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Environmental Health follow-up review – **Caerphilly County Borough Council**

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The team who delivered the work comprised Ginette Beal and Lidia Vorontsova of Grant Thornton LLP under the direction of Non Jenkins and Sara-Jane Byrne.

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Summary report

Summary

What we reviewed and why

- 1 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.
- 2 In this report, the Auditor General also drew attention to recent and forthcoming legislation, and the concerns of councils that they would be unable to deliver the commitments contained within it. Many of the legislative proposals referred to in the Auditor General's 2014 report have subsequently been implemented including: The Housing Act (Wales) 2014, the Renting Homes (Wales) Act 2016. The Public Health (Wales) Act was also passed in 2017.
- 3 The Auditor General also published local reports for each council as part of the 2014 study.
- 4 In a letter to local authority chief executives on 11 January 2018, the Auditor General set out his intention to undertake some thematic work more closely aligned to his programme of Local Government Studies. The purpose of aligning thematic work more closely to the Local Government Studies programme is to make the most effective use of audit resources in discharging the Auditor General's duties whilst ensuring that issues, themes and learning identified in Local Government Study reports are 'followed up' and explored with councils locally in subsequent years.
- 5 This review 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 focussed on the Council's progress in addressing recommendations 2, 3, 4, and 5 of the national report.
- 6 The report contained six recommendations that are set out in [Exhibit 1](#) below.

Exhibit 1 – recommendations made in the 2014 national report, Delivering with less – the impact on environmental health services and citizens

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; and • identify the benefit and impact of environmental health services on protecting citizens. 	<p>Councils, Chartered Institute of Environmental Health Cymru</p>
<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>Councils, Welsh Local Government Association</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; • 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>Councils, Welsh Local Government Association</p>

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. 	Councils
<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>	Welsh Government, Welsh Local Government Association

7 We undertook this review during the period July 2019 to October 2019.

What we found

8 Our review sought to answer the question: **Has the Council acted upon the recommendations in the Auditor General's Environmental Health – Delivering with Less report published in October 2014?**

9 Overall we found that: The Council has acted upon recommendations raised in 2014. The Council should use its strong financial position to explore more innovative ways in which it can ensure long-term financial and operational sustainability of environmental health services, whilst contributing to the Council's wider strategic objectives. We reached this conclusion because:

- environmental health services are routinely considered within the Council's Scrutiny arrangements. Members are provided with training and support to enable effective challenge
- to date, there have been few cuts or changes to the environmental health service. Where these occurred, the Council has engaged with residents and used findings to shape decisions in a transparent manner.
- the Council understands the balance of statutory and non-statutory services and is taking this into account in its planning for the future.

- to date, the Council has not been under significant pressure to deliver efficiencies within environmental health, but is considering how services may need to change in the future.
- at a service level, there are good strategic planning arrangements in place, with clear priorities and objectives. These are aligned to the Council's Wellbeing objectives and strategic outcomes.

Background

- To date, budgets have reduced from £2.42 million in 2013-14 to £2.37 million in 2019-20 ([Exhibit 2](#)). At approximately 2%, this is a smaller reduction than those seen in other local authorities audited to date. Budget reductions observed elsewhere to date have ranged from 6% to 21%.
- Since 2015-16 the environmental health service has been consistently underspending against its budget by between 4% and 9% each year.
- Staff numbers have reduced from 51.25 full-time equivalents (FTEs) to 46.26 FTEs ([Exhibit 3](#)), a total reduction of 4.99 FTEs.
- It is our understanding that no further resource reduction is anticipated in short to medium term.

