

SHARED REGULATORY SERVICES ANNUAL REPORT 2018-19

**CLEAN STREETS, RECYCLING AND ENVIRONMENT
(COUNCILLOR MICHAEL MICHAEL)**

AGENDA ITEM: 4

Reason for this Report

1. To enable the Cabinet to receive and note the Shared Regulatory Services Annual Report for 2018-19.

Background

2. In April 2015, Cardiff Council, Bridgend County Borough Council and the Vale of Glamorgan County Borough Council signed a Joint Working Agreement (JWA) for the provision of regulatory services across the three Council areas. The document created the Shared Regulatory Service (SRS) and the SRS Joint Committee.
3. The Cabinet Member for Clean Streets, Recycling & Environment and the Chair of the Licensing and Public Protection Committees are the two Cardiff Council representatives on the SRS Joint Committee following appointment by the Council on 24 May 2018.
4. In accordance with Clause 5.1 of the JWA, the SRS is required to produce an annual report that covers the operational and financial performance of the service for the preceding year. The SRS Annual Report covers the period from 1 April 2018 to 31 March 2019 and was approved by the SRS Joint Committee on 11 June 2019.

Issues

5. In July 2017, the Council ratified the insertion of a new Clause 5.6 into the JWA to enable each partner authority's Cabinet to receive the SRS Annual Report, for information purposes. This report appraises Cabinet of the decisions taken and functions carried out by the SRS Joint Committee over the preceding financial year, as well as the performance and financial position of the SRS.
6. A copy of the report considered by the SRS Joint Committee on 11 June 2019, which incorporates the SRS Annual Report 2018-19, is attached as **Appendix A** to this report.

7. The management of key operational performance is through the Client lead for Shared Regulatory Services in Planning, Transport & Environment. The Client Lead and the Head of the SRS works closely with Finance, Legal and other Service Areas to ensure that the delivery of services is to the required level and where required improvements are implemented.

Operational Performance and Implications

8. The key aspects of operational performance across the region from the annual report are as follows:
 - Sickness absence levels for 2018/19 were 7.55 days per FTE person. This is below the Council's average of 11.53 days FTE, but is an increase on the previous year where absence rates were recorded as 6.89 per FTE person. There are mitigating factors with a number of staff undergoing planned medical interventions. There are no discernible trends in either the short or long term absence figures.
 - The Gross Revenue Budget position for 2018/19 for the service was an underspend of £496k against the gross revenue budget of £8.504m. The Authority Specific Services for Cardiff Council, mainly licensing activities, overspent by £94,000, a reduction of £40k on the previous year. The outturn position in respect of Authority Specific services is due to expenditure in excess of budget and a reducing income stream. On a positive note, service efficiency drives have seen a gradual reduction in expenditure on authority specific services in comparison to the previous years. Additionally, the Wales Audit Office completed its independent financial audit of the service in September 2019; there were no recommendations for improvement.
 - The SRS has consolidated service delivery in accord with the agreed standards and delivered the requisite financial savings. However, more demands are being placed upon the service at a time of reducing resources
 - Operational performance throughout 2018/19 has been reported both to the Joint Committee and to the Council through the corporate system. The targets and actions identified in the 2018/19 plan were achieved for the most part. All statutory documents were published on time and the change programmes identified for the period concluded on time. The only failings were an inability to complete all of the proactive programmes due to resourcing.
 - Agile working, which underpins the new operating model, continues to be deployed to allow maximum flexibility for the deployment of officers. In 2019, the SRS is seeking to understand how to quantify objectively that this mode of working is increasing productivity.
 - The SRS has been active in the Courts and Appendix 2 of the Annual report set out the successful interventions undertaken in the 2018/19 period.
9. The key operational implications for Cardiff Council are as follows:

- Public Accountability Measures –
 - *PAM 13, Percentage of empty private sector properties brought back into use during the year through direct action by the local authority*
 - *PAM 14, Number of additional dwellings created as a result of bringing empty properties back into use.*

These indicators are focused upon reducing the number of empty properties remains the same. The indicators are not explicitly mentioned in the Annual Report, as the SRS did not perform this function in the Vale of Glamorgan for the 2018/19 period and only began to deliver the function in Bridgend from November 2018.

