

PART I - DELEGATED

6. DELEGATION OF THE ENVIRONMENTAL HEALTH (COMMERCIAL) SERVICE TO WATFORD BOROUGH COUNCIL (DCES)

1. Summary

1.1 This report recommends the delegation of the Environmental Health (Commercial) Service to Watford Borough Council (WBC) with effect from 1 April 2019, for a period of 5 years.

1.2 It is the culmination of two reports to Management Board (MB) dated 10 July and 2 October 2018, both of which are provided at Appendix 1.

2. Details

2.1 Although some modest savings will be realised if the proposal is approved, this was not the primary reason for the recommendation. The impending retirement of the current Environmental Health Manager (EHM) on 31 July 2019 and a chronic local inability to recruit permanent replacements for the two long vacant EHP (Environmental Health Practitioner) posts, has made the service vulnerable to disruption. In the past service disruption has also resulted from annual leave and short periods of illness absence, and long periods of concentrated work arising from the vagaries of the risk based food premises inspection programme.

2.2 The delegation option was chosen as it provides a significant improvement in service resilience and flexibility. It also provides an enhancement in some areas, notably a daily "duty officer". Two other options were considered in the MB report of 10 July 2018 and were ultimately rejected; these were a "do nothing" and an "internal reorganisation" option.

2.3 The proposal from WBC is to maximise the flexibility of their current operating model and to predominantly absorb the work into existing structures. There will be a requirement to recruit 1.5 or 2.0 additional EHP staff at WBC, plus an existing part time TRDC EHP officer will be transferred. Uncertainty is driven by the very competitive skills market, the shortage of qualified officers, and the fact (drawn from local experience) that full time posts are generally preferred to part time roles.

2.4 When the current EHM retires his post will not be refilled. This accounts for the ongoing savings that will eventually be realised.

2.5 Both Councils now use the same IT systems, with WBC providing the lead service. The transfer of data should not present a technical challenge.

2.6 The one part time TRDC officer who will be affected has been consulted, kept informed and is supportive of the proposal.

3. Options/Reasons for Recommendation

3.1 Options were discussed in the MB Report of 10 July 2018. This proposal has the best outcome in terms of time frame, continuity of service and confidence.

- 3.2 The three options comprised “do nothing and carry on as we are”, reorganise to enhance the role of the two vacant EHP posts with a view to successful recruitment, and finally the option that is being recommended.
- 3.3 Doing nothing was never really a viable option, as the manager intended to retire and the only officer remaining in the team was not interested in succession. Reorganisation was deemed risky, in as much as any replacements would still require line management and would have little time to become established. As the aim was to provide a competent, resilient and flexible service, and not necessarily to obtain financial savings, this, the third option was favoured.
- 3.4 The salary savings to be realised, year on year after transition to Watford are given in the table below.

	2018/19	2019/20	2020/21	2021/22
	£'	£'	£'	£'
Budget inc On Costs	65,586	66,841	67,523	68,209
Cost of JS Post	43,724	11,140	0	0
Saving on JS Post	-21,862	-55,701	-67,523	-68,209
Notes	Full Salary from April to July, 0.5 FTE from August onwards	April to July @ 0.5fte		

4. Implications for Environmental, Community Safety

- 4.1 Many of our food businesses also have operations within the WBC area and many of their food businesses also serve customers in the TRDC area. Whilst cooperation between the two services has always been very good, combining them in this way will provide a more “joined up” service.
- 4.2 The current EHM also manages or provides the following services; Local Air Quality Management (LAQM), Local Authority Pollution Permitting and Control (LAPPC), Contaminated Land (CL) and Infectious Disease control (ID). These should continue seamlessly under the delegated arrangement. CL and LAQM are currently provided by Chiltern and South Bucks Council to WBC. TRDC work in these areas will be added to this contract. LAPPC is provided by a contractor who WBC will retain.

5. Financial Implications

- 5.1 WBC has estimated the cost of the project management to be £24,940. Included in this cost is 60 days of project management and 25 days project support/data management. There is a further assumption that the TRDC EHM will also input 20 days into the project.
- 5.2 As the EHM role is now filled on a part time basis, there is an estimated saving of £21,860 in 2018/19. Based on the estimated costs above, an additional £3,080 will be required to fully fund the project management costs.
- 5.3 Please see tables at Appendix 2.

6. Legal Implications

6.1 The existing Shared Services Agreement with WBC has a specific Change Control mechanism, so that, for the purposes of adding a service, that can be used without the need for a separate agreement. The agreement recites all powers needed for one authority to carry out functions on behalf of another. This would be done by TRDC submitting a change control notice to the Operations Board and was the method used for transfer of the pest control service.

6.2 Advice on TUPE implications will be required from HR and Legal as the matter progresses.

7. Staffing Implications

7.1 One part time member of staff will be affected by the proposals and has been informally consulted. Officers at WBC have discussed the proposals with HR. TUPE advice will be sought.

8. Equal Opportunities Implications

8.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	No

9. Customer Services Centre Implications

9.1 Calls and emails to CSC would require rerouting to the WBC Call Centre. The CSC would lose the technical support function for the service.

10. Communications and Website Implications

10.1 Self-service platforms on the TRDC website will need to be revised. The WBC environmental website is being transformed and can easily be adapted. WBC officers will lead in transferring the IDOX database.