Exhibit 2 – the net cost of environmental health services: revenue budget compared to outturn, 2012-13 to 2018-19

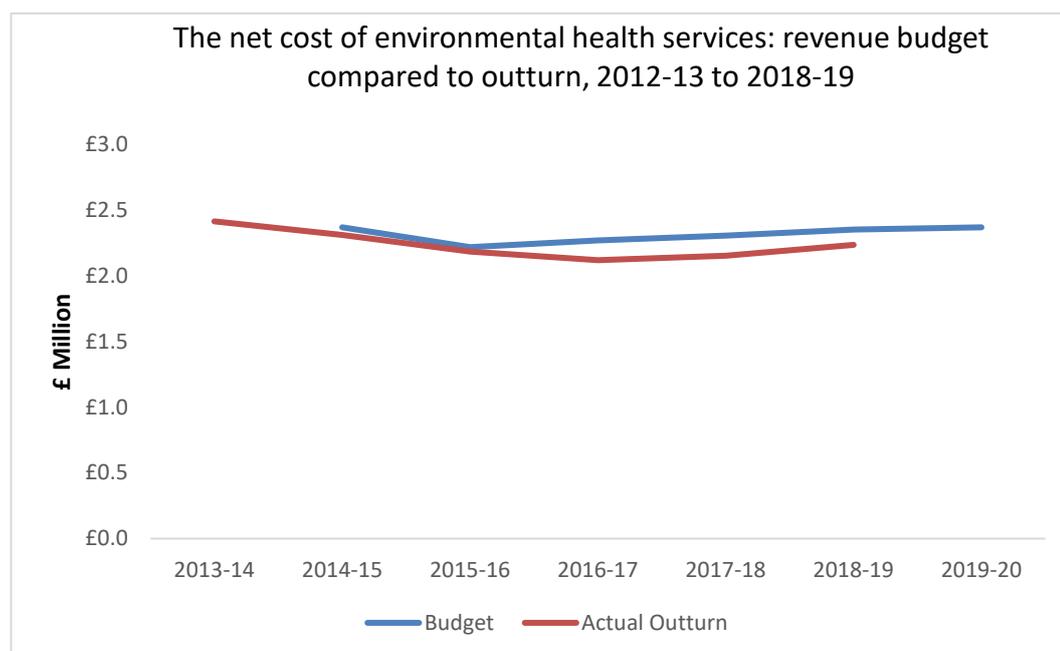
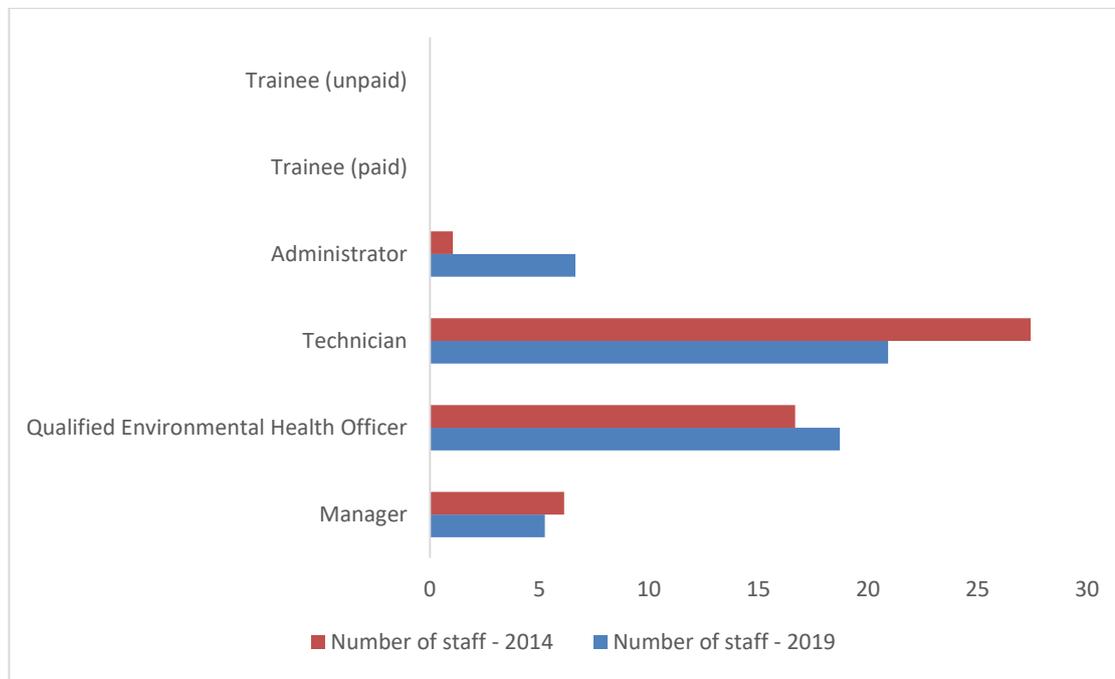


