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Delivering with Less – Environmental Health Services – Follow-up Review – **Merthyr Tydfil County Borough Council**

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

The team who delivered the work comprised Ian Phillips, Katherine Simmons, Sara-Jane Byrne and Adam Marshall under the direction of Jane Holownia.

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Summary

What we looked at

- 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). The fieldwork for our latest review took place between July and September 2018. The review followed up themes and learning identified in our 2014 report. Our review also considered the impact of reductions in local government funding on the Council's environmental health services and the effectiveness of the Council's arrangements for delivering those services.

Why environmental health services are important

- 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, well-being 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.

How we approached the review

- 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.

Overall finding

- 5 Our review sought to answer the question: Are the Council's environmental health services continuing to deliver their statutory obligations with fewer resources?
- 6 Overall, we found that the Council's environmental health services resources have reduced, and it cannot demonstrate that it is delivering all its statutory environmental health services.

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	
Proposal for improvement	
P1	The Council needs to assure itself that it can deliver its statutory environmental health services.
P2	The Council needs put better mechanism in place to review the delivery of its statutory environmental health services.

Detailed report

The Council's environmental health services resources have reduced, and it cannot demonstrate that it is delivering all its statutory environmental health services

Staff numbers and the environmental health services budget have reduced since previous audit work in 2013-14

In reaching this conclusion we found that:

- 7 The numbers of staff working in the Council's environmental health services have reduced since 2014. There has been a reduction of 5.5 whole time equivalent officers, including a reduction of about three technicians and 1.5 FTE qualified Environmental health officer. The Council is dependent upon the experience and knowledge of a small number of staff. The Council highlights in its Public Protection and Housing Risk Register that losing experienced staff is a risk and that it needs to plan to mitigate that risk.
- 8 Since our last review in 2014, there are additional environmental health statutory obligations which the Council must meet because of the Housing (Wales) Act 2014 and the Public Health (Wales) Act 2017. The need to produce a local toilets strategy under the 2017 Act will be challenging for the Council although the Council have told us that it is on course to complete the strategy. In our report issued to the Council in December 2014, we concluded that the Council will find it difficult to take on new statutory duties that protect the public and the environment. This concern remains.
- 9 The Council's environmental health services budget has decreased significantly since 2013-14. There have been significant decreases in the budgets for health and safety, recruitment training and development, pest control, dog control, pollution control and housing. These decreases are compounded in 'real terms' if the effect of inflation is taken into account.
- 10 Despite the decreases in budget, there has been a consistent underspend against the budget for environmental health services. This is consistent with the position we found in 2014 and underlines that, like most Council services, environmental health services have been subject to finding efficiencies to help the Council balance its budget.
- 11 The Council's environmental health services budget should be considered in the context of the Council's financial position and the challenges it faces. The Council's most recently updated medium term financial plan presented to the Council in November 2018 indicated a projected budget deficit of £5.6 million for 2019-20 and £17.3 million for the period 2019-20 to 2012-22. This update reflected the provisional settlement for 2019-20, corporate additional demands, corporate budget reductions and proposed schools' reductions. Significant pressures exist in departments such

as Social Services and Learning, which for 2018-19 the Council is currently offsetting by a contribution from its Budget Reserve.

The Council considers that it is meeting all its statutory environmental health obligations but there is limited evidence that the Council has assessed if it is meeting these

In reaching this conclusion we found that:

- 12 One of the recommendations from the Auditor General's 2014 report was for Councils to identify the statutory and non-statutory duties of council environmental health services.
- 13 In 2014-15, the Council carried out a budgetary exercise that included identifying mandatory environmental health services. More recently, in July 2017, the Council did an exercise to identify its mandatory and discretionary services. This also included those responsibilities relating to environmental health. However, the exercise in July 2017 did not evaluate whether the Council is meeting these responsibilities or to what standard..
- 14 There is evidence that the Council has considered its statutory responsibilities in some areas of environmental health services, but not across the breadth of service areas and responsibilities:
 - the Environmental health service only has one service plan: a food service plan. This is a comprehensive document that sets out relevant statutory responsibilities.
 - the Council's Air Quality Action Plan (June 2018) sets out the action the Council was taking in accordance with its statutory responsibilities.
- 15 Interviewees we spoke to as part of our review were confident that the Council was continuing to meet its statutory obligations (albeit services had been pared back to the statutory minimum). However, since the service does not formally assess whether or how it was meeting its obligations and to what standard, it was unable to provide evidence to support this view.
- 16 In our 'Delivering with Less Environmental Health services' report issued to the Council in December 2014, we stated that the Council is delivering most of its environmental health services at above minimum levels as judged against the Best Practice Standards. These include the range of environmental health statutory responsibilities. Our 2018 review, however, found that although the Head of Environmental Health was significantly involved in reviewing and updating the Practice Standards, the Council does not assess if it is meeting the Practice Standards.