11. Risk Management and Health & Safety Implications

11.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

11.2 The subject of this report is covered by the Regulatory Services service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

11.3 The following table gives the risks if the recommendation(s) are agreed, together with a scored assessment of their impact and likelihood:

	Description of Risk	Impact	Likelihood
1	Delays occur with the transfer of service	III	E
2	Watford unable to recruit	III	E

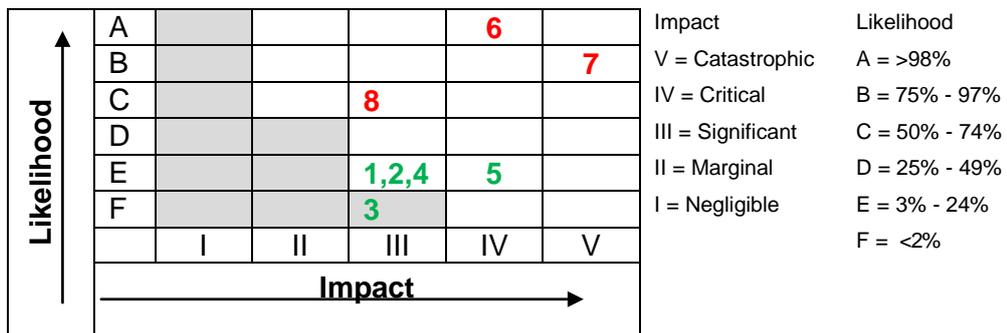
3	Current service manager leaves within 12 months	III	F
4	Costs escalate due to unforeseen circumstances/error	III	E
5	Serious incident requires investigation	IV	E

11.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
6	Service failure	IV	B
7	Critical external audit following service failure	V	B
8	Loss of public confidence in TRDC public health service	III	C

11.5 Of the risks detailed above none is already managed within a service plan.

11.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.



11.7 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans is reviewed by the Audit Committee annually.

12. Recommendations

That;

12.1 The Environmental Health (Commercial) service is delegated to Watford Borough Council with effect from 1 April 2019.

12.2 Officers identify resources to fund the shortfall in 2018/19 project management costs of £3,080.

Report prepared by:
John Scott, Environmental Health Manager

Data Quality

Data sources:

- Budget Monitor
- Reports to MB 10 July and 2 October 2018

Data checked by: Temitope Opeyemi and Kimberley Rowley

Data rating:

1	Poor	
2	Sufficient	✓
3	High	

Appendix 1

MB Report 10 JULY 2018

PART I NOT DELEGATED

THE FUTURE OF THE ENVIRONMENTAL HEALTH COMMERCIAL SERVICE; A DISCUSSION PAPER OUTLINING THREE PROPOSALS (DCES)

1. Summary

- 1.1 The purpose of this report to inform a choice of succession plan leading up to and following the retirement of the team manager. Whilst some savings may be realised, the aim is to provide a service which will be resilient in the medium term, whilst other more ambitious regional opportunities are explored.
- 1.2 The recommended option is to continue to investigate the delegation of the service, under Section 101 of the Local Government Act 1972, to Watford Borough Council. Watford is currently leading on the successful *Better Business for All* project, and is a key player in the Hertfordshire County and Bedfordshire Unitary Authorities Environmental Health and Licensing collaborative working initiatives. Their outline proposal is provided at Appendix 2, page 13.

2. Details

- 2.1 Since mid-2008 the Commercial Team's purpose has been to deliver regulatory services in the following disciplines;
 - a. Food Safety and Food Sampling (FS).
 - b. Health & Safety at Work in the LA enforced sector (HSW).
 - c. Local Air Quality Management (LAQM).
 - d. Local Authority Pollution Prevention & Control (LAPPC).
 - e. Infectious Disease Investigation and Outbreak Control (ID).
 - f. Contaminated Land (CL).
 - g. Registration of Skin Piercing Practitioners (RSPP).
 - h. Consultation upon planning applications, not including noise impact (CP)
 - i. Service Requests (SR).
- 2.2 Prior to 2008 it also included licencing and nuisance issues arising from all commercial premises.
- 2.3 The current skills shortage, caused by a chronic failure nationally to train the next generation of EHPs, is similar to the problems faced by the building control service, in terms of an aging workforce. However, unlike building control, EH cannot generate income from its core functions and it does not have direct competition from the private sector (except in competition for qualified officers).
- 2.4 The collaborative working initiative across Hertfordshire may eventually result in a delivery model similar to Herts Building Control, but this will take some time to achieve as there appears to be a rather suppressed appetite for it, at operational level, across the Hertfordshire and the unitary authorities that once formed Bedfordshire. This is despite the rather parlous state of staffing at local authorities such as Dacorum and Broxbourne. The comparatively well-resourced Hertsmere EH service has declined to take part in this initiative, no doubt through fear of service dilution and loss of control.
- 2.5 Combined EH services have been introduced elsewhere with success, notably in Worcestershire and paired London Boroughs (e.g. Haringey and Waltham Forest, Hammersmith & Fulham/Kensington & Chelsea).

