

Agenda Item	
Enforcement Budget Scrutiny Task Group	
Title of Report	Enforcement Budget Scrutiny Task Group – Briefing Paper
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Corporate Director Sponsor(s)	Kim Wright Gifty Edila
Meeting Date	9th September 2015

Purpose of the report			
<ul style="list-style-type: none"> To brief the Scrutiny Task Group on progress of the Cross Cutting Review of Enforcement Services 			
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1. Introduction

1.1 The Enforcement Programme is one of seven cross-cutting programmes commissioned from the Cabinet / HMT away day in August 2014.

1.2 In discussions prior to, and at, the Cabinet / HMT away day the Chief Executive and Members expressed their interest in looking at the potential efficiencies from joining up our street presence, and in particular our enforcement activities with businesses. To what extent can officers from different areas carry out enforcement in a generic way? How much can we shift to prevention?

1.3 This programme is about taking a step back and asking what the purpose of the Council's enforcement function is from the point of view of all stakeholders. What are we seeking to achieve through enforcement, i.e. a better quality of life, and public protection. What are we enforcing against? There are the issues that residents will say are important to them, e.g. dogs, noise, or mess. Then there are more hidden issues, the minimum wage, human trafficking, consumer protection, debt, and housing quality.

1.4 This programme is also about re-aligning the Enforcement function to better support the delivery of high level outcomes and manifesto commitments, while dealing with the additional demand arising from both an increased population and borough growth, while ultimately saving money.

1.5 The scope of the programme was approved at Cabinet HMT in December 2014. Services in scope at the outset were spread across four directorates and included:

- Health and Community Services leading Parking, Environmental and Highways Enforcement and Parks;
- Legal, HR and Regulatory Services leading Trading Standards, Licensing, Environmental Health, Building Control and Planning Enforcement;
- The Chief Executive's Directorate leading Safer Communities including the Wardens and ASB/Noise;
- and Housing/Hackney Homes leading Private Sector Housing, Hackney Homes ASB Management.

It was recognised at the outset that these services may not be 100% enforcement related and that the enforcement proportion of the service in scope of the savings element may change. The services now in scope of the programme and a summary of the reasons for exclusion of some services are included in Appendix 1

2. Relevant manifesto commitments

The relevant manifesto commitments include:

- In partnership with the police, residents and businesses, we will continue to deliver reductions in crime, from preventing youth violence through to tackling all anti-social behaviour, including noise nuisance and irresponsible dog owners.
- We will target street drinking and substance misuse that leads to anti-social behaviour and crime and take enforcement action against begging and persistent street sex work particularly kerb crawling.
- We will ensure that there is a joined-up approach to the management of ASB and noise complaints.
- We will review the Council's Licensing Policy, developing a balanced response to pubs and clubs that tackles anti-social behaviour.
- We have introduced dog control orders and will continue to enforce against irresponsible dog owners who do not clean up after their pets or allow them to be a nuisance to others.
- We will continue the improvement of the Council's Planning Service, to be efficient and responsive to its users, engaging with residents, and is effective at ensuring the compliance of builders and developers
- We will continue to reach out and engage with service users and residents to improve services and empower residents and communities. We will continue to support ward forums where residents and their councillors can come together to solve local problems, help improve the borough and strengthen their local community.
- We will use all legal powers available to address poor standards in the private rented sector, including enforcement measures to improve the sector, such as the introduction of a licensing scheme to enforce high standards. We will continue to lobby central Government to ensure local authorities are given stronger powers to intervene in the private rented sector.

3. Programme Progress Summary

3.1 The programme commenced in Mid December 2014. Programme governance includes:

- A programme board was created that replaced the Corporate Enforcement Strategy Board, with programme sponsors, the Corporate Director of Health and Community Services and Corporate Director of Legal, HR and Regulatory Services. Senior representatives from relevant directorates and HR, ICT and Finance are also members of the board and are supported by the Programme Manager, from the Chief Executives Directorate.
- A Cabinet Members' advisory panel was created chaired by either the Deputy Mayor or the Cabinet Member for Neighbourhoods. Other members attend by invite of the chair. The member's panel is supported by the Programme Manager.

These boards meet monthly.

3.2 The review/definition phase of the programme concluded at the end of June 2015 and a summary of the findings and approved recommendations are listed below:

Findings

- There is no overarching Policy or Enforcement Framework set by the authority to drive standards across enforcement service delivery and provide structure to the development of remit related policies and strategies.
- Organisational design of enforcement services and the present service operating models hinders the delivery of improved enforcement delivery and ultimately risks the delivery of organisational outcomes and limits the potential to deliver further required savings whilst at the same time minimising negative impacts.
- There are individual examples of best practice in service however enforcement performance across the silos has been identified as inconsistent and joint working opportunities are not maximised.
- Some opportunities identified during the 2013 stocktake of enforcement services have not been realised. These include opportunities to reduce duplication, improve Joint Working, develop integrated processes, exploring merging “like” services and multi skilling, joined up prioritisation and delivery, shared business intelligence and information sharing, collective customer need identification and maximising impact for investment.
- Customer focus and response is inconsistent across services. Simplified contact points and processes for the customer do not exist which frequently leaves customers navigating around a plethora of contacts and services rather than having their needs responded to directly in a joined up way.

