



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

APPENDIX A

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Delivering with Less – Environmental Health Services – Follow-up Review – **Bridgend County Borough Council**

Audit year: 2018-19

Date issued: September 2019

Document reference: 1549A2019-20



This document has been prepared for the internal use of Bridgend County Borough Council as part of work performed in accordance with Section 17 of the Public Audit (Wales) Act 2004 and section 18 of the Local Government Wales Measure 2009.

No responsibility is taken by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [info.officer@audit.wales](mailto:info.officer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The work was delivered by Grant Thornton UK LLP under the direction of Huw Rees.

# Summary report

The shared regulatory services (SRS) model is enabling the Council to sustain its delivery of environmental health services in a context of reducing resources and additional responsibilities placed on it by ongoing changes in legislation. There is scope for the Council to strengthen its scrutiny and oversight arrangements of environmental health services and work with SRS and other providers to explore the opportunities for future improvement.

## Summary report

Proposals for Improvement 7

## Detailed report

Resources available to environmental health services have reduced since 2014-15 but the Council's performance has been maintained by collaborating with two other councils through the SRS 9

Whilst the Council and SRS are confident that environmental health obligations are being met, neither have explicitly assessed if this is the case. The Council and SRS should work together to distinguish between statutory and non-statutory services to help inform decision making around any future budget reductions 14

Governance and performance management frameworks are robust but arrangements for review and challenge of performance information could be formalised 15

The Council should improve independent challenge, member oversight and scrutiny in relation to environmental health services provided by the Council, the SRS and other providers 16

The Council has consulted key external stakeholders on significant changes to environmental health services, but should more carefully consider the impact of future changes on residents and businesses and undertake direct consultation where appropriate 17

The Council and the SRS must continue to innovate and transform services in order to help mitigate any future funding reductions 18

## Appendices

Appendix 1 – Auditor General's recommendations – Delivering with less – the impact on environmental health services and citizens, October 2014	20
Appendix 2 – Council's progress in addressing the Auditor General's recommendations	23

# Summary

## What we reviewed and why

- 1 In October 2014, the Auditor General published a national report, **Delivering with less – the impact on environmental health services and citizens** (see **Appendix 1** for the recommendations from that report). Our local review in 2019 assessed whether there have been any budget and staff changes within the Council's environmental health services and the extent to which it has addressed the recommendations included in our 2014 national report. For the purposes of this review, we focused on the Council's progress in addressing recommendations 2, 3, 4, and 5.
- 2 Councils have numerous statutory environmental health duties and citizens highly value many of the environmental health services provided. Furthermore, environmental health services directly impact upon the health, wellbeing and safety of residents and visitors to Wales.
- 3 Environmental health services cover a range of issues, such as food safety, pest control, dog control, housing and reducing the causes and effects of air pollution.
- 4 To inform our findings, we interviewed a selection of officers and members, whose remit includes the Council's environmental health arrangements. We also reviewed relevant documentation.
- 5 We undertook the review during the period April 2019 to July 2019.

## Background

- 6 Since 1 May 2015, Cardiff Council, Bridgend County Borough Council (the Council) and the Vale of Glamorgan County Borough Council have been operating under a joint working agreement known as the shared regulatory service (SRS). The SRS provides environmental health, licensing and trading standards services. The Council continues to provide other services outside the SRS, as listed in **paragraph 11**.
- 7 The SRS has a single management team working across the three Councils. It operates under a joint agreement between the participating councils. It is governed by a Management Board (officer-led) and a Joint Committee, consisting of six elected members, two from each council.
- 8 The SRS provides core services (functions common to all councils) and specific services unique to each council. Core services are jointly funded, and the contribution of each council is based on their population.
- 9 The SRS was established to make more effective use of councils' resources and to enable the three councils to continue to deliver high-quality services whilst reducing costs.

- 10 This report provides an assessment of Council’s environmental health service performance including services delivered directly by the Council (pest control, kennelling, and littering and fly-tipping enforcement) as well as those delivered jointly through SRS.
- 11 **Exhibit 1** below sets out the services which were in scope of our review:

**Exhibit 1: In-scope environmental health services**

Services provided by the SRS	Services provided by the Council
Pollution control	Pest control (outsourced to a third party)
Food safety	Littering
Health & Safety	Fly tipping
Infectious diseases	
Private sector housing	
Burial/cremation of persons deceased at public expense	
Illegal evictions and harassment	

