



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Delivering with Less – Environmental Health Services – Follow-up Review – **Powys County Council**

Audit year: 2018-19

Date issued: February 2020

Document reference: 1724A2020-21



This document has been prepared for the internal use of Powys County 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.

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.

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

Contents

Summary report	4
Detailed report	
To date, the Council has been able to reduce expenditure on environmental health services whilst maintaining its performance. To achieve likely further savings, the Council will need to be innovative in transforming environmental health services at pace to maximise their resilience over the medium term	7
The Council's resources to deliver its environmental health services have reduced since 2014-15, with further reductions expected in future years	7
The Council has made changes to its environmental health services to deliver savings, but needs to be more transformational to meet future required savings and consider the impact of future changes on service users	9
The Council has arrangements to monitor its environmental health performance, which it has broadly maintained whilst resources have reduced, but there is scope to strengthen oversight and scrutiny of its environmental health services	10
Appendices	
Appendix 1 – Auditor General's recommendations – Delivering with less – the impact on environmental health services and citizens, October 2014	12
Appendix 2 – Council's progress in addressing the Auditor General's recommendations	15

Summary report

Summary

What we reviewed and why

- 1 In October 2014, the Auditor General published [Delivering with less – the impact on environmental health services and citizens](#) (see [Appendix 1](#) for the recommendations from that report). Our 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 the Cabinet member, whose remit includes the Council's environmental health arrangements. We also reviewed relevant documentation.
- 5 We undertook the review during the period August to September 2019.

Background

- 6 Powys is a rural county and service provision must cover a large geographical area. Most of the Powys population lives in villages and small towns. The largest towns are Newtown, Ystradgynlais and Brecon.
- 7 The environmental health service is organised into two areas which deliver the following services:

Exhibit 1: Powys County Council environmental health services

Commercial Environmental Health Services	Protection Environmental Health Services
Licensing	Statutory nuisances such as noise
Food safety	Air quality and Local Air Pollution Prevention and Control (LAPPC) permitting
Infectious Disease Control	Risk assessments and monitoring of private water supplies
Health and Safety	Dog control

Commercial Environmental Health Services	Protection Environmental Health Services
Drainage	Fly tipping
	Contaminated land

- 8 Both areas may have additional responsibilities which are outside the scope of this review, such as public health funerals.

What we found

- 9 Our review sought to answer the question: Is the Council's environmental health service continuing to deliver its statutory obligations given the financial challenges?
- 10 Overall, we found that to date, the Council has been able to reduce expenditure on environmental health services whilst maintaining its performance. To achieve likely further savings, the Council will need to be innovative in transforming environmental health services at pace to maximise their resilience over the medium term.
- 11 We reached this conclusion because:
- The Council's resources to deliver its environmental health services have reduced since 2014-15, with further reductions expected in future years.
 - The Council has made changes to its environmental health services to deliver savings, but needs to be more transformational to meet future required savings and consider the impact of future changes on service users.
 - The Council has arrangements to monitor its environmental health performance, which it has broadly maintained whilst resources have reduced, but there is scope to strengthen oversight and scrutiny of its environmental health services.

Proposals for improvement

Exhibit 2: proposals for improvement

The table below sets out the proposals for improvement that we have identified following this review.

Proposals for improvement	
P1	The Council needs to ensure that it involves stakeholders in key service changes where relevant and considers the impact changes may have on service users.
P2	The Council should consider how it can strengthen its scrutiny and oversight of its environmental health services.

Proposals for improvement

P3	The Council needs to urgently consider how it is going to reshape and transform its environmental health services to meet future savings requirements and improve resilience to deliver its statutory duties.
P4	The Council should consider introducing more structured and targeted development and training opportunities for relevant members, for example on changes in environmental health legislation.

