

FROM: Audit and Risk Manager **SUBJECT:** Environmental Protection
TO: Head of Health & Community Protection **DATE:** 21 March 2018
C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Safer Communities Manager
EP Team Leader
Portfolio Holder – Cllr.
Thompson

1 Introduction

- 1.1 In accordance with the Audit Plan for 2017/18, an examination of the systems and procedures in place to manage the council's Environmental Protection functions has been undertaken by John King, Senior Internal Auditor, and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The last audit of Environmental Protection (EP) was completed at the beginning of 2015 and a report was issued on 30 January. Since then there has been a major restructure within Health and Community Protection (H&CP), a report was submitted to Employment Committee on 22 March 2017, resulting in changes to posts and responsibilities affecting most of the service area. The main effect on EP has been the merger of Environmental Sustainability with Safer Communities.
- 2.2 The restructure coupled with carrying staff vacancies and an increased workload has resulted in a somewhat unsettled twelve months for EP. Steps have been taken to increase the establishment by a temporary Senior EHO post for two years.
- 2.3 The main function of the team remains as the control and management of all aspects of pollution in all its forms. The team comprises a Team Leader, a Senior Environmental Health Officer (EHO), and EHO and 3.8 fte Technical Officers.

- 2.4 The latest estimates for the cost of the core EP function are £675,200 expenditure with income (£7,700) and recharges (£302,100) giving a net cost of £365,400. Under separate cost centres the team undertakes out of hours noise control and arranges Public Health Funerals. The latest estimates for the net cost of these are £33,900 and £7,500 respectively.

3 **Scope and Objectives of the Audit**

- 3.1 The audit was undertaken to test the management and financial controls in place.

- 3.2 In terms of scope, the audit covered the following areas:

- Services provided
- Budget setting and management
- Procedures and protocols
- In-house services
- Contracting out.

- 3.3 The audit programme identified the expected controls. The control objectives examined were:

- Services to be provided are regularly reviewed with services provided being based on available resources.
- Withdrawal of discretionary services receives appropriate approval.
- Staffing levels are maintained at a sufficient level to enable mandatory services to be provided (unless they are contracted out).
- The work of the team is publicised and includes information on reporting relevant incidents.
- Budgets are set appropriately, taking into account expected works in the different areas, and any expected income.
- Budgets are appropriately approved and are signed off.
- Budget reports are regularly received and reviewed, with action taken where significant variances are identified.
- There are standard procedures and protocols in place covering the activities undertaken by the team and these are disseminated to relevant staff and are reviewed and updated as appropriate.
- Detailed records are maintained for all Requests for Service (RFS).
- RFS are actioned promptly.
- Monitoring is undertaken to identify whether RFS are being responded to and completed within a reasonable timeframe, with the results of this monitoring being reported as appropriate.
- Where monitoring work has not been contracted out, it is performed within the set timeframes and is reported as appropriate.
- License and permit applications are recorded upon receipt, any visits are scheduled as soon as is practical, and licenses are issued as soon as possible thereafter.
- Requests for input into planning and licensing applications (i.e. consultation on applications that may cause nuisance or may involve the use of contaminated land) are dealt with in a timely manner (i.e. within reporting deadlines).
- Fees are charged appropriately, with invoices being raised on a timely basis.
- Recharges (internal) are raised appropriately.

- A formal review of services to be contracted out is undertaken to ensure that it cannot be provided more economically in-house.
- Contracts to be let out are appropriately advertised, tendered for and let in accordance with the code of contract practice.
- Performance monitoring is undertaken to ensure that the level of service provided adheres to the standards detailed within the contract.