3. Options/Reasons for Recommendation – Current Staff Resources

- 3.1 Following the deletion of an assistant officer post and a restructure in 2016, the EH commercial service establishment was revised to enable the creation of an additional 0.5 FTE Environmental Health practitioner EHP, bringing the total staff resource to 3.5 FTE, including the manager.
- 3.2 Despite two attempts to recruit, the two full time EHP posts remain unfilled. The service is currently provided by 3 part time contractors who comprise between them 1.3 FTE, and an in house 0.5 FTE EHP working 2 compressed days. 2 of these contractors will leave within the next 3 months. The service currently has a weekly FTE total of 104.5 hours, as opposed to a fully staffed projection of 130 FTE hours per week; a weekly shortfall of around 25 hours (0.67 FTE).
- 3.3 Not included in this breakdown are services provided by peripatetic specialist officers whose FTE cannot be readily accounted for, as they are paid upon the basis of work produced rather than time expended. These are;
 - a. A contract environmental health officer who is paid £40 to £45 per food hygiene intervention on medium to low risk premises. The portfolio varies from year to year but on average costs around £7k per annum. This is the bulk of the routine inspection programme.
 - b. A pollution specialist and consultant who provides the LAPPC (Local Authority Pollution Prevention & Control) enforcement regime. The cost of this per annum is around £7.5k per annum BUT the income from permit application and subsistence fees pays for the service provided.

3.4 Current Financial Resources

1436- Health- Team.	Environmental Commercial	Latest Budget 2018/19	
Employee Costs	Related	£185,540	3.5 FTE's – includes Fringe, pension, NI and Market rate supplement.
Transportation Costs		£6,000	Essential & Casual user mileage and essential user lump sum
Supplies and Services		£9,710	Consultancy, furniture & equipment
Third Party Payments		£14,190	Private contractors
Income		(£8,950)	Registration fees
Grand Total		£206,490	

3.5 This table shows direct costs of services that are currently externalised (LAPPC and some medium/low risk food work, LAQM Reports, Skin piercing registrations). It does not show recharges.

4. Option 1 – Continue with current structure and aim to recruit replacement full time, in house EHPs

4.1 Attempts to recruit to the two vacant EHP posts have repeatedly failed, at an advertising loss of around £7k over 3 years. The reasons for failure include; a very low basic salary in comparison with near neighbours (both financial and geographical), the reviewable and therefore vulnerable nature of the market factor supplement (MFS), a chronic national skills shortage, competition from the private sector and the expense of local housing.

4.2 Recruitment to the manager post would probably not fail, but this has not been tested as the post has never fallen vacant. In any event without a team to manage there would be little point in recruiting a manager.

4.3 To progress with this option it is suggested that the MFS would need to be consolidated into basic salary for the EHPs, otherwise another recruitment attempt is likely to fail. There have been discussions with HR on reviewing the job evaluation.

4.4 The key strength is current high performance by well experienced officers. The service is agile in meeting demands, due to flexibility. However, it is expensive for what it is, potentially unreliable and it is not at all resilient.

Please see full SWOT analysis at Appendix 1.

5. Option 2 – Delete the manager post and use the savings to create a completely new, more resilient team structure

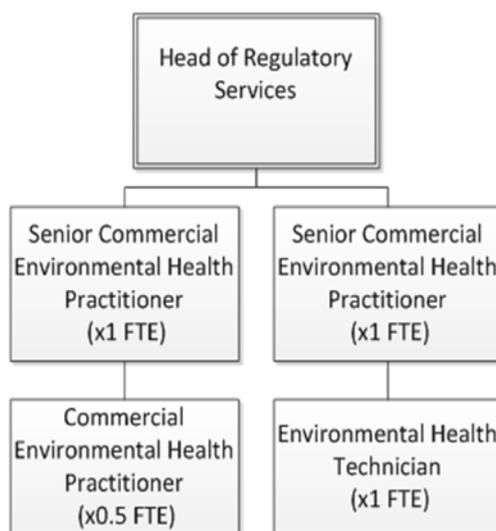
5.1 There are a number of ways to achieve this. The existing 2018/19 budget for the manager amounts to £67k.

5.2 By way of example, a proposal to enhance the remuneration for the vacant 2 EHP posts thereby attracting senior, skilled officers to take over policy and management leads in in FS, HSW and ID would probably succeed. Revised JDs would need to be evaluated and

the aim would be to attract senior and experienced staff at SCP41 - 44, which would equate to such roles elsewhere.

- 5.3 The primary strengths required will be in FS & HSW and it is relatively common to find that EHPs have specialised in both these disciplines. It is possible that officers will also present with skills in CL and LAQM, but this is unlikely. It is also unlikely that an officer specialised in FS and HSW also has current technical competence to deal with all LAPPC matters, but might be able to oversee the function if the current external consultant was retained.
- 5.4 If this route is chosen it is important that consideration be given to externalising LAQM and CL duties to an external partner. It is calculated that this would cost £9k per year at most. This includes CP referrals.
- 5.5 To assist and support the EHPs a new Environmental Health Technician post should be created at a cost of £29.5k. This position would aim to attract a suitably qualified graduate, preferably one with ambition to obtain the MSc in Environmental Health. At the moment, an environmental health apprenticeship scheme does not exist, but is planned.
- 5.6 Under this proposal it is recommended that the peripatetic contract environmental health officer role be retained, as required, to meet the demands of the “medium to low risk” food premises inspection programme, which is high volume.

