

## **BEST VALUE REVIEW OF COMMERCIAL ENFORCEMENT - STAGE 3 REPORT**

**Report By: Director of Environment**

### **Wards Affected**

County-wide

### **Purpose**

1. To consider and approve the Stage 3 report and outcomes of the Best Value Review of Commercial Enforcement. Copies of the Stage 3 report have been issued separately to Members of the Committee and is available to the public on request.

### **Financial Implications**

2. The financial implications vary with each option for future provision. However, the preferred option is judged to be cost neutral.

### **Assessing Stage 3 Reports**

3. In considering Stage 3 reports, responsibility rests with the Chair of the relevant Scrutiny Committee, supported by officers, to satisfy the Strategic Monitoring Committee that the requirements of the review process have been met. In doing so, the role of the Strategic Monitoring Committee is to ensure the robustness of the review process, rather than revisiting the detail of each review.

### **Background to the Review**

4. The Stage 1 Report covered the initial data collection stage of the process together with the proposed consultation action plan and benchmarking information plan. This was completed and approved by the then Environment Monitoring and Review Committee on 11 April 2002.
5. The Environment Scrutiny Committee was invited to consider the progress of the Commercial Enforcement Review on the 26 September 2003 by means of a situation report which concluded that Markets and Fairs did not easily sit within the rest of the services under review and the need to collect more up to date data.
6. The Review team comprised Members, the managers of the services being reviewed, the Environment Directorate Best Value Officer (Project Manager), and a critical friend from Policy and Community. The Head of Service for the Division acted as sponsor within Prince2 project management framework principles.

### **Changes and Issues**

7. A considerable amount of information was gathered particularly relating to the changes, trends in service provision and the issues facing the services. These have been outlined in the Stage 3 Report.

## Challenge

8. Why and how the services are provided was challenged. The Review Team determined that, since the services have both regulatory and enforcement roles, it was necessary to continue delivering them. The delivery of the services has been independently challenged to see if improvements could be achieved through activities, e.g EFQM Assessments, Herefordshire Driver Assessments,. All of these activities have challenged various aspects of the services, e.g. leadership, strategy, people, resource, and processes. All of the improvement activities have resulted in action plans.
9. Rigour was added by having an independent chair and through consultation with users and other stakeholders. The review was set up with Members whose remit was to challenge the authenticity of the information being gathered and the analysis of the information. Following the local elections in 2003, Councillor R. Mills has acted as Board Member within the Prince2 principles.

## Consultation

10. The EHTS Service uses its Customer Satisfaction Survey as a key means of feedback from customers and stakeholders. The system is part of the Division's ISO9001 Quality Management System and has been undertaken in both 2002/03, 2003/04 and 2004/5.
11. The Service uses the Council's own complaints system to monitor complaints, comments and compliments about the service. Each complaint/compliment is investigated and if changes are felt appropriate are acted upon. Complaints are reviewed as part of the ISO 9001 process and reported to the Divisional Management Team.
12. The Service has established a Local Business Partnership, in line with other partnerships running nationally between businesses and Regulatory Services. The Partnership is used as a means of consulting with local businesses, particularly over the way in which the Service enforces legislation.
13. Consultation with staff occurs via the annual Council Staff Opinion Survey and the EFQM/Herefordshire Driver process. A staff consultation group has been established to review the outcome of these surveys and to assist management in developing responses to issues that have been raised.

## Comparison

14. BVPI (Best Value Performance Indicator) 166a, which is a '*score against a checklist of enforcement best practice for Trading Standards*', is the sole national indicator at present. As it is a compound score covering all parts of environmental health it is not possible to make comparisons at specific service levels and therefore only overall scores can be compared.
15. Obtaining data from other organisations has proved difficult where there are no Audit Commission, Best Value or other National Performance Indicators. Such performance indicators (PIs) not only require local authorities to collect the data but also to collect it in a manner consistent with others and make that data available. Alternatives to National PIs have emerged over the past few years namely the Hampshire Benchmarking Club and the New Unitaries Benchmarking Club (NUB).

However, participation in such schemes has proved difficult and is not yet well developed.

16. In 2003 effort was put into looking at NUB organisations in order to obtain comparison data for reactive as well as planned work. The quality and usefulness of reactive work data has been poor and no conclusions could be drawn from the activities.
17. There have been some comparisons for the Division as a whole made within Herefordshire Council through the EFQM Excellence Model Assessments, Staff Opinion Survey and Herefordshire Driver assessments.
18. CIPFA do undertake work to assess the overall performance of each authority, however these are conducted across the full environmental health trading standards services and therefore include areas of environmental health work such as private housing, animal health and welfare, and pollution control work. Therefore, data on the financial performance of these services on a like-for-like basis are extremely difficult. Raw comparison data from the last available CIPFA data (2002/03) was collected and costs were compared for Environmental Health and Trading Standards, however the results have to be viewed with considerable caution

### **Compete**

19. The majority of functions are statutory ones delivered on behalf of the Council. There are instances in some local authorities where some of the functions have been/are delivered by individuals and/or organisations outside the respective local authority. In addition, there are private sector individuals and organisations that offer services such as inspection of premises, training and sampling.
20. The Council effectively operates within a 'monopolistic' environment not having to compete with other organisations for business. As most enquiries relate to alleged non-compliance with legislation, it follows that the Council, in its role in policing legislation, does not face competition. The provision of advice on compliance, for example, need not be a role that only the Council may fulfill. Business Link and the Federation of Small Businesses are two organisations that offer advice to businesses.
21. The advice roles and receipt of allegations have traditionally been very closely linked and complement each other in terms of nature, authority and quality of response. There may be room for improvement in these services and lessons could be learned from other providers of advice and recipients of allegations.

### **Options**

22. The five more practical options considered were;
  - Retain the existing services in their current format
  - Stop Delivering the Service
  - Externalise the Service
  - Expand the Service
  - Re-engineer the current services to deliver more efficient services.

23. After consideration of the issues facing the services and the conclusions from the review, the review team recommended the preferred option as being that the services are re-engineered to deliver more efficient services.
24. The Environment Scrutiny Committee on 6 June 2005 considered the outcomes and findings of the review and endorsed the recommendation of the review team.

### **Risk assessment**

25. There is limited risk to the Authority in pursuing the agreed option. There may be some minor risk to customer satisfaction levels during the introduction of the re-engineering. There is a good understanding of the current issues and areas for improvement. There is also a willingness within the services to make the necessary changes.

### **Process issues**

26. There has been a considerable delay in progressing this review and this has been the result of many factors, including;
  - Ongoing pressure of work on key officers both on the review team and in terms of the services managers increased operational rather than strategic or managerial activities;
  - Outbreak of Legionnaires Disease in affecting performance in 2003/4;
  - The restructuring of the Directorate during the summer of 2004.
  - The introduction of the Licensing Act 2003.
  - The Report of the Hampton Review
27. The services in this review have be subject to other improvement activities and quality assurance methods, such as Herefordshire Driver Assessments and achieving ISO9001, consequently the services have been improving whilst the review had been going on, so much so that it was felt that the potential added value of the review has been diluted.

### **RECOMMENDATION**

**THAT the Committee endorse the recommendation of the Environment Scrutiny Committee on the Stage 3 report of the Best Value Review of Commercial Enforcement, that the services are re-engineered to deliver more efficient services, and refer the findings to the Cabinet Member (Environment) for consideration.**

### **BACKGROUND PAPERS**

- Best Value Review of Commercial Enforcement, Stage 3 Report