Detailed report

To date, the Council has been able to reduce expenditure on environmental health services whilst maintaining its performance. To achieve likely further savings, the Council will need to be innovative in transforming environmental health services at pace to maximise their resilience over the medium term

The Council's resources to deliver its environmental health services have reduced since 2014-15, with further reductions expected in future years

12 In reaching this conclusion we found that:

- The budgets for environmental health services have reduced from £1.6million in 2013-14 to £1.37million in 2019-20. This is a reduction of 15%, which is comparable with other councils at which we did this follow-up review, which saw reductions ranging from 2 to 21% over the same period ([Exhibit 3](#) below).
- Overall staff numbers in the service have reduced from over the past four years. In 2014, the Council employed 45.7FTEs (full time equivalents), compared to 34.63FTEs employed currently – overall reduction of 11 (figures rounded to the nearest FTE). This change is a result of a reduction of 11.15FTE technicians, whereas the number of qualified staff has increased by 3.29FTE. (See [Exhibit 4](#) below).
- The public protection service (which includes environmental health services) will be required to deliver significant further savings in the next two years. In 2020-21 savings of £161,000 will be delivered through a re-structure of the Planning, Property and Public Protection management team. In 2021-22 savings of £700,000 are required in Planning, Property and Public Protection, of which £600,000 relates to Public Protection (£400,000 environmental health services) and have yet to be identified.
- The Council has been in receipt of a range of grants such as:
 - Food Safety Management (FSM) grant from 2014 to 2017. The Council did not apply for the grant in 2018-19 as the Council considered that the rate of funding is no longer sufficient to cover the cost of officer time.
 - Welsh Government grant funding for Food Hygiene Rating work.
 - Brexit funds from the Food Standards Agency (FSA).

- Funding from the FSA to deliver consistency training events for all councils' environmental health services across Wales.

Exhibit 3: cost of Environmental Health Services

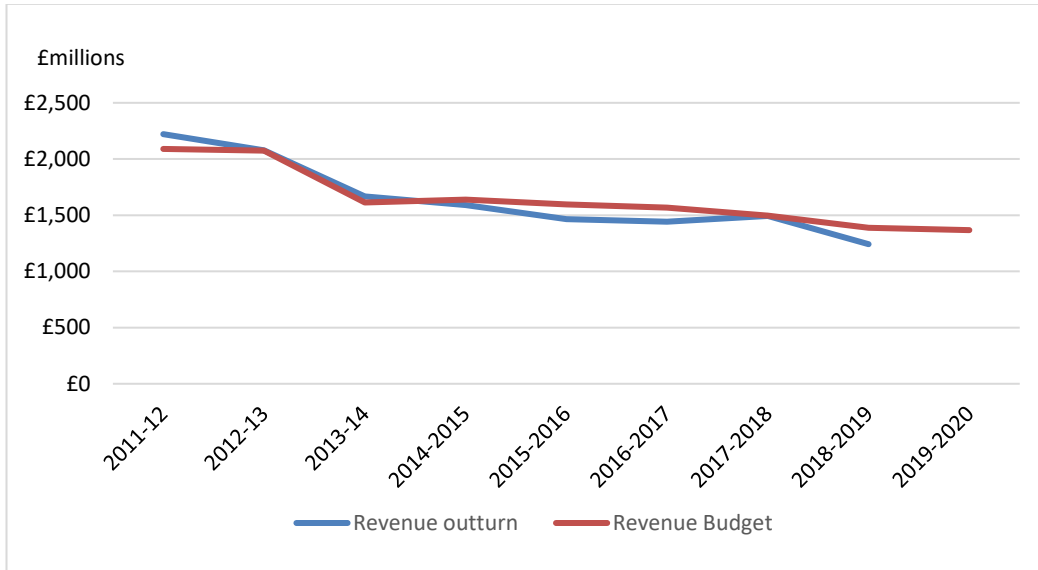


Exhibit 3 excludes income and costs relating to private water supplies.