EH – OPTION 2



5.7 Financial Requirements for Option 2:

1436- Environmental Health- Commercial Team.	Latest Budget 2018/19	
Employee Related Costs	£119,959	2.5 EHP FTE's – include Fringe, pension, NI and Market rate supplement.
Transportation Costs	£3000	Essential & Casual user mileage and essential user lump sum
Supplies and Services	£9,710	Consultancy, furniture & equipment
Third Party Payments	£14,190	Private contractors
Environmental Health Technician on Scale 5	£29570.00	New post on scale 5
LAQM & CL externalised	£9,000	Potential Partner authority
Income	(£8,950)	Registration fees
Grand Total SAVING	£176,479 (£30,011)	Compared to Option 1

5.8 The keys strengths of Option 2 are that sharing the management role would provide for resilience and recruitment would probably succeed. However, the proposal involves the induction of 3 new officers. Team building would require the input of the Section Head so close support would be needed.

5.9 A full SWOT analysis is provided at Appendix 1

6. Option 3 - Delegate the Entire EH Commercial Service to a Local Authority Partner

6.1 In terms of day to day running of the service, this provides the option of least management commitment and oversight at Section Head level.

6.2 The neighbouring authority of choice and commitment will already have competent team leader oversight across this regulatory field and could simply “bolt on” the extra work to their existing caseload commitment, competency policies and performance scrutiny.

6.3 It would be for the partner to detail how they would propose to deal with services that we currently outsource, or would aim so to do, under Option 2.

6.4 Apart from the requirement to TUPE the current 0.5 FTE EHP it is calculated that a partner authority might only need to increase their existing establishment by 1.5 EHP

posts. There would inevitably be concerns around loss of control, ownership, performance monitoring and accountability, but these are not insurmountable.

6.5 Financial Requirements for Option 3.

These are taken from a document provided by the Head of Environmental Health and Licensing at Watford Borough Council. The full document is provided at Appendix 2, page 13.

Environmental Health-Commercial Team.	£	
Salaries including on costs	124,807	Includes on costs
Supplies and services	2,400	
Contract for Environmental Protection work	10,000	Existing contract with Chiltern DC
Support service charges	41,321	Includes charges for use of back office functions and CSC
Grand Total SAVING	£178,528 (£27,962)	Compared to Option 1

6.6 The key strengths of Option 3 are inbuilt resilience within a relatively large EH department and the removal of day to day management of EH from the current Section Head. The project could be delivered within required timescales, as opposed to embarking upon a full procurement process.

6.7 A full SWOT analysis is provided at Appendix 1 on page 12.

7. The recommendations in this report are not within the Council's agreed policy and budgets

7.1 The purpose of this proposed policy is to provide a workable and cost effective succession plan following the full retirement of the current manager by 30 June 2019. At the end of one year, it is anticipated that the policy will have achieved the delegation of the EH Commercial Service to Watford Council and complete transfer of service.

7.2 Implications for Environmental, Community Safety,

None specific.

8. Financial Implications

8.1 As provided above

9. Legal Implications

9.1 Delegation of function is provided for by Section 101 of Local Government Act 1972

10. Staffing Implications

10.1 One part time member of staff will be affected by the proposals and has been consulted.

11. Equal Opportunities Implications

11.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	No

12. Customer Services Centre Implications

12.1 Calls and emails to CSC would require rerouting to Watford. The CSC would lose the technical support function for the service.

13. Communications and Website Implications

13.1 To be explored. Self-service platforms on the TRDC website will need to be revised.

14. Risk Management and Health & Safety Implications

14.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

14.2 The subject of this report is covered by the Regulatory Services service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

14.3 The following table gives the risks if the recommendation(s) are agreed, together with a scored assessment of their impact and likelihood:

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3 Current service manager leaves within 12 months	III	F
4 Costs escalate due to unforeseen circumstances/error	III	E
5 Serious incident requires investigation	IV	E

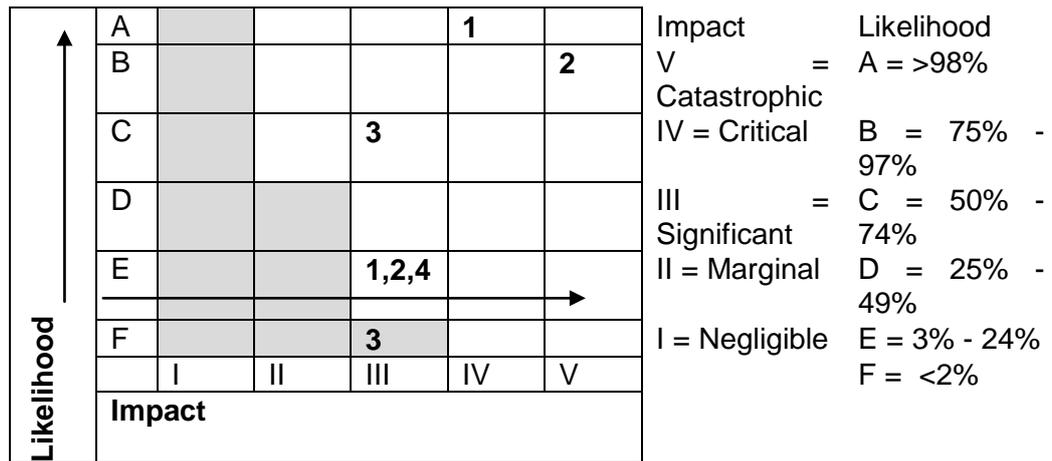
14.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

Description of Risk	Impact	Likelihood
1 Service failure	IV	A
2 Critical external audit following service failure	V	B
3 Loss of public confidence in TRDC public health service	III	C

14.5 Of the risks detailed above none is already managed within a service plan.

14.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared

to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.