**What we found**

- 12 Our review sought to answer the question: Is the Council’s environmental health service continuing to deliver its statutory obligations given the financial challenges?
- 13 Overall, we found that the shared regulatory services (SRS) model is enabling the Council to sustain its delivery of environmental health services in a context of reducing resources and additional responsibilities placed on it by ongoing changes in legislation. There is scope for the Council to strengthen its scrutiny and oversight arrangements of environmental health services and work with SRS and other providers to explore the opportunities for future improvement. We reached this conclusion because:
- resources available to environmental health services have reduced since 2014-15 but the Council’s performance has been maintained by collaborating with two other councils through the SRS.
  - whilst the Council and SRS are confident that environmental health obligations are being met, neither have explicitly assessed if this is the case. The Council and SRS should work together to distinguish between statutory and non-statutory services to help inform decision making around any future budget reductions.
  - governance and performance management frameworks are robust but arrangements for review and challenge of performance information could be formalised.

- the Council should improve independent challenge, member oversight and scrutiny in relation to environmental health services provided by the Council, the SRS and other providers.
- the Council has consulted key external stakeholders on significant changes to environmental health services, but should more carefully consider the impact of future changes on residents and businesses and undertake direct consultation where appropriate
- the Council and the SRS must continue to innovate and transform services in order to help mitigate any future funding reductions.

## Proposals for improvement

### Exhibit 2: proposals for improvement

The table below sets out the proposals for improvement that we have identified following this review. Please note that the proposals for improvement apply to both services provided by the SRS and by the Council, unless stated otherwise.

Ref.	Proposals for improvement
P1	<p>We found some evidence of cost, benefit and impact analysis being performed to enable decision-making around savings and changes to services. However, whilst consideration was given to the impact of staffing restructuring over the period between 2018-2021, it was also acknowledged amongst officers and members that the real impact of this will be largely unknown until £498k of savings begin to take effect.</p> <p>The Council should subject any future changes to environmental health services to a more rigorous analysis of costs, benefits and impacts.</p>
P2	<p>The Council should investigate further possibilities for commercialisation and income generation for environmental health services in order to provide additional financial capacity if funding reduces in the future.</p>
P3	<p>When considering how environmental health services may need to change in the future, the Council should ensure that the distinction between statutory and non-statutory services is clearly documented and understood by decision-makers. This will help ensure that statutory responsibilities and powers are weighed and prioritised appropriately alongside discretionary services.</p>
P4	<p>The Council should introduce greater challenge of the level and quality of environmental health services provided by third parties, including the SRS under the Joint Working Agreement.</p>
P5	<p>The Council should strengthen its “client” / contract management of its environmental health services by:</p>

Ref.	Proposals for improvement
	<ul style="list-style-type: none"> <li>• adopting a more proactive approach to managing the performance of contractors (including the SRS) to enable the Council to hold its partners to account for their performance</li> <li>• reviewing the outsourced Mitie pest control contract, including the historical call out volume data, to seek to establish whether the current flat monthly fee payment structure represents value for money to the Council. This can be subsequently used to inform the contract renegotiation on renewal in 2020.</li> </ul>
P6	The Council should work with SRS to undertake a review of business continuity and succession planning arrangements in relation to the SRS to mitigate the risk of overreliance on key individuals, such as the Head of SRS and operational managers.
P7	The Council should strengthen elected member oversight of its environmental health services, for example through more regular Scrutiny of services provided by third parties including the SRS.
P8	The Council should consider introducing more structured and targeted development and training opportunities for relevant members, which may be beneficial in the event of changes in personnel and in areas experiencing changes in legislation, e.g. air pollution/food safety/ infectious diseases.
P9	The Council should more clearly link any future decisions on changes to service levels to an assessment of impact on relevant stakeholders, including service users and residents. Whether consultation is necessary, and the most appropriate means of consulting should be decided on a case-by-case basis. However, where changes are likely to impact service users, businesses and local residents, they should be aware of and consulted on these decisions.
P10	The Council needs to build on initiatives such as the SRS Noise app, to ensure that future funding reductions can be mitigated by innovation and transformation in service delivery and that environmental health services are able to benefit from new technologies.