Exhibit 4: number of staff (by grade) employed by the Council in 2019 compared to 2014

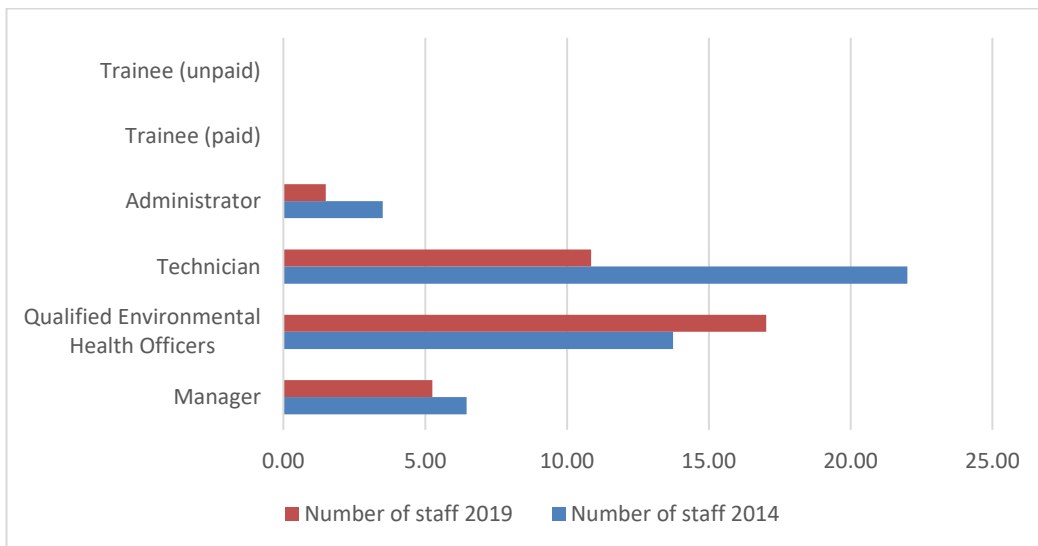


Exhibit 4 does not include all administrative staff, as these staff members were centralised and not included in the 2014 baseline figures. In 2019 the environmental health service has a total of 8.28FTE administrative staff. The Council could not provide the figure for 2014.

The Council has made changes to its environmental health services to deliver savings, but needs to be more transformational to meet future required savings and consider the impact of future changes on service users

- 13 The Council's environmental health service has reduced its budget to date by:
 - Reducing staff and reviewing structures
 - Stopping a discretionary service (pest control) in 2014
 - Outsourcing the dog warden service in 2011. The Council has a contract with two private contractors, to whom they pay a retainer and an agreed fee for collection of stray dogs. Performance of these contractors is assessed annually through meetings with each contractor
 - Increasing fees and charges. In 2016, the Council took the decision to introduce charging for its food hygiene advice. The decision was delegated to the Portfolio Lead. In March 2019, the Council agreed to increase a range of discretionary fees and charges for the environmental health service and increased the number of risk assessments undertaken for private water supplies, which helped to generate additional income
 - Introduction of charging for food hygiene advice in May 2016.
- 14 The changes to services listed above were consulted upon within the Council's corporate budget setting process.
- 15 We identified two further examples of service changes where direct consultation took place outside the budget-setting process:
 - Local toilet strategy – the Council completed a pre-strategy data gathering exercise and full public consultation on the draft strategy.
 - Consultation on changes to the HMO licensing scheme.
- 16 We identified one further change to environmental health services for which consultation was not undertaken, specifically undertaking more risk assessments of private water supplies to meet statutory targets. An impact assessment was completed, but the reason why consultation was not considered necessary was not stated on the impact assessment as the form required.
- 17 Looking ahead, the environmental health service anticipates that significant savings are expected in 2021-22. It is beginning to consider how these might impact on the delivery of its statutory and non-statutory services.
- 18 The environmental health service business plans set out at a high level the statutory and non-statutory functions of the service. Officers recognise that a more detailed analysis of these is required and have begun work on this. The aim of this more detailed exercise is to support business planning and to facilitate any future decisions required relating to budget reductions.