14.7 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

15. Conclusions and Discussion

- 15.1 Option 3 is recommended for further detailed investigation. A preliminary briefing paper provided by Watford Borough Council is provided at Appendix 2. It presents least risk to continuity of service, despite being approximately £2000 more expensive annually than Option 2, which is fraught with potential problems of recruitment and induction support. It relieves the Head of Regulatory Service of line management responsibility for the EH Commercial Manager (not that this has been onerous, but could be in the future with a new manager, under option 2) and brings much needed resilience to the service.
- 15.2 Welcome enhancements from Watford would include the opportunity to employ a student EHO across the two services and the resumption of food sampling. Existing arrangements for LAPPC (self-funding) would be retained by the current external consultant while CL duties would be taken on by the current Watford provider, Chiltern DC. LAQM would not be externalised and would be carried out by Watford Council, in house.
- 15.3 The "Duty Officer" system at Watford reflects the current provision in TRDC Development Management and is a further enhancement on what is currently available.
- 15.4 Officers from Watford could, but might not need to, use the new hot desk arrangement on the ground floor of TRH, thereby releasing approx. 20 m² of floor space.
- 15.5 Watford's food safety service has recently been audited by the Food Standards Agency and has received a good report.
- 15.6 On recruitment, Watford Council rarely fails to attract suitable applicants, owing to the generic, district based method of working, career grade pay structure and its good reputation in the EH field.
- 15.7 The remaining 0.5 FTE EHP post at TRDC would be subject to TUPE arrangements, to which Watford have tacitly agreed. The concept has been discussed with the current post holder and it is welcomed.

15.8 Further detailed discussions will be required to finalise the following matters;

15.8.1 Given that Watford's workload will not double, a calculation of the amount of work that might be absorbed into Watford's existing establishment and the number of extra EHP FTE's that will be recruited to meet the Three Rivers Commitment is expected. A more detailed breakdown of what is provided under Service Support Costs is also awaited.

15.8.2 One off project management costs. This will depend upon speed of implementation and could be met by the freeing up of Three Rivers resources (in terms of the flexible retirement of the TRDC service manager). At the moment costs of £20k - £40k are predicted, with emphasis at the lower end of the calculation.

15.8.3 Some ICT costs in terms of data migration but at this early stage they are not quantifiable. Watford already has use of the Idox property gazetteer for pest control. It is thought with the shared ICT team and the same IT systems being in use (IDOX and Firmstep), along with the benefit of standardised arrangements required by the FSA that whilst critical, the work will not be too complex or costly. A full transformation program is planned at Watford Environmental Health and licensing from August 2018, so redesign work could incorporate TRDC requirements as part of the project.

16. Recommendations

That;

16.1 Officers proceed to further detailed discussion with Watford Borough Council on carrying the project forward.

16.2 Consideration is given to the suitable timing of a report to Leisure, Environment and Community Committee, as required.

Report prepared by:

John Scott, Environmental Health Manager

With assistance from

Kimberley Rowley and Temitope Opeyemi

Data Quality

Data sources:

- Budget Monitor
- Final Lead EH Commercial outline service proposal for TRDC_MAY_18 (Watford Borough Council)

Data checked by: John Scott and Temitope Opeyemi

Data rating:

1	Poor	
2	Sufficient	✓
3	High	

APPENDICES / ATTACHMENTS

Appendix 1

SWOT analysis for option 1

Strengths	Weaknesses	Opportunities	Threats
<p>The arrangement currently works and the performance in FS, SR, LAQM and LAPPC is very high.</p>	<p>Agency officers are expensive in the long term and potentially unreliable.</p>	<p>With the current pay structure there are few opportunities to do anything more than providing a very basic service in areas other than FS.</p>	<p>The loss of key officers to illness or retirement without a succession plan in place would put the authority in a very difficult position, in terms of meeting its statutory obligations.</p>
<p>Using a mix of mainly agency staff and consultants the service is agile and can meet complex demands quite easily (e.g. the COOP case)</p>	<p>In terms of management functions there is zero redundancy.</p>		<p>Existing officers of the section, with one exception, are well into their retirement decade, hence the current part time cover by three individuals who provide just 1.3 FTE.</p>
<p>Customer satisfaction is good and our hygiene ratings have never been better</p>	<p>Many services are currently covered by the manager (FS and HSW lead officer, CL, LAQM, ID and oversight of LAPPC).</p>		
<p>The expertise, knowledge and experience of our officers is very high</p>	<p>Official returns and PI reports rest with the manager.</p>		
	<p>It's expensive for what it is.</p>		