Recommendations

- No enforcement function design solutions are available “off the shelf” to deliver Hackney Council’s objectives and financial objectives which are unique to the borough however due regard has been given to both benchmarking and best practice analysis. A new model for services will be designed that will focus on customer pathways related to People and Place, Resident Premises and Residents, and business. The new model will need to include structural and process redesign.
- Cabinet HMT in Dec 2014 were clear in requesting that the programme explore the opportunity to deliver key service improvements. Quick wins have been established from the analysis work undertaken on the programme and the Hospitality Improvement Board process to date. The quick wins have been commenced and include: Noise demand analysis and exploration of response, NTWE Patron disorder demands and a campaign to address these, Transfer of Air, Land and Water Pollution Service to Waste and Environmental Strategy Service, A review and redesign of the Highway Licensing Process, Developing a pilot to support businesses to be compliant through education and support, and Customer processes and KPI’s in Planning Enforcement reviewed and amended.
- That a new draft “Umbrella” Integrated Enforcement Policy be produced in line with best practice across organisations. This is not to be designed to duplicate service specific policies but more make a statement of how the authority will undertake it’s regulatory and enforcement role across all remits.
- Presently no unifying vision is in place to help drive enforcement provision. It is proposed the following Vision be adopted for the enforcement function within the borough.
“Hackney Council, with its partners and communities, aims to build a culture of compliance for the protection of the boroughs citizens, communities, environment and economy”
- Development of directly related enforcement outcomes is recommended and will be progressed in the next phase of the programme to complement the refresh of the Sustainable Communities’ strategy. These will need to be in addition and complementary to Manifesto commitments. A series of workshops with key stakeholders including

present Heads of Service and Assistant Directors are being progressed to develop these new outcomes. A review of

current KPI's and creation of new outcome focused measures will also be progressed following the outcomes development process and will again include engagement with key stakeholders including members.

- There is a need to create a more thorough understanding of customer need through an evidence based approach. Customer insight building processes are critical and need to be developed further.
- Demand Management and Prevention are critical to the sustainability of performance levels in the enforcement function. Presently a high proportion of investment in these services is used to respond to compliance or demand failures and the cost of providing these responses is high and only likely to rise further. It is anticipated that adopting this approach could enable up to 10% non-cashable savings in the future. The council is also exploring this approach more widely through the Cross Cutting programme "Maximising the use of resources" informed in part by the RSA2020 study.
- Develop a framework of prevention, underpinned by effective analysis of the current demand and customer expectations/need and seek to re-profile investment where appropriate towards preventative service delivery such as Partnership working, Coaching, Communications (Local, Targeted and Borough Wide), CRM etc.
- Any stopping or de-prioritisation of service provision needs to be carefully considered in detail and is not as simple as ceasing discretionary services and just undertaking statutory services due to borough needs. To assess impact of the service/activity and enable an informed decision on ceasing that particular service provision an assessment criterion based around impact will be created to enable decisions in stopping and de-prioritising services.

4. Next Steps

4.1 Two major projects have been identified to deliver the required changes to bring the new model to life. These projects focus upon delivery of Function Redesign and Strategy, and Operational Improvements.

4.2 Six quick win task and finish projects have been identified and these have commenced.

4.3 Two further major ICT projects have been identified as underway in the organisation - these are being taken forward corporately and are complementary to the programme and critical to transforming service delivery. These focus upon implementing a new ICT Mobile Working Solution which will make services more efficient, reducing report times and back office downtime; and an innovative ICT Business Intelligence Solution which will capture evidence from across corporate systems enabling evidence based approaches to be defined and to consider evidence in a cross cutting way. Local back office ICT improvement requirements have been identified to support business process redesign.

5. Key milestones

5.1 A high level programme plan is provided at Appendix 3 which identifies the key dates through to the conclusion of the programme.

5.2 The programme is presently in the design phase and implementation phase and is progressing to plan.

6. Financial considerations

6.1 For this report the Council the salaries budget for services in scope have been included at Appendix 1.

6.2 The 2014/15 gross expenditure budget (including recharges) for services within the scope of this review is £27.7m, of which £9.8m is for Parking Services. These services recover income of £21.1m. Table 1a provides details of the gross expenditure, income and net budget by LBH Directorate and 'Cluster'. Of this budget, recharges make up £3.8m and capital charges £0.52m.

