

Investigation into use of green yard for abandoned and stray horses in Thurrock Council's boundaries

History

Around 2002/03, a large number of horses were abandoned in the Fort Road area resulting in horses being grazed illegally on land without the owners' consent, leaving the landowners with potential liabilities. More importantly, serious animal welfare concerns were raised, as due to the large number of horses, grazing and water were not adequate and shelter was not available.

In an effort to end the problem of stray horses on land at Fort Road in Tilbury, a consortium of land owners including Tilbury Power Station, the Port of Tilbury, Anglian Water, English Heritage, Thurrock Council and other interested groups got together and raised £26,000 to help pay for action. The money raised by the Consortium was to be specifically targeted at the Fort Road Area and administered by the Council. The money was allocated to a special balance sheet code which allowed for any under spent money to be carried forward. A specific revenue code was set up to pay the invoices related to Fort Road area.

This investigation was carried out on the instructions of the Chief Executive following concerns raised by a Councillor on the use of a particular contractor under the green yard scheme as detailed below:-

Why did we have a green yard so far outside the area?

The Officer who represented the Council in the Fort Road Landowners Consortium was the Environmental Health Manager, who left the organisation on 30/4/2007. There was nothing recorded on file to confirm why a yard outside the area was chosen, although it is possible that the proprietor (Mrs X) was known to the Council prior to 2002. It was noted that the proprietor attended the Fort Road Landowners Consortium meetings from 25/9/2002 to 16/7/2003 in her capacity as a Member of the British Horse Society.

The Principal Officer (Environmental Protection) who was at the time working with the previous Environmental Health Manager, stated that "The yard in Kent was the only one who could offer the service at the time and that Mrs X was considered to be very professional".

Is there a Service Level Agreement/Contract with the contractor.?

There is no evidence to indicate that a proper procurement process was undertaken. A Stray Horse Protocol, found on file, and reviewed by the previous Environmental Health Manager in April 2004 stated that "**Council use Mrs X of the BHS to assist police in removing strays from highway by having horsebox provided by stables in Kent. Horse/s impounded in a safe place in Kent then become responsibility of the Council and we must pay for stabling/vet fees etc.**"

Considering the amount involved and the purchasing regulations prevailing at the time, if these were considered exceptional circumstances, there should at least have been a waiver authorised by the Director of Finance. Instead,

Blanket Orders for the “Removal of live horses from the adopted highways within the Thurrock area on police instructions, including out of hours and veterinary services” were raised. These blanket orders would allow invoices to be paid.

There was no contract or SLA in place with either the contractor or Essex Police. It was acknowledged that at this time, there was a culture within the Council which resulted in poor contract formation, management and monitoring. However, this was identified as a key risk to the Council and changes were made to the Constitution and culture, through a program of training for officers, which should reduce the risk of a re-occurrence of these issues.

What was the control around the length of livery provided to individual horses?

With regards the length of livery provided, the Protocol referred to above states: **“Horses are to be re-homed after 28 days subject to their condition and availability of suitable re-homing places. Re-homing to be dealt with by Mrs X and the stables”**. This is an open statement and it does imply that if the horses were not well, or suitable homes were not found, they could stay at the stables. A review of invoices between 2006 and 2011 indicated that full livery of horses was provided for periods of up to 5 months.

There does not appear to be a countrywide policy on how long stray or abandoned horses should be kept in a green yard and it depends on individual councils. In Hertfordshire, for example, they are kept in a green yard for a maximum of 15 days and if the owner is not found they are transferred to a sanctuary.

No checks were being carried out, or information sought from the contractor to challenge some of the longer term livery provided.

After the funds run out from the original consortium, who approved the continuation of the supplier?

Two different budgets were used to pay invoices to the contractor. EH004 2600 was an Environmental Health Budget created to pay invoices relating to the money raised by the Consortium for the Fort Road Area only, amounting to £26,000. At year end 2009/2010, the balance was cleared to zero and in that year, the Council funded additional expenditure of £3,130.48.

An Environmental Maintenance – Scavenging code, ET 054 2600 EE255, was used to pay for invoices for strays impounded from the highway or that have been corralled on other land by the police, having been on the highway. The Highways Supervisor was passing these invoices for payment up to April 2011. The blanket order raised was approved by the Transportation Manager, who had a budget available for this purpose.

The budget is now with Street Services Manager, who only removes dead horses from the highway. This is carried out by PT Haulage. It is understood that removal of live horses from the highway is currently carried out by Essex Police. The Council have not made a payment to the green yard contractor since April 2011.

There appears to be many inconsistencies in the invoices, for example the charge for mileage?