# Detailed report

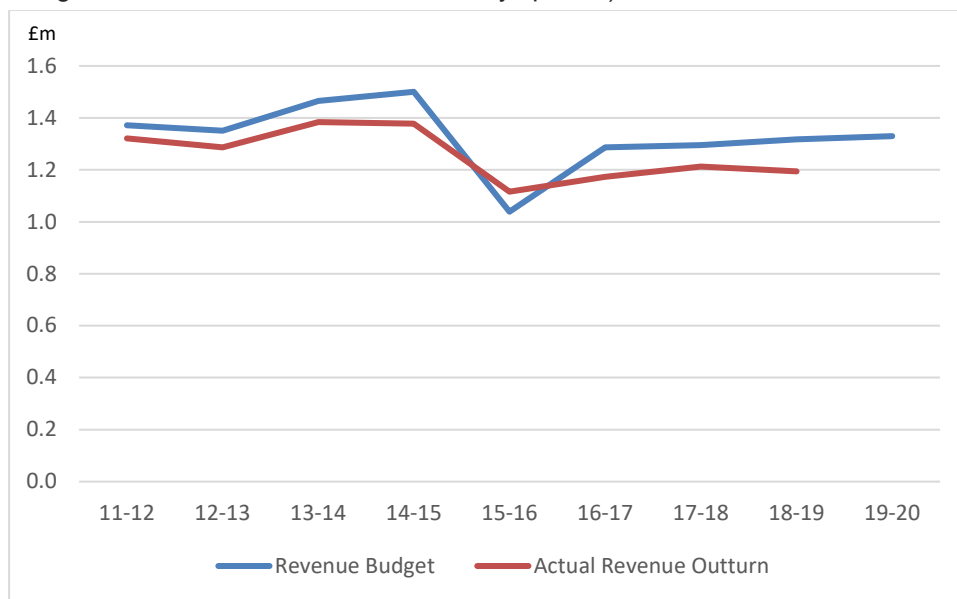
The shared regulatory services (SRS) model is enabling the Council to sustain its delivery of environmental health services in a context of reducing resources and additional responsibilities placed on it by ongoing changes in legislation. There is scope for the Council to strengthen its scrutiny and oversight arrangements of environmental health services and work with SRS and other providers to explore the opportunities for future improvement

Resources available to environmental health services have reduced since 2014-15 but the Council's performance has been maintained by collaborating with two other councils through the SRS

- 14 The delivery of environmental health services through the SRS provides flexibility and resilience. Whilst resources have reduced the SRS has been able to shift resources as priorities change and issues arise. Through the SRS, the Council has been able to continue to deliver some non-statutory environmental health services, food hygiene events to support local businesses.
- 15 The cost of providing the services has reduced from £1.372 million in 2014-15 to £1.000 million in 2018-19 (revenue outturn, combined Bridgend and Bridgend SRS services, as illustrated in [Exhibit 3](#), representing a reduction of 27%).

**Exhibit 3: the net cost of environmental health services, Bridgend and Bridgend SRS combined – revenue Budget compared to outturn from 2011-12 to 2019-20**

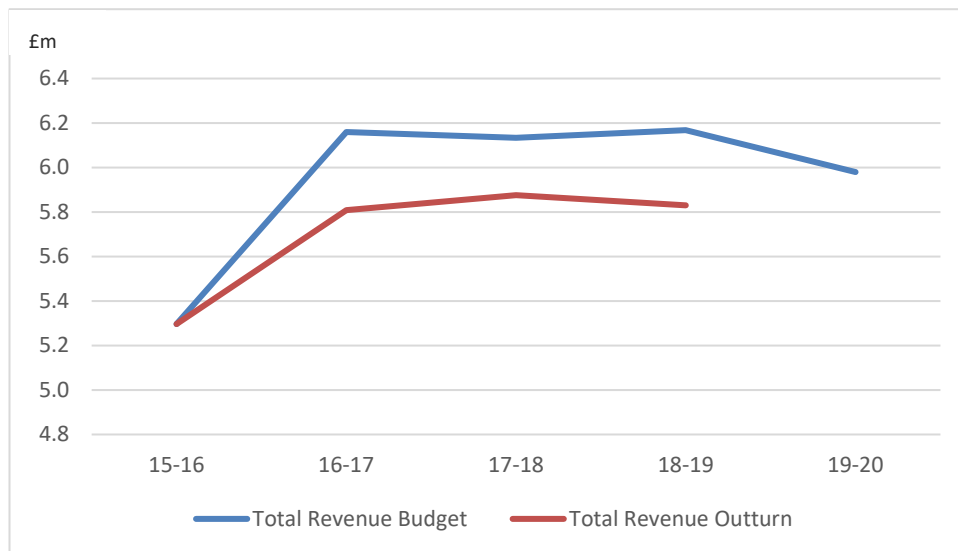
(This includes services that were retained by the Council as well as the cost of Bridgend SRS services, core and authority specific)



Source: Wales Audit Office Delivering with Less – Review of Environmental Health Services 2015, Bridgend County Borough Council and SRS

- 16 The SRS provides the majority of the Council’s environmental health services, except for pest control, and littering and fly-tipping enforcement. **Exhibit 4** below illustrates the cost of the SRS for all three councils, showing a trend in reduction in overall costs since the creation of SRS. As the SRS begun on the 1 May 2015, costs for 2015-16 only reflect 11 months of the year.