The Council does not routinely assess its performance against either its environmental health statutory obligations or the Practice Standards, and there is limited member oversight of the service's performance

In reaching this conclusion we found that:

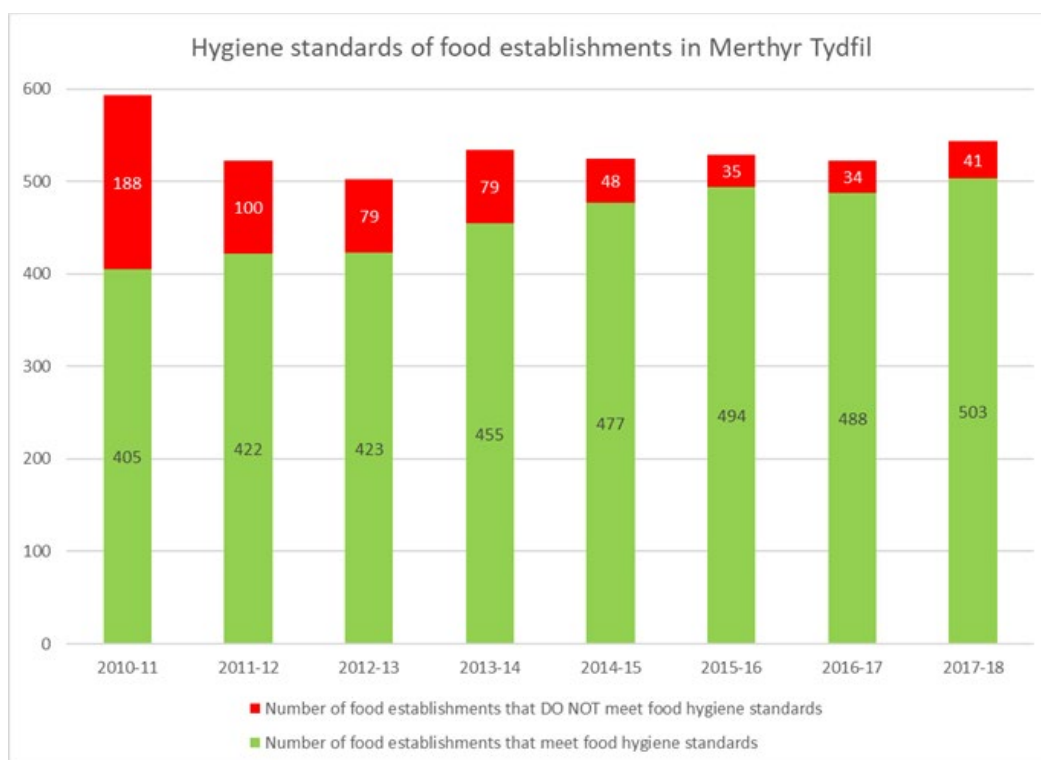
- 17 There is no formal analysis of performance against the Council's statutory environmental health service obligations or against the Environmental Health Practice Standards.
- 18 The Council believes that most of its environmental health services are at the 'required'¹ level rather than the 'better' level against the Practice Standards. As the Council does not assess itself against the Practice Standards, it was unable to provide evidence in support of this.
- 19 One of the recommendations in our 2014 national report was to identify, collect and analyse financial, performance and demand/need data on environmental health services (Recommendation 5, [Appendix 1](#)). The Council collects performance indicators for the Public Protection and Housing Service (which includes Environmental Health), and they include relevant Public Accountability Measures. However, only a few of the indicators directly relate to the Environmental Health service.
- 20 The last self-evaluation report for Public Protection was from January 2017, but it is a relatively high-level report and contains limited information about the performance of environmental health services. The Council's Performance Board commented that the next round of self-evaluation reports should include a specific self-evaluation of the Environmental Health service, so that 'a clear picture of individual service strands can be collected, and judgements will be offered on a service-based basis'.
- 21 The Council's Environmental Health Service contributes to two of the Council's well-being objectives: 'Environmental Well-being' and 'Working Life'. The key measures to monitor the Council's progress in delivering these objectives are set out in a strategy on a page (SOAP) document. To date, these SOAPs have not been reported to Cabinet or scrutiny.
- 22 The Council's Annual Performance Report evaluates its performance against its key objectives. Its 2016-17 Performance Report included performance against some relevant environmental health indicators. The Council published its 2017-18 Performance Report in October 2018. The report made reference to its carbon dioxide emissions from energy consumed by Council buildings but not to other environmental health indicators.