SWOT analysis for option 2

Strengths	Weaknesses	Opportunities	Threats
Sharing of management roles provides for resilience.	Some oversight at Section Head level would still be needed.	A local training opportunity could be created, if the new EH Technician Post was created.	Recruitment is successful but individuals fail to combine into a coherent team.
Recruitment to such posts would in all likelihood be successful.	Recruitment might not be successful.	The advantages of a mixed economy of in house, contractors and consultants could be retained, but with better balance.	Officers leave shortly after recruitment.
Local control and accountability would be retained.	Implicit expectation of close team cooperation and discipline (which will need nurturing).		
Cost saving overall.	Whilst FD, HSW and ID skills may be found together, LAPPC, CL and LAQM may not be.		
Investment in existing services realised (Itox etc).	Possibly a long lead in period, requiring close support.		
Both disciplines of EH still provided from one LA.			
Expansion of service to cover sampling and proactive HSW projects			

SWOT Analysis for option 3

Strengths	Weaknesses	Opportunities	Threats
The service would be provided by a local authority partner with a proven track record of good performance in FS and HSW.	Perceived lack of local control and accountability. <i>Can be managed</i>	Combining with another LA partner will better attract suitable EHP applicants.	Once the service is externalised it would be difficult to reverse the process in the event of unsatisfactory performance by the partner authority. <i>This is considered unlikely.</i>
Added resilience and cover at times of illness, annual leave etc.	Differing Service PIs, but ultimately manageable. <i>Low risk</i>	Recruitment of an apprentice or student EHP would be achieved.	Projected costs provided by provider might be inaccurate <i>Awaiting details of year on year additional costs due to pay increases, inflation, IT licences and database transfer/sharing</i>
No burden of day to day management by Section Head.	Possible ICT complications <i>(IT licenses, DASH connectivity, GDPR).</i>	For the existing 0.5 EHP post, an opportunity to work in a mainly urban EH team, giving a broader experience.	
Significant ICT synergies.		More proactive work in HSW promotion and projects.	
Can deliver within timescales via s101 delegation		Food sampling resumed after 2 year absence	
		Daily duty officer enhancement in service	

Management Board Report 2 October 2018

PART I NOT DELEGATED

THE FUTURE OF THE ENVIRONMENTAL HEALTH COMMERCIAL SERVICE; THE PROPOSAL FROM WATFORD BOROUGH COUNCIL (DCES)

1. Summary

- 1.1 The purpose of this report to provide further details upon recommended Option 3 of the previous report to Management Board, of 10 July 2018, which outlined proposals from WBC to run the TRDC commercial Environmental Health service. As this is a change of policy and may have budgetary implications the recommendations will go to Policy and Resources Committee on 5 November 2018.

2. Details

- 2.1 As requested, the Head of Environmental Health and Licencing at Watford Borough Council has provided a breakdown of how the headline figure of £178,528 per annum has been obtained. The costs are given at 5.0 below with further details at Appendix 1. Appendix 2, an email from the Head of Environmental Health and Licencing, provides a measure of reassurance concerning expenditure after year 1, concerning annual uplift.
- 2.2 The proposal is designed to maximise the current WBC operating model and to predominantly absorb the work into existing structures. There will be a requirement for additional staff plus an existing member of TRDC staff will need to be TUPE'd to WBC. The aim is to fill 1.5 or 2.0 FTE EHP posts while 0.2 FTE environmental protection work will be added to Watford's current contract with Chiltern & South Bucks Councils. The uncertainty is driven by the very competitive skills market and the fact (drawn from local experience) that full time posts are generally preferred to part time roles.
- 2.3 An existing Team Leader at Watford will perform the project management role while his current duties are carried out by a contractor. The corresponding TRDC Team Leader and co-author of this report will provide approx. 0.2 FTE project support during transition and for 4 months thereafter.
- 2.4 A project meeting on 5 September confirmed that Watford's project management costs will be fixed at £25,000 until April 2019, taking into account the support available to the project manager from the TRDC Team Leader.
- 2.5 The project will be described in more detail in a PID to Watford's Leadership team and this will be appended to the report to Policy and Resources Committee in November. The aim is to have the service fully transferred from 1 April 2019.
- 2.6 The final cost details awaited are around the annual uplift and also as a result of any IT implications. Both Councils use IDOX and Lagan for their EH software so it is expected any costs associated with IT will be minimal. WBC have also stated, *"we propose that the IT set up costs will be included in the project management total costs given the IDOX contract we already have in place."* (Appendix 2).
- 2.7 As you will be aware the Council's Environmental Health pest control service has been run by Watford for the past 3 years, with the current agreement expiring in April 2019. Officers from both WBC and TRDC are considering the benefits and costs of extending this service provision and incorporating it within the EH commercial project.

A further report on the future of the Council's pest control service is due to be presented to Management Board imminently.

3. **Options/Reasons for Recommendation**

3.1 Options were discussed in the report of 10 July 2018. This proposal has the best outcome in terms of time frame, continuity of service and confidence. It is supported by the one TRDC officer who would be subject to TUPE arrangements.

3.2 In the event that the project does not proceed to conclusion and is abandoned through TRDC withdrawal, WBC expect to be reimbursed for their project costs incurred to date.