Exhibit 4: total cost of SRS, for all three Councils combined (including core and authority specific services)



Source: Bridgend County Borough Council and SRS

- 17 The creation of SRS delivered an immediate and significant saving in comparison to the total of the previous service budgets for the participating organisations. The SRS has agreed to deliver 5% budget reductions on an annual basis from 2018-19 to 2020-21. This represents a core budget reduction of £830,000 (of which £186,000 relates to Bridgend’s contribution). These figures include all SRS services, including those outside the scope of this review, such as trading standards.
- 18 When the SRS was established administrative costs and overheads such as building costs remained with the individual councils. These overheads are not included within the financial information for the SRS (Exhibit 4) but are included within [Exhibit 3](#).
- 19 The SRS achieved an underspend of £496,000 in 2018-19, of which it could retain £200,000. This underspend was achieved due to staff vacancies and restructuring of the service during 2018. The Joint Committee have agreed that this underspend can be retained by the SRS to invest in initiatives to address the current vacancies, rather than being returned to participating councils. This demonstrates that the three councils value the role of the SRS. The remaining underspend will be returned to the Councils based on the agreed funding formula.
- 20 The 2018-19 provisional outturn position for the SRS is illustrated in Exhibit 5 below.

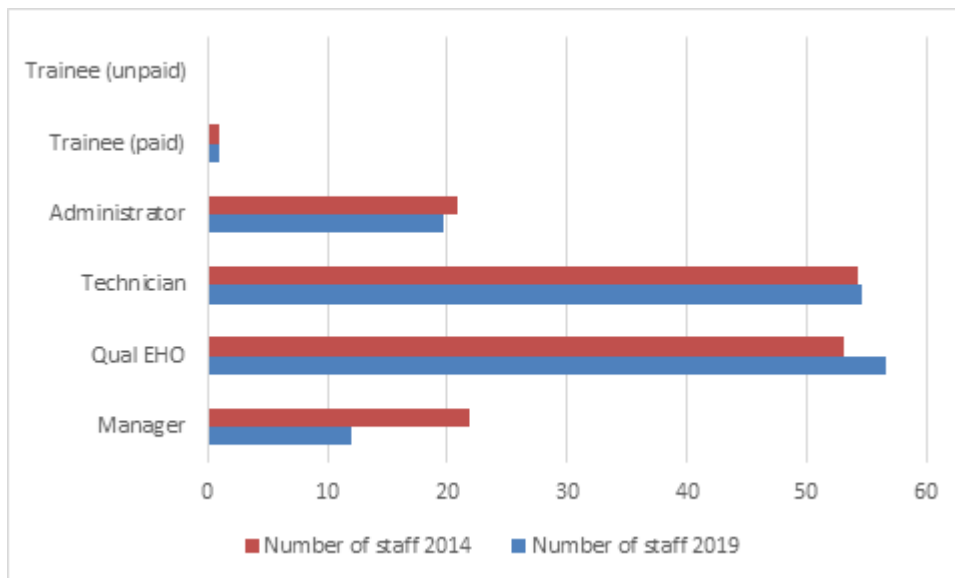
Exhibit 5: 2018-19 provisional outturn position for the SRS

Council	Gross budget £000	Outturn £000	Variance £000
Cardiff	4,978	4,789	189
<b>Bridgend</b>	<b>1,774</b>	<b>1,602</b>	<b>172</b>
Vale	1,752	1,617	135
<b>Total</b>	<b>8,504</b>	<b>8,008</b>	<b>496</b>

Source: Joint Committee papers 11 June 2019. These figures are for all services provided by SRS and includes services outside the scope of this review, such as Trading Standards.

- 21 Staff numbers have reduced from 2014 to 2019. In 2014 the three councils together employed 151.15 FTEs compared to 143.92 FTEs employed by the SRS and the councils combined in 2019. There is a significant reduction in the number of management posts, as the number of qualified officers and technicians has increased. This is illustrated in [Exhibit 6](#).
- 22 The percentage decrease in budget savings is comparatively higher than the percentage decrease in staff numbers. Through undertaking a detailed review of proposed staff cuts the SRS has been able to maintain its service provision whilst significantly reducing costs.

Exhibit 6: staff numbers (full time equivalents) employed by the SRS and the three councils combined (Cardiff, Vale of Glamorgan and Bridgend), 2014 compared to 2019



Source: 2014 figures – Wales Audit Office Delivering with Less – Review of Environmental Health Services. 2019 figures – Bridgend County Borough Council and the SRS.

