

**Policy and Resources Committee  
11 March 2024**

PART I

**Renewal of Service Level Agreement for provision of the Environmental Health (Commercial) Service by Watford Borough Council (WBC) (ADIEP)**

**1 Summary**

- 1.1 In May 2019 Three Rivers DC delegated its Environmental Health (Commercial) Service to Watford Borough Council (WBC) for a period of 5 years. This service ceases in April 2024. This report seeks to renew this service agreement for a further 5 year period.
- 1.2 The previous report to P&R Committee (dated December 2018) is attached for background information (**Appendix 1**).

**2 Details**

- 2.1 The Council's Environmental Health (commercial) service has been provided by Watford Borough Council, under a S101 delegation of the Local Government Act 1972, since 1 May 2019. This followed a Committee decision at P&R Committee in December 2018.
- 2.2 The service initially cost £163,651, with an annual uplift of 2%. Service savings were identified at the time of the original decision. The cost for year 5 (2023/24) was £195,205 against a budget of £210,210. The additional monies are for any costs outside the contract costs.
- 2.3 The primary reason for delegating this service back in 2018/19 was the imminent retirement of professional officers at TRDC but also a chronic shortage of Environmental Health practitioners. The understanding is that this shortage of skilled and specialist staff remains and makes recruiting difficult. Alternative ways of providing the service were investigated in 2018 with Officers (and subsequently Members) concluding to progress with delegating the service to Watford Borough Council for a 5 year period.
- 2.4 The delegation option was chosen as it provided a significant improvement in service resilience and flexibility. It also provided an enhancement in some areas, notably a daily "duty officer".
- 2.5 It is evident over the last 5 years, specifically in the response to and handling of the Council's response to the pandemic, that the service resilience offered by a larger specialist team at Watford BC has been invaluable to service provision. Whilst it is acknowledged there are minor improvements which have been sought to branding generally the service has run efficiently and effectively without the need for any TRDC intervention.
- 2.6 It is now sought to extend this service provision for a further 5 years. The service provision is statutory and includes:
1. Food Safety and Food Sampling.
  2. Health & Safety at Work in the Local Authority enforced sector.
  3. Local Air Quality Management (LAQM)
  4. Local Authority Pollution Prevention & Control (LAPPC)
  5. Infectious Disease Investigation and Outbreak Control.
  6. Contaminated Land.

7. Registration of Skin Piercing Practitioners.
8. Consultation upon planning applications, not including noise impact.

2.7 There has always been work identified as 'Out of Scope' of the delegation which has been instructed and charged separately. This includes the instruction of specialist or legal advice and representation including for any potential prosecutions (which have been an exception at TRDC to date). The decision on progressing a prosecution and any court action is for the Associate Director of Legal and Democratic Services under Article 14 of the Constitution.

2.8 To date there has been limited work outside the service/contract scope and therefore limited incurred additional costs. However, WBC have identified a number of cases in the last 4/5 years where work has exceeded 10 hours of Officer time and has taken it outside 'normal' day to day work. WBC have proposed a strengthening of defining 'Out of Scope work in any new service agreement and have suggested:

*"If a case or piece of work takes longer than 10 hours, this would be the trigger for work being 'Out of Scope.'*

2.9 WBC have identified the following cases/pieces work as being 'Out of Scope' over the last 4/5 years'. They are proposing these types of work would have incurred additional charges (over and above the first 10 hours) and would do from 1 May 2024 if an extension to this service provision is agreed. This list just gives an indication of where TRDC would have been charged.

- Accident at Boys and Girls Nursery - 30 hours officer time
- Air quality issues at Maple Cross - 45 hours of officer time
- Allergen case at Royal Masonic School for girls - 40 hours officer time
- Accident at Rocket Graphics - 20 hours officer time
- Reviewing the locations of the diffusion tubes - 20 hours officer time

2.9 The specific details of 'Out of Scope' work and how additional costs would be calculated are still to be confirmed but would be based on an agreed Officer hourly rate.

2.10 The proposed contract costs for 24/25 are £198,433, to be increased annually equal to % pay rise. Full service details are included in the draft SLA contained at **Appendix 2**. The service provision to WBC would be extended for a further 5 years.

2.11 If it was agreed to pursue an extension to the current service provision for another 5 years the existing Shared Services Agreement with WBC has a specific Change Control mechanism, so that, for the purposes of adding/amending a service, this 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. The current proposals would be achieved by TRDC submitting a change control notice to the Operations Board and was the method used previously in May 2019.

