

Fy Ref/My Ref: CM34297

Eich Ref/Your Ref:

Dyddiad/Date: 28 April 2016



Cllr Mary McGary  
Chairperson Community & Adult  
Services and Environmental Scrutiny Committee  
County Hall  
Atlantic Wharf  
Cardiff  
CF10 4UW

Annwyl/Dear Cllr McGary,

**RE:- Joint Scrutiny – Community & Adult Services and Environmental  
Scrutiny Committee – 3 March 2016**

Thank you for your letter dated 6<sup>th</sup> April 2016 concerning the Joint Scrutiny meeting to consider the performance to date of the Shared Regulatory Service, (SRS). I am pleased that the three Councils have begun to scrutinise the work of the service collectively and meetings like that conducted on 3<sup>rd</sup> March provides the opportunity to illustrate the impact of the work of the SRS across the region.

I have, as requested, responded to the queries and recommendations of the Committee, below:

*Food Safety – Members were concerned that the SRS is failing to meet two of the main food safety indicators in Cardiff.*

At the meeting, the Head of Service explained that the newly formed Commercial Services team which is primarily responsible for the Food Hygiene regime had a significant number of vacancies during 2015/16. The performance information set out at the meeting represented activities recorded to the end of January 2016; the Head of Service indicated that performance would improve, as officers were recruited to fill those vacancies, but the 100% target would not be met.

I am now able to provide a full position statement for the year 2015/16 for Cardiff for performance against indicators PPN001 and PPN008.

*PPN/0001 - The percentage of high-risk businesses that were liable to a programmed inspection that were inspected for food hygiene was **82.5%**.*



This represents a significant improvement upon the position reported to the Committee in March. I think it is important to provide some context to this information. The term high risk premises includes those businesses rated as:

- category A (those premises requiring a visit every six months)
- category B (those premises requiring an annual visit)
- category C (those premises requiring a visit every 18 months)

The target number of high-risk premises liable for the year was 800; officers visited 660 of those premises. In the period 2015/16, all the Category A and B premises visits were completed to schedule. Resources, limited during this period, were prioritised to ensure these premises were visited as required.

The Committee may also wish to consider previous performance against this indicator before the creation of the SRS.

- 2013/14 – *86% of high-risk businesses that were liable to a programmed inspection that were inspected for food hygiene were visited*
- 2014/15 – *83% of high-risk businesses that were liable to a programmed inspection that were inspected for food hygiene were visited*

Meeting this performance indicator has proved problematic for the Council in recent years. I believe that the figures set out above illustrates that the new operating model, when fully resourced, is capable of delivering the required performance while delivering the savings sought by the Council.

PPN/008, *the percentage of new business identified that were subject to a risk assessment visit, or returned a self-assessment questionnaire during the year, for food hygiene was 98.4%.*

Performance against this indicator improved from the position presented to the committee; but was not achieved fully. The shortfall represents six premises that were not visited in the period. The performance represents an improvement on that recorded against this performance indicator for 2013/14 and 2014/15.

### *Voluntary Severance payments*

On 10th April 2015, a Joint Working Agreement, signed by the Chief Executives of all three Councils, created the SRS. Thereafter, a process to populate the new structure was agreed with the recognised trades unions of all three Councils. The population of the new structure was carried out against some challenging timelines and involved a process of role matching and, in some instances,

competitive interviews. At the end of the process, a number of employees were "at risk". The implications and costs of this were anticipated as part of the business plan for the new service and managed sensitively as part of best practice change management principles.

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In accordance with the above, consideration was given to applications for both voluntary redundancy and, where necessary, compulsory redundancy. The process was managed through the Vale of Glamorgan's Early Retirement and Redundancy Committee. The Committee of elected members considered and approved 23 applications. Applications have only been supported where the applicant has not been successfully assimilated to the new structure and where no suitable alternative post was available.

The new SRS Operating Model has seen a reduction in the number of people employed in the delivery of Regulatory services across the three Councils. The Model has also seen the creation of "new" roles and, where existing staff could not fill those roles, they were advertised externally.

### *Service Implementation Spending profile*

The implementation costs, to date, for the new service are summarised in the table below. Currently the Finance team is closing the 2015/16 accounts and once this process is complete, a full report will be presented to the Shared Regulatory Services Joint Committee in June 2016. I will ensure a copy of that report is made available to your Committee.

#### SRS Implementation Costs

Original Profile	RCF			Revised Profile	RCF		
	Gross	Grant	Net		Gross	Grant	Net
	£	£	£		£	£	£
2014/15	250,000	-250,000	0	2014/15	250,000	-250,000	0
2015/16	1,205,000	-125,000	1,080,000	2015/16	728,000	-125,000	603,000
2016/17	127,000	0	127,000	2016/17	404,000	0	404,000
2017/18	0	0	0	2017/18	200,000	0	200,000
	<b>1,582,000</b>	<b>-375,000</b>	<b>1,207,000</b>		<b>1,582,000</b>	<b>-375,000</b>	<b>1,207,000</b>

### *Single Point of Contact*

The existing mechanisms for Cardiff Councillors to report matters to the SRS remain intact. There are a number of changes underway to telephony and e-mail, with the service adopting a single number for customers, 0300 123 6696. As these changes are implemented, I will ensure that elected members are apprised of developments and ensure that there are clear points of contact for the service.

