

SERVICE REVIEW OF REGULATORY SERVICES

1. PURPOSE

- 1.1 To provide a progress report on the status of the review, as requested following the meeting of the Audit Committee on 25th June 2010.

2. RECOMMENDATIONS

- 2.1 That the Committee notes the progress of the Service Review, particularly the options recommended to the Transformation Board.

3. BACKGROUND

- 3.1 At the meeting of the Audit Committee on 25th June 2010, a report was provided advising the Committee of the transition from the Best Value Review to the Service Review, as required by new corporate arrangements.

4. SUBSEQUENT DEVELOPMENTS

- 4.1 In accordance with the Service Review Guidance, a series of reports was prepared, dealing with the baseline position of the service, benchmarking with like services, future challenges and options for meeting the 15% savings target.
- 4.2 The project team, chaired by the Head of Service, has now approved each of these reports.
- 4.3 The Transformation Board will review the reports at its meeting on 30th August.

5. INITIAL FINDINGS

- 5.1 The Baseline Report concluded that available resources are managed effectively to meet service priorities, although reduced staff numbers though vacancies (pending implementation of Best Value / Service Review) have resulted in some performance levels below the Scottish average. In addition some statutory work is not being undertaken; this includes complex investigations (e.g. illegal money lending, counterfeiting, bogus traders) and alternative enforcement activities

(e.g. for medium / low risk visits). These activities have not been fully addressed as a result of management decisions not to fill vacant posts, pending the outcome of the Best Value / Service Reviews.

5.2 The Benchmarking Report identified several key themes –

- The costs incurred in delivering Regulatory Services are already, either lower or broadly similar, to those of the benchmarking partners (costs per member of staff, geographic area, population)
- The apparently positive performance results mask the fact that the current SPI measures are simplistic and quantitative and do not fully reflect core duties of the service. It is acknowledged by relevant professional societies (SCOTSS, REHIS) that improved benchmarks and indicators are required to better reflect more complex enforcement and qualitative service outcomes.
- Both the management and staff structures appear to be more complex than those of the benchmarking partners, presenting opportunities to rationalise service delivery and management arrangements.

5.3 The findings of the Challenges Report also lead to recommendations for service improvements, derived from national and local considerations –

- The PESTLE analysis indicated the need for a review of the current staff structure, focussed on optimising current resources and meeting service priorities. Consideration would be given to identifying where efficiencies could be made, while ensuring minimal impact on statutory, frontline services
- The assessment of future service requirements recognised the benefits of risk based, proportionate enforcement, optimising opportunities for integration and investment in alternative enforcement strategies but also acknowledged the limitations of a shared services model.
- The SWOT analysis highlighted several concerns; that the current level of frontline staff does not offer capacity to address the Council's statutory duties, that a further reduction in these circumstances has the potential to lead to direct intervention by national bodies (e.g. Food Standards Agency, Department of Business, Innovation and Skills), the current staff structure produces conflict / duplication in management and operational issues and that the service is not supported by robust IT, quality and consumer focus

systems.

6. STAGE 1 OPTIONS

6.1 In order to meet the required savings, a combination of options has been agreed by the Project Team:

- New management arrangements with ONE 3rd Tier Regulatory Services Manager and THREE 4th Tier Managers (2 Environmental Health and 1 Trading Standards)
- Savings through removal of specified vacant posts (detailed in Options Report, Section 1.3)
- Alternative provision of community advice, accessing national agencies (see Options Report 1.2)
- Redesign of debt counselling service to achieve efficiencies by reducing the number of posts from 3 to 2 and realignment of work.
- Redesign of antisocial noise service and strengthening the current joint working arrangement with Strathclyde Police
- Ensure full cost recovery of management costs from Private Landlord Registration scheme
- Maximising service income through a review of fees and charges and improvements to cost recovery

6.2 The combined effect of these options, will require the development of a new service delivery model which seeks to achieve efficiencies and address the current and future challenges. The radical redesign will –

- have capacity to deliver core, statutory services
- be simpler than the current arrangements
- be more focused on management
- be more efficient
- release more resources for frontline services

6.3

The integration of 3rd tier management of environmental health and trading standards has been carefully considered and a comparison of arrangements in other local authorities has identified that 9 of out 15 authorities operate effectively on this basis and can achieve the statutory service appointments which are necessary.

6.4

The implementation will require interim arrangements to improve the alternative enforcement approach and service improvement agendas which are required to allow the future service to grow and reduce time on front-line services. These interim arrangements are essential to ensure that the new

model is sustainable and reduces the risks associated with the introduction of this significant change.

7. CONCLUSIONS

7.1 Regulatory Services is acknowledged as a valued and performing service. It compares well with other benchmark partners and manages its workload in the context of a risk based, proportionate and performance culture. There are currently a high number of vacancies which remain unfilled, due to a management decision to use those resources in the redesign of the service, through the Best Value and Service Review processes. This has led to some aspects of statutory services not being undertaken. The current focus on high risk is unsustainable, as it is likely that low / medium activities may develop into high risk or generate a public health or consumer safety incident.

The service review seeks to address this situation by rationalising management to release resources to the frontline by adopting a radical, new service design. This will also provide the capacity to adopt new service delivery arrangements for statutory activities, undertake alternative enforcement for low / medium risk activities, supported by removal of funding from non statutory activities. In this way Regulatory Services will be equipped to deliver a more efficient and effective service in order to meet future challenges.

7.2 Confirmation of the validity of the Stage 1 Options Appraisal has not yet been given by the Transformation Board. However, should this be achieved, then the Project team will then progress the Stage 2 Options Appraisal, the Implementation Plan, Risk Management Strategy and Final Report. These are due to be considered by the Board on 28th September 2010.

8. IMPLICATIONS

8.1 Policy :	In accordance with new policies relating to service reviews
Financial :	The review will deliver a minimum of 15% saving over the three year period, from 2011-12.
Equal Opportunities :	Incorporates equalities impact assessment
Personnel :	HR have addressed recruitment issues

Kate Connelly
Operations Manager – Trading Standards

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For further information
contact: :

Kate Connelly,
Operations Manager –
Trading Standards
Or Alan Morrison,
Operations Manager –
Environmental Health

Tel: 01546 604116

Tel : 01546 604292