Table 1a

	Gross Expenditure Budget (Inc Recharges and Capital Charges)	Income	Net ((Inc Recharges and Capital Charges)
LHRR			
<u>Cluster 1</u>			
Building Control	696,596	-568,000	128,596
Planning Enforcement	2,247,041	-1,981,865	265,176
			0
<u>Cluster 2</u>			0
Trading Standards	542,971	-28,000	514,971
Licensing	724,364	-581,400	142,964
Environmental Health	786,002	-21,000	765,002
			0
Health and Community Services			0
<u>Cluster 3</u>			0
Environmental Enforcement	945,223	-49,003	896,220
Parking Enforcement	9,760,221	-13,556,191	-3,795,970
			0
<u>Other Services</u>			0
Parks	4,606,488	-427,000	4,179,488
Markets	888,529	-748,329	140,200
Street Scene Enforcement	3,037,185	-2,028,410	1,008,775
Hygiene Services	680,864	-715,772	-34,908
Shop Front Trading	191,668	-165,637	26,031
			0
Chief Executives			0
<u>Cluster 4</u>			0
Community Safety/ ASB Mgt	1,991,948	-199,667	1,792,281
Noise and Pollution Management	603,463	-57,978	545,485
			0
Total	27,702,563	-21,128,252	6,574,311

Table 1b provides details of the gross and net expenditure budget excluding recharges and capital costs (controllable) which amounts to £23.4m (gross) and income receipts of £21.1m, of which £13.6m is from Parking Enforcement.

Table 1b

	Gross Expenditure Budget (Exc Recharges and Capital Charges)	Income	Net ((Exc Recharges and Capital Charges)
LHRR			
<u>Cluster 1</u>			
Building Control	572,273	-568,000	4,273
Planning Enforcement	1,845,991	-1,981,865	-135,874
			0
<u>Cluster 2</u>			0
Trading Standards	445,688	-28,000	417,688
Licensing	593,405	-581,400	12,005
Environmental Health	646,997	-21,000	625,997
			0
Health and Community Services			0
<u>Cluster 3</u>			0
Environmental Enforcement	773,789	-49,003	724,786
Parking Enforcement	8,898,176	-13,556,191	-4,658,015
			0
<u>Other Services</u>			0
Parks	3,400,659	-427,000	2,973,659
Markets	831,438	-748,329	83,109
Street Scene Enforcement	2,486,197	-2,028,410	457,787
Hygiene Services	543,971	-715,772	-171,801
Shop Front Trading	165,342	-165,637	-295
			0
Chief Executives			0
<u>Cluster 4</u>			0
Community Safety/ ASB Mgt	1,657,840	-199,667	1,458,173
Noise and Pollution Management	494,305	-57,978	436,327
			0
Total	23,356,071	-21,128,252	2,227,819

Other income is from activities such as planning applications, licences and professional services relating to building control guidance.

6.3 Whilst not the main driver for the programme cashable savings are expected to be in the region of £1.3m. These savings may need to be profiled across 16/17 and 17/18 financial years to enable sound implementation of changes and to manage risks appropriately. The salaries of roles in scope have been identified and are included at Appendix 1. £1.3m equates to around 25% of salaries in scope, however, it is expected that a proportion of these savings may be made by reducing non-salary costs.

6.4 The savings delivered from Enforcement functions within the scope of the review between 2010/11 and 2015/16 amount to £104k for Safer Neighbourhoods and £919k for Regulatory Services and are shown in Table 2 below. These savings have been achieved through a management restructure within regulatory services, other salary savings and increasing income from licensing and trading standards. Parking Services have delivered savings of £3.4m between 2010/11 and 2015/16 and these relate to both enforcement and non-enforcement activities and are also shown in Table 2. In addition, Community Safety delivered savings of £530k in 2013/14 from the restructuring of community safety and noise response teams, CCTV, Emergency Planning and Community Safety Wardens Team. A proportion of these are attributable to enforcement. Further details on the savings are provided in Appendix 2.

Table 2: Savings by Services 2010/11 to 2015/16

Financial Year	Safer Neighbourhoods	Regulatory Services	Parking Services	Total
	£'000	£'000	£'000	£'000
2010/11	0	24	280	304
2011/12	104	225	0	329
2012/13	0	381	1,069	1,450
2013/14	530	156	547	1,233
2014/15	0	133	0	133
2015/16	0	0	1,479	1,479
Total	634	919	3,375	4,928

6.5 The review recognises that any structural or service changes has the potential to impact on income and this risk has been factored into decisions about scoping and continues to be monitored through the programme to ensure that income is not adversely affected, and also to ensure further income opportunities are seized.