- 23 Any future service changes should be subject to a transparent and thorough analysis of costs, benefits and impacts in order to anticipate and manage the risks arising. We found some evidence of cost benefit impact analysis being undertaken to enable decision-making in relation to these budget reductions. However, whilst some consideration was given to the impact of staffing restructuring over the period between 2018-2021, it was also acknowledged amongst officers and members that the real impact of this on services and therefore local residents and businesses will be largely unknown until the £498,000 savings removed from the budget in 2019-20 begin to impact.
- 24 The Council is able to demonstrate stable or improving performance over time on the majority of its performance indicators, despite the reduction in resources.
- 25 The SRS reports to the Joint Committee on ten indicators relating specifically to the Council’s services, excluding trading standards. Of these ten, in 2018-19 all indicators bar one (number of high-risk inspections of Category C businesses that were carried out during the year) achieved their target.

**Whilst the Council and SRS are confident that environmental health obligations are being met, neither have explicitly assessed if this is the case. The Council and SRS should work together to distinguish between statutory and non-statutory services to help inform decision making around any future budget reductions**

- 26 The Joint Working Agreement commits the SRS to providing legally mandated statutory requirements as well as discretionary non-statutory services. The Joint Working Agreement sets out the activities to be undertaken for each service area but does not identify those which are statutory.
- 27 The officers interviewed were generally able to articulate statutory and non-statutory service requirements in relation to their areas of responsibility within environmental health services.
- 28 It is acknowledged amongst officers and members interviewed that the Council may not be able to maintain the same range of non-statutory service provision in the future when faced with further financial pressures.
- 29 Neither the SRS nor the Council has assessed whether the Best Practice Standards are being met, although local performance targets have been set.
- 30 The Council adopts an outcomes-based approach to service delivery, and has elected to maintain priority non-statutory services to assist in delivering wider corporate and public health objectives.
- 31 However, we note that the Council has not undertaken a review to assess the extent to which it is meeting statutory environmental health obligations, and SRS performance reports do not distinguish between statutory and discretionary services.
- 32 Clearly defining statutory services, as well as the baseline/upper acceptable standards of performance, would support officers and members in their decision-making around any future changes to services, and provide members with additional assurance that the Council is continuing to balance statutory requirements against strategic priorities relating to non-statutory services.

## Governance and performance management frameworks are robust but arrangements for review and challenge of performance information could be formalised

- 33 Overall, there is a robust quarterly performance monitoring and management system in place for the SRS, with scrutiny and challenge provided through the Management Board and the Joint Committee.
- 34 The SRS Business Plan sets out the vision and priorities for the service, how these contribute to the seven well-being goals and each Council's corporate priorities and outcomes.
- 35 SRS Environmental Health objectives are aligned to the Council's overall strategic objectives and officers interviewed could articulate how the environmental health service contributes to achieving these. Officers and members interviewed represented that to date there have been no instances of conflicting interests between the Council and the SRS/other council members.
- 36 The Joint Committee has delegated authority for decisions relating to the SRS and monitors the performance of the SRS, avoiding duplication whilst enabling political representation and transparency. Council meetings at Bridgend are recorded, including reports delivered by SRS officers, and recordings are available on the Council's website.
- 37 The Management Board and the Joint Committee receive quarterly and annual performance reports, which is a requirement under the Joint Working Agreement. These reports focus on key performance indicators, supplemented by qualitative information, such as public complaints or client surveys. The performance reports cover individual Council performance, as well as SRS as a whole, and provide trend analysis for up to four preceding years. We consider the reports to be comprehensive and the breadth and coverage of data sufficient to enable informed internal decision-making.
- 38 Management information is used to provide a holistic view of the level and quality of service delivery. Where possible, performance against internal targets is also compared against a set of national benchmarks.
- 39 The SRS has been able to maintain or improve performance in the majority of areas. Where performance is shown to have deteriorated, the reasons behind this and corrective action are clearly stated.
- 40 Outside of the quarterly performance review cycle, monthly meetings take place between the Head of SRS, Operational Managers and individual Council officers and members. Particular operational and performance issues are often discussed informally at these meetings.
- 41 For those services provided directly by the Council such as pest control and dog kennelling, performance is monitored by the head of service and reported to the

relevant Director. Any key performance issues are addressed through the corporate performance system, although we did not identify any such issues relating to these services during our review.

- 42 Officers and members feel that the arrangements described above are effective. However, we note that current arrangements for review and challenge of performance information are relatively informal and rely on positive working relationships between SRS and Council officers and members. Whilst this approach works well at the moment, there is a risk that it might not be resilient in the event of unforeseen circumstances such as a significant service failure or a change in the key personnel involved.

