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CORRESPONDENCE FOLLOWING THE COMMITTEE MEETING

Committee JOINT SCRUTINY COMMITTEE

**Date and Time
of Meeting** THURSDAY, 3 MARCH 2016, 5.00 PM

Please find below correspondence send by the Committee Chair following the meeting,
together with any responses received.

For any further details, please contact scrutinyviewpoints@cardiff.gov.uk

6 **Correspondence Following Committee Meeting** *(Pages 1 - 16)*

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Ref: RDB/MM/DD/03.03.16

06 April 2016

Councillor Daniel De'Ath,
Cabinet Member for Skills, Safety, Engagement & Democracy,
County Hall,
Atlantic Wharf,
Cardiff,
CF10 4UW.



Dear Councillor De'Ath,

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

On behalf of the Community & Adult Services and Environmental Scrutiny Committee I would like to thank you, Councillor Parry and the officers for attending the meeting on Thursday 3 March 2016. As you are aware the meeting considered an item titled Shared Regulatory Service – Implementation & Future Proposals.

The meeting was structured in a collaborative spirit to include scrutiny by Members of Cardiff's Community & Adult Services and Environmental Scrutiny Committee along with questions from Members of Bridgend County Borough Council and the Vale of Glamorgan Council.

It is important to remember that this collaborative scrutiny approach is a 'pilot' and the success of the meeting will be reviewed in the next few months to identify a suitable way forward. We welcome the support that you have shown in this process and will keep you updated on the future direction of collaborative scrutiny for the Shared Regulatory Service.

This letter acts as a record of Member comments, observations and recommendations made at the meeting; it also documents the questions (and answers to those questions) submitted by Members from Bridgend County Borough Council and the Vale of Glamorgan Council. A copy of this letter will be sent to Members in our Shared Regulatory Service partner authorities.

Shared Regulatory Service - Bridgend County Borough Council and the Vale of Glamorgan Council Member Questions

On the 26 February committee papers were sent to Members from Bridgend County Borough Council and the Vale of Glamorgan Council. The papers included an invitation to submit questions on the Shared Regulatory Service to the meeting with the options of having the nominated Chair ask the question on their behalf or to attend in person. Two submissions were provided, these along with the responses given are detailed below:

- **Councillor Chris Williams - Chairman –Scrutiny Committee Housing and Public Protection – Vale of Glamorgan Council submitted the following question:**

'I understand from the Chairman of the SRS Board, the Vale Council's Director of Environment and Visible Services, that he is working on proposals for improved Scrutiny arrangement for the SRS between our three Authorities. He is enabled to do this under section 5.5 of the Joint Working Agreement (JWA) and he aims to table a report to the next Board meeting and Joint Committee for consideration. If new scrutiny arrangements are endorsed by the Joint Committee then I understand that they will have to be considered by our respective Executives and then by our full Councils, if changes to the JWA to reflect such new arrangements, are required. I recall that there were similar parallels to the early years of the Prosiect Gwyrdd project where Scrutiny was very much a late starter and I believe, as the Chair of that Scrutiny Panel, that the project did not run as smoothly as it could have.

For those officers and Members from Cardiff who were involved in that scheme, I believe that lessons learned from that project are applicable to our SRS.

I'm sure that we can overcome these 'teething troubles' and swiftly move on to a process which is satisfactory to all Members and officers and fits in with the requirement of us all to properly scrutinise the service. Can I ask

that officers come up with a workable solution involving Members from all Authorities as soon as is practically possible’.

In response to this question you explained that you were keen to ensure that there was appropriate collaborative scrutiny of the Shared Regulatory Service, however, it was not your place to dictate to a scrutiny Committee how they should scrutinise the new service. Instead you committed to sharing with scrutiny colleagues any scrutiny proposals being developed by the Vale Council's Director of Environment and Visible Services in advance of their being considered by the Joint Committee. You felt that this approach would help inform the review of the collaborative scrutiny ‘pilot’ and allow sufficient time for feedback on a way forward for scrutiny proposals in advance of the Joint Committee on 12 May.

- **Councillor Norah Clarke – Chairperson - Community Safety & Governance Overview & Scrutiny Committee – Bridgend County Borough Council submitted the following questions:**
 - *‘With regards to food safety. Have all premises that are part of the Food Hygiene Rating Scheme been visited in a timely manner or are there some still to be visited?’*

In response to this question an officer explained that the Shared Regulatory Service was broadly compliant for inspections in Bridgend which resulted in a Green ‘RAG’ status; was achieving an Amber ‘RAG’ status in the Vale of Glamorgan and had struggled in Cardiff where the ‘RAG’ status against this measure was Red. Resources have been redistributed to address this imbalance, however, despite the best efforts of staff it is estimated that only 92% of the required visits would take place and that the target of 100% compliance will not be achieved in 2015/16. It is hoped that the recruitment of 10 new staff to the Food Safety Team would improve the performance of this measure in 2016/17.