Exhibit 3 – staff numbers (FTEs) 2014 compared to 2019



Proposals for improvement

Exhibit 1: proposals for improvement

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

Proposals for improvement	
P1	<p>The Council should consider how it can benefit from its relatively strong financial position to build long-term resilience and maintain financial and operational sustainability in the longer-term by:</p> <ul style="list-style-type: none"> • more efficient use of existing resource through process and operational improvements; • transforming and innovating (aligned to the wider Council commercialisation and transformation agenda); • working in partnership with other Authorities (similarly to the historical pest control service delivery agreement with Blaenau Gwent); and • considering, through the Council’s ‘Team Caerphilly’ work, whether the environmental health service is resourced appropriately in the context of the Council’s wider strategic objectives.
P2	<p>The service should build on the Council’s wider Customer and Digital Strategy and consider how it can utilise digital intelligence and activity data in order to target service provision against need and to predict future patterns of service demand.</p>

Detailed report

Overall, we found that the Council has acted upon recommendations raised in 2014. The Council should use its strong financial position to explore more innovative ways in which it can ensure the long-term financial and operational sustainability of environmental health services, whilst contributing to the Council's wider strategic objectives

Environmental health services are routinely considered within the Council's Scrutiny arrangements. Members are provided with training and support to enable effective challenge

10 In reaching this conclusion we found that:

- environmental health matters are regularly considered by the Environmental and Sustainability Scrutiny Committee (ESSC);
- the Council has an ongoing member development training programme in place, refreshed every three years; and
- we note that a number of training sessions requested by Members have already been provided, such as 'Effective Call-In', 'Chairing Skills' and 'Scrutiny of Budgets'.

To date, there have been few cuts or changes to the environmental health service. Where these occurred, the Council has engaged with residents and used findings to shape decisions in a transparent manner

11 In reaching this conclusion we found that:

- changes in the environmental health service to date have been limited to:
 - loss of the Health Improvement Team in 2014;
 - options appraisal on improving air quality in the Hafodyrynys area;
 - drafting of the Council Toilet Strategy;
- service users were consulted on these, and feedback was published alongside details of the final decision;

- the decision to cease provision of the Health Improvement service was included in the budget setting public consultation process and supported by an Equality Impact Assessment (EIA); and
- with some minor exceptions, the Council does not generally charge for environmental health services, unless required by national standards.

The Council understands the balance of statutory and non-statutory services and is taking this into account in its planning for the future

12 In reaching this conclusion we found that:

- the Council has clearly identified and documented statutory/discretionary obligations within Public Protection, which includes environmental health;
- the Public Protection five-year service plan sets out service-level priorities and objectives, associated outcomes and how these are aligned to the corporate Well-being objectives; and
- acceptable standards of performance have been agreed internally through the performance management framework, but have not been publicised to service users.

To date, the Council has not been under significant pressure to deliver efficiencies within environmental health, but is considering how services may need to change in the future

13 In reaching this conclusion we found that:

- the Council has either improved or maintained its performance against environmental health Public Accountability Measures (PAMs).
- the Council does not currently share any environmental health services with other authorities nor outsource to other providers.
- the Council does not currently charge for any environmental health services, unless required by national standards.
- the Council is not in receipt of significant amounts of grant funding.
- to date, the only decrease in service provision has been the loss of the Health Improvement team in 2014, a fully discretionary service. With this exception, the Council has not had to reduce services to date given its relatively stable budget position.

At a service level, there are good strategic planning arrangements in place, with clear priorities and objectives. These are aligned to the Council's wellbeing objectives and strategic outcomes

14 In reaching this conclusion we found that:

- there is a comprehensive performance management framework in place to ensure operational managers are held accountable for performance and delivery of objectives;
- we have seen examples of key decisions being underpinned by business cases and options appraisals that consider the relationship between costs and benefits; and
- we see relatively little evidence of use of digital intelligence and activity data in order to target service provision more closely against need and to predict future patterns of service delivery.

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