4. **Implications for Environmental, Community Safety**

None specific.

5. **Financial Implications**

5.1 WBC have estimated the cost of the project management to be £24,940. Included in this cost is 60 days of project management and 25 days project support/data management. There is a further assumption that the Environmental Health Manager will also input 20 days into the project.

5.2 As this role is now filled on a part time basis, there is an estimated saving of £21,860 in 2018/19. Based on the estimated costs above, an additional £3,080 will be required to fully fund the project management costs.

5.3 Please see tables at Appendix 1.

6. **Legal Implications**

6.1 The existing Shared Services Agreement with WBC has a specific Change Control mechanism, so that, for the purposes of adding a service, that can be used without the need for a separate agreement. The agreement recites all powers needed for one authority to carry out functions on behalf of another. This would be done by TRDC submitting a change control notice to the Operations Board and was the method used for transfer of the pest control service. Details are in the attached draft notice at Appendix 3

6.2 Advice on TUPE implications will be required from HR and Legal as the matter progresses

7. **Staffing Implications**

7.1 One part time member of staff will be affected by the proposals and has been informally consulted. Officers at WBC have discussed the proposals with HR. TUPE advice will be sought

8. **Equal Opportunities Implications**

8.1 **Relevance Test**

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	No

9. Customer Services Centre Implications

9.1 Calls and emails to CSC would require rerouting to WBC. The CSC would lose the technical support function for the service.

10. Communications and Website Implications

10.1 To be explored. Self-service platforms on the TRDC website will need to be revised. The WBC environmental website is being transformed and can easily be adapted. WBC officers will lead in transferring the IDOX database.

11. Risk Management and Health & Safety Implications

11.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

11.2 The subject of this report is covered by the Regulatory Services service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

11.3 The following table gives the risks if the recommendation(s) are agreed, together with a scored assessment of their impact and likelihood:

	Description of Risk	Impact	Likelihood
1	Delays occur with the transfer of service	III	E
2	Watford unable to recruit	III	E
3	Current service manager leaves within 12 months	III	F
4	Costs escalate due to unforeseen circumstances/error	III	E
5	Serious incident requires investigation	IV	E

11.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

	Description of Risk	Impact	Likelihood
6	Service failure	IV	B
7	Critical external audit following service failure	V	B
8	Loss of public confidence in TRDC public health service	III	C

11.5 Of the risks detailed above none is already managed within a service plan.

11.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

	A				6		Impact	Likelihood
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	B					7	V = A = >98%
	C			8			Catastrophic IV = Critical B = 75% - 97%
	D						III = C = 50% - 74%
	E			1,2,4	5		II = Marginal D = 25% - 49%
	F			3			I = Negligible E = 3% - 24%
	I	II	III	IV	V		F = <2%
	Impact						

11.7 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

12. Recommendations

That;

12.1 Officers continue to collaborate with Watford colleagues in the assumption that political approval is obtained.

12.2 Assurances are made to Watford Borough Council concerning the payment of costs in the event of TRDC withdrawal from the project prior to implementation.

12.3 A detailed report is made to Policy and Resources Committee on 5 November 2018.

Report prepared by:
John Scott, Environmental Health Manager

Data Quality

Data sources:

- Budget Monitor
- Final Lead EH Commercial outline service proposal for TRDC_MAY_18 (Watford Borough Council)
- Report to MB 10 July 2018

Data checked by: Temitope Opeyemi

Data rating:

1	Poor	
2	Sufficient	✓
3	High	

Appendix 1

Current Financial Resources

1436- Environmental Health- Commercial Team.	Latest Budget 2018/19	
Employee Related Costs	£185,540	3.5 FTE's – includes Fringe, pension, NI and Market rate supplement.
Transportation Costs	£6,000	Essential & Casual user mileage and essential user lump sum
Supplies and Services	£9,710	Consultancy, furniture & equipment
Third Party Payments	£14,190	Private contractors
Income	(£8,950)	Registration fees
Grand Total	£206,490	

Financial Requirements Under Delegation

Environmental Health- Commercial Team.	£	
Salaries including on costs	124,807	Includes on costs
Supplies and services	2,400	
Contract for Environmental Protection work	10,000	Existing contract with Chiltern DC
Support service charges	41,321	Includes charges for use of back office functions and CSC
Project Management (one off)	24,940	Existing team leader, part time until 31 March 2019
Grand Total	£178,528	

Appendix 2

Response to specific questions raised by MB on 8 July 2018

1. Staffing costs: how have you had derived the gross staffing costs (which were provided in a single figure sum).

Two FTE EHOs, 0.2 FTE EH Manager and 35 % on costs at current grades. All other staffing requirements have been calculated as being able to be absorbed into existing structures as a result of transformation work underway, this will equate to 0.8 FTE across various roles such as the EH technician, the EH Managers, the Section Head and the Support Officers.

2. A further breakdown of support service charges.

There is no further breakdown to provide as this changes each year depending on many factors in the organisation. We do not calculate in detail support charges for individual roles and a figure is derived as a % of salary costs for the absorbed and new roles proportionate to that charged currently. Any risk around this will be WBCs. I am happy to discuss if there is something specific that would help you in relation to this.