In recent years, there has been concern regarding performance against this indicator. In 2017/18, the performance level achieved was for PAM 13 and PAM 14 felt short of the target. However, in 2018/19, performance has improved and SRS exceeded the target number:

- The performance against PAM 13 was 58 properties brought back into reuse against a target of 40
- The performance against PAM 14 was 32 additional dwellings created against a target of 30.

For 2019/20, PAM 14 has been redesignated as PAM 45. The targets have been set at 48 properties to be brought back into use for PAM 13 and 33 additional dwellings created for PAM 45.

- *PAM 23 - the percentage of food premises that are broadly compliant.* This measure provides an indication of how well a food business complies with food hygiene legislation. The food industry is responsible for producing and distributing safe food. The SRS, as the enforcement agency, conducts inspections, ensuring that standards are met through a robust enforcement programme to deal with those who do not comply with standards. The business support regimes introduced into the SRS structure also play a part in promoting an increase in hygiene standards, but ultimately this is a measure of the performance of the food businesses themselves. Premises are deemed broadly compliant if specified risk scores are achieved for cleanliness, structural issues, and confidence in the management of the business. The target for 2018/19 was 93% of businesses to be broadly compliant; the performance recorded was 94.54%. This is the best score ever recorded in the City. It is important to note that Cardiff has a significant turnover of food business operators, many of these new entrants to the market do not attract immediately a broadly compliant rating, and that affects the overall broadly compliant score for Cardiff. Areas with a more settled food business community often score well on this indicator because the

food business operators have had time to become accustomed to the requirements of the food hygiene legislation.

10. The SRS also has targets contained within the Capital Ambition document. They are:

- *Ensure taxi users and visitors to the city experience a consistently high-quality and safe service and that Cardiff taxi drivers are provided with a level playing field by using our regulatory powers to support customers and providers.*

During the year the Council recognised the Cardiff Hackney Alliance as a properly constituted taxi trade organisation allowing direct consultation with a group that represents over 300 licenced drivers.

The consultation on Welsh Government proposals on new taxi legislation was received during December 2018 and took the form of a wider consultation on transport in Wales. SRS prepared a response to the consultation and supported the engagement events hosted by the Welsh Government. SRS officers gave evidence to the National Assembly for Wales Economy and Transport Committee on this issue.

In February, 2019, the Public Protection Committee received a report proposing changes to the age of taxis and private hire vehicles and a new element incorporating an emissions standard. The policy proposals support the City wide action plan to address air quality; improvements in the emission standards of the licensed taxi fleet in Cardiff will have a positive impact on NO₂ levels as demonstrated in the modelling work undertaken as part of the Councils Feasibility Study. Consequently, a consultation on the proposal to introduce emissions standards for Taxis has been carried out through the Taxi forum and other stakeholder meetings. This complements the work being done on the wider air quality improvement programme. The consultation will extend into 2019/20 and be reported back to the Public Protection Committee later this year.

- *Drive up standards in the private rented housing sector by taking enforcement action against rogue agents and landlords letting and managing properties.*

Following the tragic fire and loss of life at Grenfell Tower in North Kensington there has been a nationwide review of the use of a particular type of cladding known as Aluminium Composite Material (ACM) which was used on the Tower. Within Cardiff in the last year, the SRS has begun to take a more prominent role in respect of the affected high-rise buildings and remains in consultation with Welsh Government and the Fire Service and the Councils Building Control service on the remedial action being taken by property owners and developers.