## The Council should improve independent challenge, member oversight and scrutiny in relation to environmental health services provided by the Council, the SRS and other providers

- 43 From the Council's perspective, scrutiny of environmental health issues is within the remit of three Subject Overview and Scrutiny Committees, as well as the Corporate Overview Scrutiny Committee. In the past year the Overview and Scrutiny Committee 2 discuss the performance of empty properties as part of the forward work programme update. These committees scrutinise environmental health issues when requested by members but do consider them routinely on an ongoing basis. The Council's scrutiny committees have not, for example, reviewed the SRS Annual Report or Business Plan. We found no evidence that the Council has effectively assessed the performance of the SRS in the context of these documents.
- 44 The Council is in the process of implementing a development strategy to help scrutiny chairs and members to enhance their level of challenge and address any existing skills gaps. This training will include an explanation of the Joint Working Agreement of the SRS.
- 45 At the moment, the Head of SRS and operational managers meet with scrutiny chairs and committee members informally and on an ad-hoc basis. Councillors and members interviewed felt this was a positive, two-way relationship.
- 46 The Council relies on the SRS Management Board and the SRS Joint Committee to monitor performance and escalate by exception, without systematic independent scrutiny. As a result, we do not consider that there is effective independent scrutiny in place by a designated scrutiny committee.
- 47 Review and challenge of SRS performance information is currently performed by individuals heavily involved in the service and in preparation of the performance information itself, creating a separation of duty/self-interest risk.
- 48 Outside the SRS, the Council has sought to adopt new delivery models to improve cost-effectiveness, for example, through outsourcing of pest control to a third-party



supplier. These arrangements should be subject to regular review and challenge to ensure that contracted services continue to deliver optimal value to the Council.

- 49 We note that Mitie (third party pest control contract partner) are paid on a flat fee basis regardless of the volume of callouts received in month which may mean the Council are not achieving the best value for money from the contract.
- 50 It would be beneficial for the Council to introduce more formal and independent oversight of the SRS Joint Working Agreement, as well as the outsourced pest control contract with Mitie. This should be independent of SRS / Mitie and undertaken by officers not involved in delivering the services concerned in order to ensure objectivity.
- 51 Public Accountability Metrics (PAMs) related to Environmental Health service provision are reported on a quarterly basis to the Corporate Overview and Scrutiny Committee. Outside of reporting of statutory PAMs, we have observed no evidence of SRS performance being scrutinised by any of the Council's scrutiny committees.
- 52 The Council should consider introducing more structured and targeted development and training for relevant members, as this may be beneficial to get new members familiar with the service and areas experiencing changes in legislation, e.g. pollution/food safety/infectious diseases.
- 53 Internal audit offers a further source of independent assurance to the member councils. We recognise that a review was undertaken by the Bridgend and Vale of Glamorgan Shared Internal Audit Service in 2019-20, dated June 2019. The review considered the SRS Governance and Financial Controls and provided substantial assurance.
- 54 Outside the SRS, the Council has sought to adopt new delivery models to improve cost-effectiveness, for example, through outsourcing of pest control to a third-party supplier. These arrangements should be subject to regular review and challenge to ensure that contracted services continue to deliver optimal value to the Council.
- 55 For example, we note that Mitie (third party pest control contract partner) are paid on a flat fee basis regardless of the volume of callouts received in month which may mean the Council are not achieving the best value for money from the contract.

**The Council has consulted key external stakeholders on significant changes to environmental health services, but should more carefully consider the impact of future changes on residents and businesses and undertake direct consultation where appropriate**

- 56 In our 2014 national report on environmental health services report, we recommended that councils improve engagement with local residents over planned

budget cuts and changes in services (see [Appendix 1](#)). In order to make an informed decision, officers and members need to understand the impact of any changes on all stakeholders. For environmental health services a range of stakeholder could be affected, both external, such as businesses, local residents and other agencies and internal, staff and trade unions.

- 57 The Council undertook extensive consultation in 2013-14 prior to the SRS being established. This included staff, trade unions, elected members and other stakeholders such as the Food Standards Agency. An equality impact assessment was also undertaken. Similarly, staff and trades unions were consulted about the staff reductions in the SRS in 2018.
- 58 Given that broadly the same range of services has been provided since 2015, public consultation since the inception of SRS has not been undertaken. We are aware that the Council recently sought local residents' input into an Empty Homes Strategy via its website.
- 59 We acknowledge that the SRS has chosen not to undertake public consultation for administrative changes where frontline delivery of services is not expected to be affected.
- 60 The SRS has established its own brand and website and provides a wide range of information. The website enables local residents to access services, report food hygiene issues as well as access key documents such as the SRS business plan. However, it does not currently invite comments and feedback from the public or businesses.
- 61 The SRS makes active use of social media to inform a range of stakeholders and on a monthly basis reviews any information and feedback received in response through social media channels. This feedback is taken into account in operational management discussions.
- 62 As resources become more constrained, the Council may have to make decisions on how services will be delivered which may impact local residents. Local residents should be aware of and consulted on these decisions.

