

Regulatory Services Review

- 1.1 The Council has a statutory obligation to ensure the safety, health and wellbeing of the Borough's residents through regulating elements of the physical landscape, the services provided by businesses in Brent and the interaction between people in the community. Regulatory services play an important role in ensuring that businesses understand the complex legislation that they need to abide by. They are fundamental to creating a level playing field in which responsible businesses can flourish and local communities remain protected from rogues.
- 1.2 The Council needs to make budget savings of £54m over the next two years, whilst meeting its statutory requirements and continuing to provide quality services. A key objective of this project is to achieve savings, or generate increased income of minimum £300k from the net operating cost of the Regulatory Services functions that have historically sat within Environment & Neighbourhoods, and ideally to identify a realistic way that this group of services can become a net contributor to the council, whilst improving the quality of service provided to residents and businesses within the borough. In addition to this, Private Housing Services identified a potential saving of £100k during the budget process that is linked to this review. We must think creatively about how services can be delivered, how we can ensure our services are customer focussed, and how income could be generated from services that we may be well-placed to provide.
- 1.3 There are a variety of activities that we can undertake in order to assess how best to make these savings:
 - Undertake process reviews, analyse benchmarking data, and look at external best practice in terms of processes and quality, to improve the efficiency of our existing functions and the value for money we achieve within the existing budget;
 - Review our statutory obligations, and the structures we use to deliver those, to scale back services and reduce our operating budget;
 - Investigate opportunities to generate income by taking on new functions or expanding our existing income generating activities;
 - Investigate opportunities to enter into shared services arrangements with other boroughs – which could mean entering into new equal partnerships, acting as a lead borough to deliver services to others, or asking another borough to deliver services on our behalf;
 - Investigate whether cost savings could be realised from outsourcing services to a commercial partner or other delivery vehicle.
- 1.4 There may also be opportunities to act as a lead borough and provide services to neighbouring boroughs, as we already do with Harrow, for whom we fulfil their trading standards obligations, and provide their public mortuary service. Harrow has also recently approached us showing an interest in outsourcing their Environmental Health function, which comprises the equivalent to our Regulatory Services unit, along with Private Housing Enforcement. There may also be options to have other boroughs provide services on our behalf. There may be significant value in investigating how these principles could potentially be extended to other areas of regulatory services.
- 1.5 Within Planning and Regeneration, a proposal has already been made to set up an independent trading arm to deliver Building Control services. The aim is to maximise non-ring-fenced income to the local authority so that the planning & regeneration service is a net

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contributor to the general fund. This is an important dependency for this project, since the same trading arm could be used to generate net income in other regulatory functions, so it is important that the articles of association are set up in such a way as to allow the flexibility to achieve this. Assuming this is taken into account, it would benefit this review if the project were completed independently of the review along its original timescales, as if this is a preferred option identified by the review, it will provide some important learning points to inform the implementation plan.

- 1.6 There are already some areas where the council has chosen to provide regulation over and above our statutory obligations, such as in private housing regulation. From 1 January 2015, all houses in multiple occupation (HMOs) within the borough, and all privately rented properties in Willesden, Harlesden and Wembley Central are obliged to hold a licence, regardless of whether they meet the Government's national mandatory licensing criteria. While we are prohibited from generating income through this activity to cross-subsidise our statutory activities, we are able to recover our costs, and implementing this additional and selective licensing should have a number of wider benefits to the council. This initiative will improve the standard of privately rented stock throughout the borough, whilst also building stronger relationships with over 6,000 landlords, who own a significant proportion of the private privately rented properties in Brent. Together, these two benefits could have a substantial impact on the council's ability to suitably house the thousands of homeless households that we have accepted a statutory duty to house. In addition, in the long term such activities may realise cost savings elsewhere within the council, through reducing the need for enforcement action from our private housing, anti-social behaviour and noise nuisance teams.
- 1.7 This Regulatory Services Review should consider whether there are opportunities for Brent to act as a lead borough on providing these types of services to others, whether we should outsource these functions to other boroughs or an external commercial provider, and also more broadly whether there are other opportunities to implement initiatives services similar to Private Sector Licensing that are cost neutral but have the potential to deliver non-financial benefits across wider council services.
- 1.8 Many of the functions carried out within regulatory services have relevance across borough boundaries; businesses that are regulated often serve residents of other boroughs, and businesses outside of Brent provide services to our residents. There may be considerable financial benefits that could be realised from delivering these services in partnership, and a greater consistency of approach with neighbouring boroughs may make it easier to ensure a consistent experience for residents, and make it easier for the businesses that both serve and employ our residents to understand and comply with their obligations.
- 1.9 IP&E were appointed by Brent Council to undertake phase 1 of the review in April 2015, through a competitive tender process.

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