- *‘I was pleased to see that a “Paid for advice” service is in operation for those who have a low number on the rating scheme. I note that 11*

businesses have availed themselves of this service but it doesn't mention in which authority the businesses were. It would be good to know if any were from Bridgend'.

In response to this question an officer explained that the 11 businesses which had used the "Paid for advice" service were from Cardiff. She was unsure of the interest that had been generated in Bridgend and the Vale of Glamorgan. Another officer emphasised that the Shared Regulatory Service is working hard to push this service as it could provide a good source of income, however, the South Wales economy is not as vibrant as areas like the South East of England and so building this type of business could prove challenging.

Shared Regulatory Service - Cardiff Community & Adult Services and Environmental Scrutiny Committee – Member comments, observations and recommendations

During the way forward Members of the Community & Adult Services and Environmental Scrutiny Committee made the following comments, observations and recommendations on the Shared Regulatory Service:

- **Food Safety** – Members were concerned that the service is failing to meet two of the main the food safety performance indicators, these are:
 - **'PPN/001 (ii) - Percentage of high risk businesses that were liable to a programmed inspection that were inspected for food hygiene'** - This was risk rated as red and reported as 55.99% in February 2016. The service felt that performance against this indicator would improve in the remainder of 2015/16, however, that the 100% target would not be achieved.
 - **'PPN/008 (ii) - The percentage of new businesses identified which were subject to a risk assessment visit or returned a self-assessment questionnaire during the year, for food hygiene'** - This was risk rated as amber and reported as 81.42% in February 2016. The service felt that performance against this indicator would improve in the remainder of 2015/16, however, that the 100% target would not be achieved.

The Committee understands that the transition to the Shared Regulatory Service has been difficult for the Food Safety Team. It is noted that the service is currently carrying 10 vacancies which should be filled in the coming weeks. Members hope that recruitment into these posts will increase capacity and, therefore, service performance. They will monitor the food safety performance indicators in the coming months and hope to see a significant improvement in the results.

- **Voluntary Severance Payments** – Members were concerned that during the creation of the Shared Regulatory Service some staff had been granted voluntary severance only for service demands to mean that the posts were re advertised later in the year. The Committee would like assurance that this has not been the case and that there have been no unnecessary voluntary severance payments.
- **Service Implementation Spending Profile** - There was some confusion around the amount of money spent in implementing the new service with particular concern directed at the new ICT systems. I would be grateful if you could provide a breakdown of all implementation costs for 2014/15, 2015/16, 2016/17 and 2017/18; this should include specific reference to the ICT spend and comment on the value added by the new systems.
- **Accommodation** - Members note the rationalisation of staff accommodation which has taken place since the start of the Shared Regulatory Service. They understand that this has been achieved through a combination of fewer staff and agile / home working. They will monitor the impact that this accommodation management approach has on staff and service delivery for the Shared Regulatory Service.
- **Single Point of Contact** - During the meeting it was suggested that a councillor single point of contact for reporting issues relating to the Shared Regulatory Service would be useful. I would be grateful if you could provide details of a suitable number which can be circulated to councillors in each of the three partner authorities.

- **Income Generation** - The generation of additional income from the Shared Regulatory Service to contribute to the 2016/17 budget savings was discussed at the meeting. Following on from issues raised during the budget scrutiny Members remain to be convinced of the achievability of the Shared Regulatory Service income generation plans. The Committee would like to receive a detailed plan from the Shared Regulatory Service which sets out exactly how it proposes to meet this challenging target across the three partner local authority areas. In particular they would be interested in finding out which new income generation opportunities have been created as a result of the new Shared Regulatory Service.
- **Accountancy Support** – It was noted during the meeting that the Shared Regulatory Service now uses fewer finance staff to deliver the required level of accountancy support; this has contributed in part to the savings required from the service. Members found it encouraging that an alternative delivery model which has been established by the Council is achieving efficiency savings and hope that this can be replicated in other alternative delivery models being developed by the Council.
- **Illegal Money Lending Unit** - Members note that the Illegal Money Lending Unit is run on a cost neutral basis, i.e. the Welsh Government provides the Council with 100% of the cost of running this all Wales service. They also note the national proposals to levy a fee against credit companies to cover the cost of running this and similar services across the United Kingdom.
- **Performance Management** - Members are supportive of the new outcome based performance indicators currently being developed by the Shared Regulatory Service. They stress the importance of the new performance measures being outcome focused and that they reflect the corporate priorities of each of the three partner authorities. They would like to be involved in reviewing the new indicators and are willing to provide feedback on the 'dashboard' approach currently being developed. I would appreciate it if you could arrange for scrutiny to be involved in the review

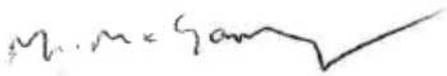
of the new performance management arrangements before they are finalised.