4 Findings

4.1 Recommendations from previous report

- 4.1.1 The last report on Environmental Protection was issued on 30 January 2015 and it contained three recommendations. The response at the time and the current position are detailed below:

Recommendation	Management Response	Current Status
1 Enhanced exception reporting from APP Civica should be explored to comprehensively capture unclosed service request cases.	Initial Response (Head of Health and Community Protection): Agreed. Now that we have filled a vacant post with some responsibility for collating performance data, this will be monitored through DMT meetings. Target Implementation Date (TID): April 2015. Updated Response: This has been completed and data is regularly updated and reported to DMT.	The Business Support Officer and Systems Team Leader posts have both become vacant since the previous audit. Reports on unclosed service requests are run on an ad-hoc basis and staff are regularly reminded to close any cases where there are no outstanding actions required.
2 Unclosed APP Civica service requests should be monitored at appropriate intervals to ensure prompt closure action where required.	Initial Response (Head of Health and Community Protection): As above response. TID: April 2015. Updated Response: The backlog of open service requests was tackled. Reports are run on a regular basis so that Managers can check on unclosed cases.	
3 The Contaminated Land Inspection Strategy should be revised to reflect the current approach to discharging the Council's obligations on contaminated land.	Initial Response (Head of Health and Community Protection): The Strategy will be revised. TID: June 2015. Updated Response: Completed. The Strategy was reported and agreed by Executive.	The contaminated land inspection strategy was revised in July 2015 and has been uploaded to the council's website.

4.2 Services provided

- 4.2.1 The services provided by the EP team are all mandatory with most of them coming under the umbrella of The Environmental Protection Act 1990. The issue of Environmental Permits and the carrying out of Public Health Funerals are governed by different legislation. The team has historically been responsible for other services which are now managed elsewhere.
- 4.2.2 The restructure of H&CP in early 2017 recognised that demands on the service as a whole had changed and that certain areas of the service were not structured in a manner to meet those demands. Accordingly a number of changes were made to posts and responsibilities were reallocated.
- 4.2.3 The report also cited that H&CP was carrying a number of vacancies at the time and facing an increased workload due in part to the large increase in the number of planning applications being submitted. H&CP are a statutory consultee in the planning process and the EP team are consulted whenever there are real or potential pollution aspects to an application.
- 4.2.4 The additional workload has had a knock on effect on the routine work of the EP team, namely responses to Requests For Service (RFS) and inspections, and the recently approved temporary post should assist in this regard.
- 4.2.5 The services provided by the EP team together with the options for reporting incidents or making enquiries are fully explained on the WDC website.

4.3 Budget setting and management

- 4.3.1 The overall budget setting process for the council follows a well-established process with budgets being approved by council as part of the annual council tax setting routine. As part of that process any changes such as the allocation of additional resources are dealt with.
- 4.3.2 Following approval of the budget individual budgets are assigned to budget holders who are then responsible for managing them. Such is the case with H&CP.
- 4.3.3 Budget monitoring is again another well-established feature of financial control. Budget managers are responsible for ensuring that budgets progress as expected and to this end they are supported by an accountant in Finance by way of regular meetings and routine contact.
- 4.3.4 The budgets for the EP team do not in normal circumstances present a problem as much of their work is responsive and so comprises mainly staff time. Most of the budget is fairly fixed or repetitive with little scope for discretion. Also the budgets tend to be hardly affected by changes in demand or seasonal variations.
- 4.3.5 The 2017 restructure came at a time when budgets for 2017/18 had been approved and consequently a certain amount of reallocation was necessary during the year to recognise the new set up and the transfer of staff and responsibilities.

- 4.3.6 The budgets for EP, noise pollution control and public health funerals for the current and previous financial years were examined and no issues were identified.

4.4 **Procedures and protocols**

- 4.4.1 A large part of the team's work is responding to RFS. These have been a key feature of the work of "Health" over the years are very well established and understood by staff.
- 4.4.2 The team's service standards, which basically set out how the team operates, are posted on the WDC website. They were prepared by the former Environmental Sustainability Manager, are dated 25 September 2014 and include an Operational Plan for 2014/15. They are in need of updating to reflect the current position with structure, job titles, budgets and telephone numbers etc.
- 4.4.3 Written procedures are in place covering the broad aspects of arranging a Public Health Funeral.
- 4.4.4 In terms of other guiding principles there are in place a Contaminated Land Inspection Strategy and an Air Quality Action Plan.