The Minister for Housing and Regeneration convened an Expert Group, to develop a 'road map' to respond to the issues raised by the Independent Review of Building Regulations and Fire Safety (the 'Hackitt' review). The SRS attends this group as a representative of the Regulatory services in Wales. The SRS is encouraging the Welsh

Government to update aspects of the Housing Act in Wales and to make other policy changes to Housing law to improve standards in the private rented sector.

Houses in Multiple Occupancy (HMO) often present the worst physical and management standards, as well as having a detrimental impact on the neighbourhoods in which they are situated particularly in relation to street scene. The SRS took prosecutions on 6 properties in Cardiff during 2018-19 for a range of offences including neglect of proper management standards, failure to obtain a HMO licence or to register with Rent Smart Wales and breach of a Prohibition Order, with fines totalling £70,000. In addition to this enforcement work, the Housing Enforcement Team dealt with over 900 complaints about property conditions, issued over 400 works notices and licensed over 500 HMOs, bringing the total licensed in Cardiff to 3,500. The team carried out over 100 fit and proper person checks for Rent Smart Wales, with a small number of these becoming more significant investigations into landlord performance. The team carried out Rent Smart Wales audits of 9 managing agents, identifying action plans for improvement in each case and will follow up during 2019-20.

- *Help protect the public and ensure businesses act responsibly through the provision of the collaborative Regulatory Service.*

SRS protects the public and ensure that businesses act responsibly through the delivery of a programme of activities that are outlined in the SRS Business Plans. Delivery of the programme ensures the Council improves health and wellbeing, safeguards the vulnerable, protects the environment, supports the local economy and maximises the use of resources. The Business Plan for 2019/20 highlights achievement made under these headings and is attached at Appendix 2.

Air Quality has become a high profile issue, featuring in the headlines on an almost daily basis. The annual Local Air Quality Management Progress Report for 2017 was submitted to the Welsh Government by the 31st December deadline. SRS continues to review monitoring locations in the City, but the most significant challenge for the SRS in 2018/19 was to assist with the development of Cardiff Council's Air Quality Strategy. This follows the issue of a direction by Welsh Government to identify the option that will deliver compliance with legal limits for nitrogen dioxide in the city in the shortest possible time. The SRS has seconded an officer to support the Council achieve this goal while continuing to support elected members with other associated initiatives.

11. Cabinet has asked for a report outlining the performance of the SRS over a longer period. Such a report would allow trends to be identified and provide a different perspective on the performance of the SRS since its formation in 2015. In May 2019, the Wales Audit Office (WAO) began its own assessment of the environmental health discipline, revisiting its earlier study in 2014. That report, when published, will be used as a part

of the wider SRS assessment. It is proposed that the SRS assessment report be presented to Scrutiny at Cardiff in November 2019 and thereafter reported to Cabinet.

Reason for Recommendations

12. To comply with Clause 5.6 of the revised SRS Joint Working Agreement; this enables the Cabinet to receive the SRS Annual Report 2018-19 for information purposes.

Financial Implications

13. The SRS Annual Report is a common report to all three authorities and the financial implications are embedded within the annual report.

Legal Implications

14. The SRS Annual Report is a common report to all three authorities and the legal implications are within the annual report.

RECOMMENDATION

Cabinet is recommended to note the Shared Regulatory Services Annual Report 2018-19.

SENIOR RESPONSIBLE OFFICER	ANDREW GREGORY Director of Planning, Transport & Environment
	4 October 2019

The following appendix is attached:

Appendix A: Shared Regulatory Services Joint Committee Report, 11 June 2019 – *Shared Regulatory Services Annual Report 2018-19.*

The following background papers have been taken into account

Council Report, 20 July 2017: Shared Regulatory Services – Review of Joint Working Agreement

Cabinet Report, 6 July 2017: Shared Regulatory Services – Review of Joint Working Agreement

Joint Working Agreement approved by County Council of the City and County of Cardiff - 20th July 2017

Shared Regulatory Services Business Plan 2018-19