¹ There are two levels within the Practice Standards, 'required' and 'better'. The 'required' level describes the minimum standard of service that should be provided to meet a local authority's obligations for delivery of that area of Environmental Health service.

23 Performance against some of the key environmental health measures is set out below

- As shown in Exhibit 1 below, the number of establishments that meet food hygiene standards has, with the exception of 2016-17, improved each year since 2010-11. However, the Council's performance in terms of the percentage of food premises broadly meeting food hygiene standards increased each year until it decreased from 93.49% in 2016-17 to 92.46% in 2017-18, below the Welsh average of 95.27%.

Exhibit 1: hygiene standards of food establishments in Merthyr Tydfil



The percentage of empty private property sector properties brought back into use during the year through direct local authority action has remained relatively stable at about 6.5% between 2015-16 and 2017-18.

The Council's response to the Auditor General's previous recommendations has been mixed

- 24 In 2014, the Auditor General published a report 'Delivering with less – the impact on environmental health services and citizens'. He made six recommendations, five of which applied to councils (Appendix 1).
- 25 The Council has produced a spreadsheet setting out actions against each of the six recommendations from the Auditor General's 2014 report. However, it is not a robust

action plan because parts of the spreadsheet provide limited detail of what actions have been carried out.

- 26 At the time, the spreadsheet did not go to any Council committee. Auditor General reports did not go to Audit Committee until the Council introduced that process in December 2016. The recommendations from our 2014 report have since been included in the Council’s corporate audit action plan (AAP). Internal audit undertakes checks on the AAP to ensure that they have been updated by managers. The AAP states that four of the five recommendations have been fully implemented and one has been partly implemented. However, our review has found that progress against the recommendations has been mixed. **Table 1** summarises the Council’s progress in addressing these recommendations.

Table 1: 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)

Recommendation	Wales Audit Office Commentary
<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 strategic priorities of the Welsh Government; and • identify the benefit and impact of environmental health services on protecting citizens. 	<p>This has been done by Wales Heads of Environmental Health. However, the Council does not assess its environmental health services against the Practice Standards.</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>The Council has provided various training sessions to members in response to this recommendation, such as ‘Understanding and using performance data’ provided by the Local Government Data Unit.</p>
<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p>	<p>Our report Good Governance when determining significant service changes (February 2017) stated that ‘the Council consults on service changes where it considers appropriate, but a lack of transparency in some</p>

Recommendation	Wales Audit Office Commentary
<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>aspects of governance arrangements limit the extent to which stakeholders can engage in decision-making'. The Council consults the public each year as part of its budget consultation process.</p>
<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 addressed some parts of this recommendation. For example, it considered collaborating with other councils on some aspects of environmental health services but, following discussion, plans did not materialise. The Council has introduced charges for pest control although the income received has been considerably less than forecast. However, the Council has not made any progress in respect of other parts of this recommendation.</p>

Recommendation	Wales Audit Office Commentary
<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 Council consider their response to this recommendation to be ongoing; it sees it as part of cyclical evaluation and planning of the service. However, we found little evidence the Council is taking forward these recommended actions, particularly understanding the relationship between 'cost: benefit: impact' and exploring how it could use digital information to plan and develop environmental health services.</p>

Source: Wales Audit Office (October 2018)

Appendix 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. The report contained six recommendations that are set out below:

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 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 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>Councils, Welsh Local Government Association</p>
<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. 	<p>Councils, Welsh Local Government Association, Welsh Government</p>

Recommendation	Responsible Partners
<ul style="list-style-type: none"> • 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>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

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