- 19 The Council has previously undertaken a similar exercise. As a result, it stopped providing pest control services in October 2014 and outsourced its dog control service in 2011.
- 20 The Council has introduced a noise app to improve the ability for the public to report concerns about noise. The noise app has enabled the Council to prioritise noise complaints and inform the location of noise measuring equipment. The Council is also in the process of introducing a new IT solution for the environmental health service. The Council anticipates that the new IT system will enable more agile working and delivery of savings and efficiencies in the future.
- 21 However, the continued need to make savings means that the Council must continue to look for more innovative and efficient ways of providing its environmental health services. Whilst we found that key decisions about service changes have been informed by impact assessments that consider costs, benefits and impacts, the Council must continue to carefully consider the impact service changes have on its service users and engage as necessary.
- 22 Potential areas for future innovation and opportunities to reduce costs and increase income could include:
- Collaborative delivery models for services with other councils, recognising that the geography of Powys makes this a less straightforward proposition than for some other councils.
 - Use of data to predict service need and target responses rather than maintain universal service provision.
 - Greater use of technology and digital solutions to minimise the costs of servicing a large rural area.
 - Further strategic support and integration with the Councils' wider service agendas including public health, community safety, health and social care, planning and economic growth.

The Council has arrangements to monitor its environmental health performance, which it has broadly maintained whilst resources have reduced, but there is scope to strengthen oversight and scrutiny of its environmental health services

- 23 The environmental health service is part of the Public Protection service, which falls within the remit of the Economy and Environment Directorate. The Environmental Health priorities are detailed in the Property, Planning and Public Protection business plan and in the service delivery plans of two environmental health service functions; commercial and environmental protection. Each service is required to identify five key performance indicators, two of which feature in the environmental health service plans.
- 24 Performance is monitored quarterly and is reported to the Head of Service, Senior Leadership Team, Corporate Director and Portfolio Holder. The quarterly

performance information for the Public Protection service (including Environmental Health) includes top 20 key performance indicators (KPIs), top five KPIs and corporate improvement activity. The performance reports include both qualitative and quantitative information. The information is comprehensive and clearly sets out what action is required to address under performance.

- 25 The Council has broadly maintained its performance against the two environmental health Public Accountability Measures (PAMs)¹:
- PAM013 – the percentage of vacant properties brought back in use. The Council achieved 1.4% in 2017-18 and 1.6% in 2018-19. This was below the Wales average of 5.2% in 2017-18 and 4.6% in 2018-19. The Council was ranked 15th out of 22 councils in 2018-19.
 - PAM023 – Food establishments meeting hygiene standards. The Council has maintained its performance at about 96% (96.01% in 2016-17, 95.88% in 2017-18 and 95.3% in 2018-19. This has been broadly in line with the Welsh average, which was 95.89% in 2018-19. The Council was ranked 12th of out 22 councils in 2018-19.
- 26 The Practice Standards for Environmental Health were created in 2004 by the Chartered Institute of Environmental Health and updated in 2017. They provide standards of performance against which councils are encouraged to self-assess their own services. The Council reviewed its performance in line with the Practice Standards ahead of our audit but does not self-assess against the Practice Standards on a regular basis. The Council's self-assessment identified that services are compliant in the majority of areas, apart from testing of private water supplies. This is because, although the service is meeting all legal requirements for private water supplies, it is not meeting standards in those areas relating to liaison with water companies.
- 27 The portfolio lead member has monthly meetings with the Head of Service and the officers. These meetings enable the portfolio lead to have regular oversight of the environmental health service and to provide challenge as required.
- 28 The Council introduced a new scrutiny committee structure in January 2019. The Economy, Residents, Communities and Governance Scrutiny Committee is responsible for scrutinising the environmental health service.
- 29 Apart from the recent toilet strategy, we saw no evidence of scrutiny of environmental health services, or any rationale for these services not requiring scrutiny.
- 30 Members have received training on the Council's new scrutiny structure and in 2018 general training on scrutiny roles and responsibilities. No detailed training or briefings have been provided on environmental health issues since 2016, when members received training on the registration and licensing scheme for private landlords.