- **Court Cost Recovery** - Members note that the value of fines generated in areas covered by the Shared Regulatory Service were outside the control of the three partner local authorities. Fines for areas covered by the Shared Regulatory Service are decided through the court system and can vary from case to case. These fines are not returned to the Council and the level of costs recovered by the Council after a successful prosecution vary considerably. In some instances the Council has been significantly out of pocket after achieving a successful prosecution. Members do not feel that this is fair and would urge you to lobby the court system to raise the profile of this problem, i.e. that the Shared Regulatory Service cost recovery matches the actual cost of bringing forward a successful action.
- **Risk Register** - Appendix 3 of the Shared Regulatory Service Business Plan 2016/17 included a series of 17 risks facing the service in 2016/17. These were 'RAG' rated (all as Red) against 'Inherent Risk' and 'Residual Risk'; they included a risk description and had a paragraph highlighting 'current controls' being applied against the risk. Members were concerned that the scale and potential impact of the risks were not identified. They have asked that a risk hierarchy system is included in the risk section of the plan so that the most significant risks facing the Shared Regulatory Service are obvious and that the scale, context and potential impact of each of these is clear.
- **Local Authority Specific Service Plans** - The Committee felt that while the Shared Regulatory Service Business Plan 2016/17 provided an overview plan for the overall service it did not clearly identify what this specifically means for each of the three partner local authorities. Members would like the Shared Regulatory Service Business Plan 2016/17 to include appendices for each of the three partner local authorities indicating how the overarching plan relates specifically to each area.

- **Staff Welfare in the Business Plan** - Members felt that the Shared Regulatory Service Business Plan 2016/17 failed to include any detail on how the Shared Regulatory Service proposed to support the welfare of staff delivering services in the new model. This is particularly relevant as staff face work challenges from increased workloads and new practices such as agile / home working. The Committee believe that the greatest strength of the Shared Regulatory Service is its staff and, therefore, the plan should reflect how their welfare is supported.

I would be grateful if you would consider the above comments and provide a response to the requests made in this letter.

Regards,



Councillor Mary McGary
Chairperson Community & Adult Services and Environmental Scrutiny
Committee

Cc to:

Councillor Jacqueline Parry, Chair of Public Protection & Licensing
Committee, City & County of Cardiff
Councillor Charles Smith, Cabinet Member for Regeneration & Economic
Development, Bridgend County Borough Council
Councillor Richard Williams, Chairperson – Licensing Committee, Bridgend
County Borough Council
Councillor Bronwen Brooks, Cabinet Member for Housing, Building
Maintenance and Community Safety, Vale of Glamorgan Council
Councillor Anthony Powell, Chairman – Licensing Committee, Vale of
Glamorgan Council
David Holland, Head of Shared Regulatory Services, Shared Regulatory
Service
Andrew Gregory, Director for City Operations, City & County of Cardiff

Tara King, Assistant Director for City Operations, City & County of Cardiff
Miles Punter, Director of Environment & Visible Services, Vale of Glamorgan
Council

Lee Jones, Head of Regulatory, Partnership & Transformation, Bridgend
County Borough Council

Will Lane, Operational Manager, Neighbourhood Services, Shared Regulatory
Service

Helen Picton, Operational Manager, Enterprise & Specialist Services, Shared
Regulatory Service

Christina Hill, Operational Manager, Commercial Services, Shared Regulatory
Service

Paul Keeping, Operational Manager, Scrutiny Services, City & County of
Cardiff

Gary Jones, Head of Democratic Services, Bridgend County Borough Council

Jeff Wyatt, Operational Manager, Democratic Services, Vale of Glamorgan
Council

Jeff Rees, Principal Democratic & Scrutiny Services Officer, Vale of
Glamorgan Council

Angela Holt, Principal Scrutiny Officer, City & County of Cardiff

Claire Deguara, Cabinet Business Manager, City & County of Cardiff

Members of the Community & Adult Services Scrutiny Committee, City &
County of Cardiff

Members of the Environmental Scrutiny Committee, City & County of Cardiff

Members from Bridgend County Borough Council

Members from the City & County of Cardiff

Members from the Vale of Glamorgan Council

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Fy Ref/My Ref: CM34297

Eich Ref/Your Ref:

Dyddiad/Date: 28 April 2016



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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 6th 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 3rd 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
	1,582,000	-375,000	1,207,000		1,582,000	-375,000	1,207,000

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
TOTAL	£95,000

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.