPROVEMENT

6.1 The follow up review identified 3 proposals for improvement, which were recommended as follows:

1. *The Council should refresh its analysis of statutory/discretionary environmental health functions to ensure it remains a relevant and robust information base for any future decisions around budgets and service changes.*
2. *As part of a fresh analysis of statutory/discretionary services in environmental health, the Council should formally agree what constitutes 'required' and 'better' levels of environmental service provision for each service area. This will enable the Council to reinforce the focus on key statutory priorities and make better-informed decisions around future service provision, whilst increasing transparency for residents.*
3. *The Council should undertake an annual self-assessment of the effectiveness of the Health and Wellbeing Scrutiny Committee in line with an appropriate framework, for example the FRC Corporate Governance Code, to provide additional assurance to members.*

6.2 In response to the recommendations 1 & 2, the service will continue to be challenged and reviewed to ensure it is fit for purpose, to meet the demands required by residents in RCT. There have been no significant changes to require a further in-depth analysis of the service functions but it will be kept under review and any required analysis will be implemented as necessary.

6.3 The self-assessment recommendation (3) for the Health and Wellbeing Scrutiny Committee is being considered by Democratic Services as part of a range of improvements, Members have been provided with specific opportunity to develop the questioning and challenge skills. Methods of self - evaluation

are proposed to be introduced across all scrutiny Committees in advance of reporting to the Annual General Meeting of the Council.

7.0 CONCLUSIONS

- 7.1 To summarise, the follow up report by the Welsh Audit Office gives a positive reflection of the Environmental Health service provided by RCT during a period of financial uncertainty. The areas identified for improvement in the report are acknowledged and any changes will be implemented as required. The service will continue to be subject to regular review to ensure it evolves to meet future demands.

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