## **The Council and the SRS must continue to innovate and transform services in order to help mitigate any future funding reductions**

- 63 Due to the initial budget reductions achieved through inception of the SRS, as well as ongoing staffing cuts, the Council is yet to explore further possibilities of commercialisation through the environmental health services. For example, other authorities have looked to introduce means-based charges for non-statutory services or set up trading companies to make use of council assets and generate revenue. This is something that it may be helpful to consider in the near future, as resources become more stretched.

- 64 The continued need to make savings means that the SRS needs to continue to look for innovative and new ways of providing services and consider the future shape of services.
- 65 Potential areas for future innovation and opportunities to increase income could include:
- new commercial and collaborative delivery models for services or for SRS as a whole;
  - use of data to predict service need and target responses rather than maintain universal service provision; and
  - further strategic support and integration with the Councils' wider service agendas including public health, community safety, health and social care, planning and economic growth.
- 66 The SRS has begun to look at digital initiatives and is trialling a Noise app to report issues, however this work is at an early stage and is not yet having a material impact on service costs or quality.

# Appendix 1

## Auditor General's recommendations – Delivering with less – the impact on environmental health services and citizens, October 2014

As part of his 'delivering with less' series of Local Government Improvement Studies, the Auditor General published his report – Delivering with less – the impact on environmental health services and citizens, in October 2014. The report contained six recommendations that are set out below:

### Exhibit 1: Auditor General's recommendations

Recommendation	Responsible Partners
<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"><li>• align the work of environmental health with national strategic priorities;</li><li>• identify the wider contribution of environmental health in delivering the strategic priorities of the Welsh Government; and</li><li>• identify the benefit and impact of environmental health services on protecting citizens.</li></ul>	Councils, Chartered Institute of Environmental Health Cymru
<p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p>	Councils, Welsh Local Government Association
<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"><li>• consulting with residents on planned changes in services;</li><li>• using the findings to shape decisions;</li><li>• outlining which services are to be cut and how these cuts will impact on residents; and</li><li>• setting out plans for increasing charges or changing standards of service.</li></ul>	Councils, Welsh Local Government Association

Recommendation	Responsible Partners
<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> <li>• identifying the statutory and non-statutory duties of council environmental health services;</li> <li>• agreeing environmental health priorities for the future and the role of councils in delivering these;</li> <li>• determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens;</li> <li>• improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> <li>– collaborating and/or integrating with others to reduce cost and/or improve quality;</li> <li>– outsourcing where services can be delivered more cost effectively to agreed standards;</li> <li>– introducing and/or increasing charges and focusing on income-generation activity;</li> <li>– using grants strategically to maximise impact and return; and</li> <li>– reducing activities to focus on core statutory and strategic priorities.</li> </ul> </li> </ul>	<p>Councils, Welsh Local Government Association, Welsh Government</p>

Recommendation	Responsible Partners
<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> <li>• identifying, collecting and analysing financial, performance and demand/need data on environmental health services;</li> <li>• analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and</li> <li>• agree how digital information can be used to plan and develop environmental health services in the future.</li> </ul>	<p>Councils</p>
<p>R6 Clearly set out the expectations of council environmental health services under new housing and health legislation and agree how these new duties will be delivered.</p>	<p>Welsh Government, Welsh Local Government Association</p>

# Appendix 2

## Council's progress in addressing the Auditor General's recommendations

A summary of the Council's progress in addressing the Auditor General's recommendations 2-5 in, **Delivering with less: The impact on environmental health services and citizens** (October 2014).