### **3 Options and Reasons for Recommendations**

3.1 The delegation of the service to WBC for the past 5 years has been well received, with very limited feedback from either the public or businesses. The same concerns about an in house team, around recruitment difficulties and service resilience, remain as they did 5 years ago, and it is acknowledged an in house service would come at a greater cost.

3.2 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, continuing to combine them in this way will provide a more "joined up" service.

3.3 The current service 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 (and now TRDC). LAPPC is provided by a contractor who WBC will retain.

3.4 It is recognised additional costs maybe incurred under the new agreement due to the introduction of 'out of scope' work but these cases are limited and can also not be foreseen in advance. It is accepted in specific cases investigations and future actions arise that take considerably more time than 'normal' case work. This change to the terms of the SLA are considered acceptable.

#### **4 Policy/Budget Reference and Implications**

4.1 The recommendations in this report are within the Council's agreed policy and budgets.

#### **5 Financial Implications**

5.1 The proposed cost of the service for 2024/25 is £198,433, against a current budget of £210,000. The cost is to be increased annually in line with salary increases (as the service cost is all based salary based).

5.2 The specific details of the additional costs associated with 'Out of Scope' are still to be agreed but the would be based on an agreed hourly rate.

#### **6 Legal Implications**

6.1 Section 101 of the Local Government Act 1972 provides that a local authority, subject to any express provision, may arrange for the discharge of any of their functions by any other local authority.

6.2 The existing Shared Services Agreement with WBC has a specific Change Control mechanism, so that, for the purposes of amending 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 previously for this service delegation.

#### **7 Communications & Website**

7.1 The website will be updated with all relevant information on service contact.

7.2 It has been confirmed TRDC branding will be used on template correspondence and where appropriate. On premises stickers for food ratings a Food Standards Agency logo is used.

#### **8 Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre**

8.1 None specific.

#### **9 Risk Management and Health & Safety Implications**

- 9.1 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.
- 9.2 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.
- 9.3 The following table gives the risks if the recommendation(s) are agreed, together with a scored assessment of their impact and likelihood:

<b>Nature of Risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response</b> <i>(tolerate, treat, terminate, transfer)</i>	<b>Risk Rating</b> <i>(combination of likelihood and impact)</i>
WBC unable to provide service due to unforeseen pressures and/or recruitment issues	Will impact service delivery Negative reputational risk for TRDC	Regular performance meetings with WBC, monitoring of service and KPIs	Treat	3/4
Serious incident/event requires investigation	Could impact service delivery	Regular performance meetings with WBC, monitoring of service and KPIs, review of resources available	Treat	6

- 9.4 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

<b>Very Likely</b> ----- <b>Likelihood</b> ----- ▼ <b>Remote</b>	<b>Low</b> <b>4</b>	<b>High</b> <b>8</b>	<b>Very High</b> <b>12</b>	<b>Very High</b> <b>16</b>
	<b>Low</b> <b>3</b>	<b>Medium</b> <b>6</b>	<b>High</b> <b>9</b>	<b>Very High</b> <b>12</b>
	<b>Low</b> <b>2</b>	<b>Low</b> <b>4</b>	<b>Medium</b> <b>6</b>	<b>High</b> <b>8</b>
	<b>Low</b> <b>1</b>	<b>Low</b> <b>2</b>	<b>Low</b> <b>3</b>	<b>Low</b> <b>4</b>
<b>Impact</b> <b>Low</b> ----- ► <b>Unacceptable</b>				

Impact Score	Likelihood Score
4 (Catastrophic)	4 (Very Likely (≥80%))
3 (Critical)	3 (Likely (21-79%))
2 (Significant)	2 (Unlikely (6-20%))
1 (Marginal)	1 (Remote (≤5%))

9.5 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 the management of operational risks is reviewed by the Audit Committee annually.

## 10 Recommendation

10.1 It is agreed:

- i) The Environmental Health (commercial) service is continued to be delegated to Watford Borough Council with effect from 1 May 2025 for a period of 5 years at an initial service cost of £198k subject to an annual increase in line with % increase in pay rises
- ii) All further work to complete this extension to the existing SLA is delegated to the Director of Finance in consultation with the Lead Member for Resources.

Report prepared by: Kimberley Rowley, Head of Regulatory Services

**Data Quality**

Data sources:

Shared Services Agreement

Data checked by:

Alison Scott, Director of Finance

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	<b>X</b>
<b>3</b>	<b>High</b>	

**Background Papers**

Shared Services Agreement WBC/TRDC

**APPENDICES / ATTACHMENTS**

Appendix 1 – Policy and Resources Committee papers 2018

Appendix 2 – Draft service provision proposals dated February 2024