¹ Source: Data Cymru

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 5: Auditor General's recommendations

Recommendation	Responsible Partners
<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none">align the work of environmental health with national strategic priorities;identify the wider contribution of environmental health in delivering the strategic priorities of the Welsh Government; andidentify the benefit and impact of environmental health services on protecting citizens.	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">consulting with residents on planned changes in services;using the findings to shape decisions;outlining which services are to be cut and how these cuts will impact on residents; andsetting out plans for increasing charges or changing standards of service.	Councils, Welsh Local Government Association

Recommendation	Responsible Partners
<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • identifying the statutory and non-statutory duties of council environmental health services; • agreeing environmental health priorities for the future and the role of councils in delivering these; • determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens; • improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities. 	<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"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • 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 • agree how digital information can be used to plan and develop environmental health services in the future. 	<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, **Delivering with less: The impact on environmental health services and citizens** (October 2014).

Exhibit 6: Council's progress in addressing the Auditor General's recommendations

Recommendation	Council's progress in addressing recommendation
<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>	<p>The Council provided training to members on their roles and responsibilities in 2018. A member briefing was provided in 2016 on Rent Smart Wales.</p> <p>No detailed training specific to environmental health services has been provided in recent years.</p>
<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> • consulting with residents on planned changes in services and using the findings to shape decisions; • outlining which services are to be cut and how these cuts will impact on residents; and • setting out plans for increasing charges or changing standards of service. 	<p>Budget reductions for the service have been broadly consulted on as part of the Council wide budget proposals. In 2014-15 this included the possibility of charging for food hygiene advice. In recent years there have been no significant changes that Officers considered required public consultation through this process.</p> <p>Public consultation has been undertaken for the following:</p> <p>Local toilet strategy – the Council completed a pre-strategy data gathering exercise and full public consultation on the draft strategy.</p> <p>Consultation on changes to the HMO licensing scheme.</p> <p>The Council did not consult on the increase of risk assessments for testing private water supplies, although an impact assessment was completed, but this did not explain why consultation wasn't considered necessary as required by the form.</p>

Recommendation	Council's progress in addressing recommendation
<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • identifying the statutory and non-statutory duties of council environmental health services. • agreeing environmental health priorities for the future and the role of councils in delivering these. • determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens. • Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities. 	<p>The Council has broadly maintained performance whilst resources have reduced.</p> <p>The environmental health service business plans set out the statutory and non-statutory functions of the service. Officers have begun to review and develop a more detailed breakdown of these functions to identify their statutory duties and powers. The aim of this exercise is to support their integrated business plan and to facilitate any future decisions required relating to budget reductions.</p> <p>The Council has considered its discretionary services and how it provides certain services. As a result, the Council stopped providing pest control services in October 2014 and outsourced its dog control service in 2011.</p> <p>The objectives and priorities for the service are set out within its two business plans. Performance is assessed in line with the Practice Standards, but the service does not routinely complete this check on an annual basis.</p> <p>The Officers of the service attend national and regional expert panels and meetings. Also, to both improve quality and generate income, the Council delivers consistency training on an All Wales basis in relation to the FHRS on behalf of the FSA.</p> <p>The Dog warden service was outsourced in 2011. The service is provided by two contractors, one for the north and the other covering the south.</p> <p>The Council charge for discretionary services and review their charges on an annual basis.</p> <p>To date, the environmental health service has not had to reduce statutory activities but is in the process of reviewing its statutory and non-statutory functions to support future funding reduction decisions.</p>

Recommendation	Council's progress in addressing recommendation
<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • 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 • agree how digital information can be used to plan and develop environmental health services in the future. 	<p>The environmental health priorities are set out in the Property, Planning & Public Protection plan and in the two service specific business plans Environmental Health Commercial and Environmental Protection Services. Environmental health service objectives are aligned to the Council's Vision 2025 and the Welsh Government Wellbeing objectives.</p> <p>Financial and performance data is monitored regularly by the Portfolio Lead, Head of Service and the Operational Managers.</p> <p>Key decisions have been informed by impact assessments that consider costs, benefits and impacts. Use of business intelligence is currently limited. The Council has invested in a new IT solution for environmental health services to enable this.</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

Website: 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

Gwefan: www.archwilio.cymru