### Exhibit 2: Council's progress in addressing the Auditor General's recommendations

Recommendation	Council's progress in addressing recommendation
R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.	<p>The Council is currently in the process of implementing a Development Strategy to enable scrutiny chairs and members to effectively discharge their responsibilities and address existing skills gaps. The programme is split into Essentials/Core/Needs-based training and covers, amongst others, a detailed review of the SRS Joint Working Agreement for all new scrutiny members. Scrutiny chairs and committee members interviewed represented that they consider the ad hoc support provided by the Head of SRS and Operational Managers to be sufficient to effectively discharge their duties. This is, in part, attributable to stable membership of the Committees in recent years.</p> <p>We note, however, that there is no tailored training programme for environmental health. It is anticipated that this will form part of Needs-based training programme for members involved in scrutinising performance of Environmental Health services.</p>

Recommendation	Council's progress in addressing recommendation
<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> <li>• consulting with residents on planned changes in services and</li> <li>• using the findings to shape decisions;</li> <li>• outlining which services are to be cut and how these cuts will impact on residents; and</li> <li>• setting out plans for increasing charges or changing standards of service.</li> </ul>	<p>The Council undertook extensive consultation in 2013-14 prior to the SRS being established. This included staff, trade unions, elected members and other stakeholders such as the food agency. An equality impact assessment was also undertaken.</p> <p>Further changes and budget reductions to the SRS have taken place in 2018-19 and 2019-20, which included reduction in staff numbers.</p> <p>Consultation has been undertaken and included staff and the trade unions. However, the consultation processes for both these changes did not include local residents and service users.</p> <p>The Council recently sought local residents' input into an Empty Homes Strategy via its website.</p> <p>We acknowledge that the SRS has chosen not to undertake public consultation where frontline delivery of services is not expected to be affected but would recommend that the likely impact on the full range of stakeholders should be considered and documented.</p> <p>We recognise that it may not be appropriate to consult residents and service users for all changes, but that the rationale for this decision should be documented and the likely impact considered.</p>



Recommendation	Council's progress in addressing recommendation
<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> <li>• identifying the statutory and non-statutory duties of council environmental health services.</li> <li>• agreeing environmental health priorities for the future and the role of councils in delivering these.</li> <li>• determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens.</li> <li>• Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> <li>– collaborating and/or integrating with others to reduce cost and/or improve quality;</li> <li>– outsourcing where services can be delivered more cost effectively to agreed standards;</li> <li>– introducing and/or increasing charges and focusing on income-generation activity;</li> <li>– using grants strategically to maximise impact and return; and</li> <li>– reducing activities to focus on core statutory and strategic priorities.</li> </ul> </li> </ul>	<p>The Council has improved efficiency and value for money. It has maintained performance through collaboration with others and the introduction of the SRS. Through working in partnership with the Vale of Glamorgan and Cardiff Councils it can deliver its services in a more flexible and sustainable way and has not had to restrict its service provision, although it does look to deliver things in new and innovative ways.</p> <p>The SRS provides legally mandated statutory requirements as well as optional non-statutory services. The Joint Working Agreement sets out the functions for each service area and lists the tasks but does not identify those which are statutory.</p> <p>When considering how environmental health services may need to change in the future, the Council should ensure that the distinction between statutory and non-statutory services is clearly documented and understood by decision-makers. This will help to ensure that statutory responsibilities and powers are weighed and prioritised appropriately alongside discretionary services.</p> <p>Although the Council outsource its pest control contract to Mitie, it is our understanding that the Council is charged a flat fee regardless of the volume of monthly call outs. This may not represent the best value for money for the Council. We therefore recommend that any third-party contracts are managed and negotiated using a data driven approach to ensure the service is delivered cost effectively and to appropriate standards.</p>

Recommendation	Council's progress in addressing recommendation
<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> <li>• identifying, collecting and analysing financial, performance and demand/need data on environmental health services;</li> <li>• analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and</li> <li>• agree how digital information can be used to plan and develop environmental health services in the future.</li> </ul>	<p>The SRS Business Plan sets out the vision and priorities for the services, how these contribute to the seven well-being goals and each Council's corporate priorities and outcomes.</p> <p>Environmental health objectives are aligned to the Council's overall strategic objectives and officers interviewed could articulate how environmental health services contribute to achieving these. Financial and performance data is reviewed on a quarterly basis and we have observed evidence of appropriate scrutiny and challenge. Some digital initiatives are being trialled to improve future delivery of services.</p> <p>We found some evidence of cost-benefit-impact analysis being undertaken to enable decision-making in relation to budget reductions. However, whilst some consideration was given to the impact of staffing restructuring over the period between 2018-2021, it was also acknowledged amongst officers and members that the real impact of this on services and therefore local residents and businesses will be largely unknown until the £498,000 savings removed from the budget in 2019/20 begin to impact. Any future service changes should be subject to a transparent and thorough costs, benefits and impact in order to anticipate and manage the risks arising.</p>



Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: [post@archwilio.cymru](mailto:post@archwilio.cymru)

Gwefan: [www.archwilio.cymru](http://www.archwilio.cymru)