*Income generation- Members remain to be convinced on the achievability of the SRS income plans*



The Atkins report (2013) identified four areas for income generation in Year 2 (2016/17) of the Shared Regulatory Service, namely

Area	Projected income
Additional revenue from business advice, training and education	£12,500
Additional revenue from the Metrology laboratory	£12,500
Additional revenue from housing registration training	£20,000
Additional grants	£50,000
<b>TOTAL</b>	<b>£95,000</b>

The Service has consolidated a number of areas in which it is now charging for its *business advice and training services*. Chief amongst these is the use of the Primary Authority mechanism established by the Department of Business, Innovation and Skills (BIS). Primary Authority allows a local authority regulatory service to enter into formal partnerships (signed off by the Secretary of State for Trade), with individual businesses through which assured advice, training and other services can be provided on a cost recovery basis.

As well as increased resilience, the creation of the shared service has vastly increased the specialist pool of knowledge of staff and as a result SRS is able to capitalise on drawing in Primary Authority businesses. There are currently seven agreements in place with a range of businesses from those that are locally based to those that are national concerns. Negotiations are underway with a number of other business entities with a view to entering into formal agreements, and a target list of businesses is being worked through, supported by the Better Regulation Delivery Office. In 2015/16, the early development of the Primary Authority work of the Service has secured an income of almost £8000; this suggests that the identified income target can be achieved in 2016/17.

Further training for businesses the Service is expanding its portfolio of courses across food hygiene, health and safety, responsible retailing and contract terms. It is also looking to develop a one-stop shop approach of offering training to individuals where this is a condition of their obtaining a licence, for example personal licences for the sale of alcohol.

Opportunities for *additional revenue from Metrology services* are being considered. The 2015/16 Income is consistent with previous years. To achieve the identified target for 2016/17, a relatively small outlay on new equipment for verifying high accuracy weights will allow the SRS to exploit an identified niche in the market.

In terms of *additional revenue from housing registration training*, this target is unlikely to be achieved because the regimes in place at the time of the Atkins report (2013) have been superseded by changes in legalisation and in particular, the Rentsmart scheme. The SRS will seek to identify other income sources to resolve this income gap.

Funding is being sought in the form of *additional grants* as envisaged in the Atkins report. This year to date new grants have been secured from Welsh Government in the sum of £129,000 across the SRS area to take account of additional housing enforcement work attributable to the Rentsmart Wales project and £20,000 for a piece of work under the Control of Horses (Wales) Act. *While grant monies such as these are welcome in supporting the Service, they perhaps should not be considered as true sources of income in the way Atkins has portrayed as their payment is contingent upon strict criteria and the completion of specific areas of work.*

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The Shared Service has developed a culture in which teams are encouraged to seek out income generation ideas in addition to those identified by Atkins. A number of innovative approaches are being tested currently and I will ensure that regular updates will be given to your Committee in due course, together with a detailed financial breakdown of income generation targets going forward.

### *Performance Management*

I am grateful for your comments upon our proposals to adopt more outcome based measures. As this work develops, I will ensure your Committee is apprised of progress and is given the opportunity to assess the efficacy of the work before it is finalised and adopted.

### *Court Cost Recovery*

The issue of recovering the costs of enforcement has been raised with the Courts on previous occasions. I can assure the Committee that our lawyers set out clearly the costs associated with placing a case before magistrates, but the award of costs is a matter for the Court. I will ask the Head of Service to undertake an analysis of the cases pursued in 2015/16 and determine the difference between the cost claimed and the actual costs awarded. If the differences are significant, I will consider writing to the court to ask them to discuss the matter.

### *Risk Register*

The Business Plan has been modified to take account of the feedback provided at the meeting. The new risk register has a more robust hierarchy and seeks to illustrate the risks presented to "business as usual" service delivery and the risks associated with the move to the new Operating Model.

### *Local Authority Specific Plans*

The current Business Plan sets out the activities to be taken across the region. Members will be able to ascertain those activities specific to Cardiff and will receive performance data to demonstrate achievements against identified goals. Additionally, the SRS is required to produce an Annual report and this document



will articulate clearly how the service performs and influences issues in each local authority area. Creating appendices for each Council will result in a duplication of text given that many of the SRS activities are common to each Council.

*Staff welfare in the Business Plan*

The points raised are extremely important and the Business Plan has been updated to take account of your observations. I would agree wholeheartedly with the Committee's sentiments. The greatest strength of the SRS is its staff. The achievements I have touched on above demonstrate that clearly and the forthcoming Annual report will prove to be of great interest to the Committee members.

Yn gwyir/Yours sincerely



**Y Cyngorydd/Councillor Daniel De'Ath**  
**Aelod Cabinet Dros Diogelwch, Ymgysylltu a Democratiaeth**  
**Cabinet Member for Safety, Engagement & Democracy**  
**Cynghorydd Plasnewydd/**  
**Councillor for Plasnewydd**

*Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn sicrhau ein bod yn cyfathrebu â chi yn eich dewis iaith boed yn Gymraeg, yn Saesneg neu'n ddwyieithog dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn creu unrhyw oedi.*

*The Council welcomes correspondence in English and Welsh and we will ensure that we communicate with you in the language of your choice, whether that's English, Welsh or bilingual as long as you let us know which you prefer. Corresponding in Welsh will not lead to any delay.*