Manual records were found which indicate that this contractor had been used since 2002. The Oracle system contains data from 2006 when the new finance system was implemented. Previous records held in the old FMS system could not be retrieved as the system was recently decommissioned. However, from April 2006 to April 2011 (5 years), 51 invoices totalling £48,598.44 were paid to this company.

There was no document available which stated the rates which were agreed for mileage or indeed call out fee or livery per night, although it was noted that the call out fee of £80 did not change from 2006, nor did the cost of livery per night i.e. £13. An analysis of invoices showed that mileage charged ranged from £60 to £380. The Auditor was told that as well as mileage, this amount would include the horse box and personnel with horse expertise but this could not be verified.

Whilst there do appear to be inconsistencies in some of the rates charged, without formally agreed rates and a more detailed description of the rates applied on the invoices, it was not possible to identify the reasons for these differences.

Why have we paid so many vet bills and for a cremation?

Two invoices totalling £948.69 were found relating to vet services and one for £287.88 was for cremation. Copies of bills were not scanned with the invoices and although the Officer concerned stated that he had seen copies, this could not be verified. Without this evidence, we could not be certain that the vet was called to care for one of the stray horses. There is no indication from the invoice as to why the Council was charged for and paid for the cremation of a horse.

There was evidence that prior to 2006, orders were raised directly with the vet by the Council but the amount paid could not be verified as the old FMS system was recently decommissioned. It is understood that to decrease the number of suppliers on the Council's system, it was decided that the vet should invoice the contractor, who would in turn invoice the Council and include a copy of the vet's bill with the invoice. However, copies of the vet's bills were not always attached to invoices and scanned.

Paying the invoices without this supporting documentation is not good practice and leaves the Council vulnerable to potential fraud.

What happened to all the horses taken from Thurrock and how many were returned to their owners?

Officers did not receive any statistics or feedback as to what happened to the horses i.e. how many were returned to the owners or how many were re-homed. Some invoices were for a call out fee for return but it was difficult to identify which horses these related to.

Were any monies returned to Thurrock if owners were identified?

As per Stray Horse Protocol, owners would have needed to go to a Police Station to confirm ownership of their horse. A council fee would be payable to

the Police who collected it on behalf of the Council. These amounts were paid in as Miscellaneous Income with other income and therefore there was no description. It was identified from miscellaneous paper receipts that £4127 of fees relating to stray horses was paid in between 13/9/2004 and 19/6/2008 but there may have been other income which could not be identified due to the lack of paperwork or description as stated above.

What actions did Officers take in ordering or approving payment to the contractor as well as investigating the actual destination and livery location of individual horses?

Very little monitoring was carried out by Officers when passing invoices for payment. It is understood that on a couple of occasions, the Police were contacted to ascertain that they had contacted the contractor to remove horses. No evidence was requested with regards to the length of livery provided to individual horses. In effect, invoices were being paid at face value. There was also no evidence that the location was ever visited. It is understood that these locations are usually kept secret for the safety of the proprietor and their families due to threats and intimidation from hostile owners.

Additional

A Dunn & Bradstreet Credit Report was obtained on the contractor. This only highlighted that the line of business of the company is for Miscellaneous Services and it is solvent. The company was formed in 2003 (which aligns to the setting up of the Tilbury Consortium) and the only Director of the company was Mrs X.

Conclusion

A number of control issues have been identified as a result of the work carried out. The main issues were:

- The lack of a formal process for awarding the work to the contractor could have resulted in extra costs being incurred due to their location.
- No formal contract or written agreement resulted in a lack of information on what happened to the horses.
- Due to the above, a detailed breakdown of costs for different services charged by the contractor was not available.
- A lack of detail on invoices, and in some cases, evidence to support costs related to mileage, vets bills etc. meant it was not possible to provide assurance that the amounts invoiced were reasonable.

Moving forward, Essex Police stated that they are revisiting and updating their stray horse policy and are likely to be using the green yard used by Hertfordshire Police which appears to be much more robust than the current Essex Police policy which is out of date.

As has been previously stated, the processes and culture within the Council were weak when the green yard concept was first introduced. A number of the issues around contracts have been tightened up due to cultural changes including the rewriting of the Constitution and additional procurement training

provided to staff. It should also be noted that no payments have been made to the green yard contractor since April 2011.

Thurrock needs to ensure that they also revisit their own policies and/or procedures in this area and ensure that there is a formal contract or agreement in place either through Essex Police, or with the green yard directly, that clearly identifies roles and responsibilities, costs and a process for relaying information on what is happening to the horses. Invoices should provide details of the breakdown of costs and include evidence to support additional charges e.g. vet bills.

G. Clifford – Client Manager

D. Lucchesi – Senior Auditor