4.5 **In house services**

- 4.5.1 The team undertakes some regular work on water sampling, air quality monitoring and visiting installations covered by environmental permitting but the majority of their work is responding to RFS which includes consultation on planning applications.
- 4.5.2 Details were provided of performance with RFS over a number of categories and it was evident that there was an inconsistent approach depending on the nature of the request and who was dealing with it. Some requests were responded to quickly while others took several weeks. It was also evident that some requests had been completed but not closed formally in the system, a point that was made at the time of the last audit. Staff involved need another reminder to close RFS that have been completed.
- 4.5.3 The performance on RFS was reported to Overview and Scrutiny Committee on 3 January 2018 by the Portfolio Holder. He said that resolution of RFS is taking longer than in 2016/17 but things are improving. He cited planning applications, continuing data cleansing and staff vacancies as contributory factors.
- 4.5.4 The team no longer issue licences but they do issue Environmental Permits which are a statutory requirement for certain businesses involved in spraying, coating and vapour recovery; also included are dry cleaners. The income which is around £9,000 is currently credited to Community Safety (CS) and is in the same budget for next year. This looks to be the result of the restructure as the officer dealing with the permits used to work in CS but now works in EP. There seems to be no link between what is basically air pollution and CS and the budget should be transferred to EP.

- 4.5.5 Part of the overall management of Environmental Permits is an inspection regime based on the risk presented by the activity. The higher the risk, the more frequent the inspection. As a result of other priorities the inspection regime is very much behind schedule but should improve when the new member of staff is in post.
- 4.5.6 As mentioned on a number of occasions the number of planning applications being received by the council is having a significant effect on the workload of the EP team. H&CP is a statutory consultee and the EP team are consulted whenever an application contains elements that may cause pollution of some kind. It is left to the planning officer or planning assistant to make the decision as to whether an application needs to be referred and it was reported that they have a good sense of when referral applies. As a fall back to ensure that no applications are missed the EP team receive a weekly list from Development of all applications validated in the previous week and this is examined for applications that are of interest but have not been referred.
- 4.5.7 In order to address the workload situation and as part of the budget setting process Executive recently approved the appointment of a temporary Senior EHO for two years to be funded 60% from the recent increase in planning fees and 40% from the Service Transformation Reserve.
- 4.5.8 The EP team has little involvement with locally set fees and charges apart from the fee for searches of the Contaminated Land Register and so far this year there have been 18 searches. The fee for 2017 and 2018 is £99 but it was noted that with one exception the fee being charged is the 2016 fee of £97 so this needs to be remedied.
- 4.6 **Contracting out**
- 4.6.1 Most of the work of the EP team is undertaken in house and only contracted out whenever the necessary expertise is not available. Accordingly there are two relatively low value contracts in place for the analysis of samples in connection with air quality monitoring.
- 4.6.2 The only other contract is again of low value and it is with a local funeral director for the provision of Public Health Funerals under the Public Health (Control of Disease) Act 1984. While there is some minor variation in the cost, depending on whether or not there is a service or a minister in attendance, they normally average around £1,250 per case which is virtually at cost. This represents very good value money for the council and reflects Ison's altruistic approach and apparent social conscience. The contract expires at the end of August 2018 so steps will need to be taken fairly soon to relet it if they haven't been already.
- 4.6.3 Incidentally, in line with the national trend, there has been an increase in the number of funerals arranged this year. Media reports suggest that the main reason is that people cannot afford the cost. The effect on the budget is difficult to predict as the council's costs can be recovered from the estate if there are sufficient funds available. At the moment the net spend looks to be in line with the estimate.

5 **Conclusions**

5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place for managing Environmental Protection Functions are appropriate and are working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

6 **Management Action**

6.1 As there are no recommendations arising from the audit there is no management action required.

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