3. Further details of anticipated IT requirements and costs

As a lot of effort has already been made in relation to the integration of the LLPG into WBCs system for the pest control service and the two main systems, Lagan and Uniform, are the same for both organisations we consider most of the integration work will be undertaken as part of consultancy days with IDOX that WBC will pay for. The lead EH Manager here is a Super User, and we have employed a specialist contractor to assist with IDOX development work, again this will be absorbed by WBC in to the planned work. More detailed work is planned by the two EHMs to look at system alignment as was outlined in the proposal in relation to creating detailed transition plan. This will give a more detailed indication but given the main element of this contract is food hygiene, the FSAs strict requirements on reporting assists in the alignment. Discussions indicated 3RDC were happy to use WBC coding going forward and so the main issues will be how much history we transfer and the complications this poses. We propose that the IT set up costs will be included in the project management total costs given the IDOX contract we already have in place.

4. A more detailed estimate of Project Management costs.

As was outlined in the proposal this will depend somewhat on how much time John can commit to supporting the transition. Can you consider this, especially now he has reduced his hours and I can then be more specific. As mentioned above, if we are able to recruit the EHO I mentioned who will be able to support Richard in day to day delivery this year, I think Richard will take on the PM role working with John and a project support officer.

5. The annual uplift that would necessarily be applied to cover the expected rates of pay awards and inflation.

To be confirmed but no different from that which would apply to TRDC.

Appendix 3

NOTICE OF CHANGE UNDER CLAUSE 7 IN RESPECT OF PEST CONTROL SERVICE

THIS NOTICE is given by Three Rivers District Council (“the Requesting Authority”) pursuant to Clause 7 of the Shared Services Agreement between it and Watford Borough Council (“WBC”) dated 1st April 2014 (“the Agreement”)

1. The Requesting Authority wishes to introduce a Change to the Shared Services by the introduction of its pest control service to the portfolio of Shared Services by which it will become the Client Authority and WBC will become the Lead Authority for pest control

2. This request is originated by Chris Hope, Head of Community Services at the Requesting Authority on the date stated below
3. The reasons for the Change are: The TRDC Pest Control officer is leaving the Council. TRDC therefore wishes to ensure resilience in this service through WBC taking on the provision of this as lead authority. In essence WBC would ensure all aspects of the current TRDC Pest Control service continues to be provided including cover for the TRDC Animal Control Officer during periods of leave/sickness absence. WBC would provide all associated customer services and administration ie bookings, invoicing etc
4. Details of the change are the following:

This in summary is as detailed in 3 above. WBC's detailed proposal covers all aspects of the service requirements and is attached to this notice as appendix 1. TRDC would expect regular formal progress reports, minimum twice per year, in addition quarterly meetings with the TRDC monitoring officer as a minimum
5. The implications of the Change to the Shared Services are that an additional service will be added to the existing services covered by the Agreement but it is not anticipated that this will affect or have implications for any of the existing Shared Services
6. As this is a new service, it is not anticipated that there will be any effect on the Charges for any of the existing Shared Services. The Charges for this new service will need to be considered and approved by the Operations Board on the basis of Clause 4 of the Agreement
7. The timetable for implementation of the change is the following:

The lead authority arrangement would commence from the 1/4/16. WBC to provide a project plan detailing all the key steps required to meet this deadline
8. A schedule of the payments to be made by the Client Authority to the Lead Authority is:

See WBC proposal. The final payment schedule will be finalised at the end of 2015/16 as this is when the TRDC income for Pest Control for 15/16 will be known. **NB** The WBC proposal schedules expenditure for the three years of the agreement, however the average of the TRDC income for years April 2013 to March 2016 will need to be netted off the expenditure to determine the final annual payment for the service from TRDC to WBC (again as per the WBC proposal).
9. It is not anticipated that this change will have any human resources implications on any existing Shared Services but it will impact on the pest control staff of the Lead Authority as no staff will transfer from the Client Authority which presently employs one pest control officer. It is anticipated that the changes to working arrangements for the Lead Authority will be as detailed in the WBC proposal. There are no implications for any other services across either Authority.

A decision by the Operations Board is required by 15/12/15 as WBC requires a three month lead in period to commence the lead authority arrangement from the 1/4/16

Appendix 2

Current Financial Resources

1436- Environmental Health- Commercial Team.	Latest Budget 2018/19	
	£	
Employee Related Costs	185,540	3.5 FTE's – includes Fringe, pension, NI and Market rate supplement.
Transportation Costs	6,000	Essential & Casual user mileage and essential user lump sum
Supplies and Services	9,710	Consultancy, furniture & equipment
Third Party Payments	14,190	Private contractors
Income	(8,950)	Registration fees
Grand Total	206,490	

Proposed Costs from Watford Borough Council

1436- Environmental Health- Commercial Team.	£	
Salaries	124,807	This includes on costs
Supplies and services	2,400	
Contract for Environmental Protection work	10,000	Chiltern contract
Support service charges	41,321	Includes charges for use of back office functions and CSC.
Grand Total	178,528	
Annual Saving on Current Service Costs.	(27,962)	Compared to status quo

One off Costs Required.

	£
One off Project Management Costs *	24,940
Savings from Environmental Health Commercial Manager Post	(21,860)
Additional One off Budget Required in 2018/19	3,080

