

SHARED REGULATORY SERVICES ANNUAL REPORT 2021-22

**TRANSPORT AND STRATEGIC PLANNING (COUNCILLOR DAN
DE'ATH)**

AGENDA ITEM: 9

Reasons for this Report

1. To enable the Cabinet to receive and note the Shared Regulatory Services Annual Report for 2021-22.

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 Transport and Strategic Planning 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 26 May 2022.
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 2021 to 31 March 2022 and was approved by the SRS Joint Committee on 28 June 2022.
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 28 June 2022, which incorporates the SRS Annual Report 2021-22, is attached as Appendix A to this report.
7. The SRS Annual Report 2021-2022 reflects upon the seventh year of operation of the SRS. It outlines the performance of the SRS in 2021-2022, the progress made in achieving the objectives set out in the SRS Business Plan, and the summary revenue account and statement of capital spending.
8. The management of key operational performance is through the Client lead for Shared Regulatory Services in Economic Development.

Operational Performance and Implications

9. The key aspects of operational performance across the region from the annual report are as follows:
 - At the time of writing the SRS Business Plan for 2021/22, there was a sense of optimism that the worst of the COVID-19 pandemic was behind us given the continued roll out of the vaccination programmes and falling infection rates. Nevertheless, the Business Plan was sufficiently realistic to recognise the impact of the COVID response on service delivery to that point in time and the need to keep an open mind on the future direction of the disease. Apprehension about the emergence of new coronavirus variants of concern was borne out with the appearance of the highly infectious Omicron variant in the autumn of 2021, meaning that many key members of SRS staff remained in their secondment roles supporting the various strands of the COVID response until the final lifting of the majority of Welsh Government controls in March 2022.
 - The ongoing pandemic meant that multiple officers across SRS continued in secondment roles during 2021/22. These roles supported the public health initiatives, including the TTP service, enhanced surveillance in relation to care homes and schools, investigation of workplace clusters and monitoring public health measures in the workplace. Our three Joint Enforcement Teams continued in place over the course of the year, working closely with local businesses to ensure compliance with the various levels of COVID restriction. Since September 2020, a total of 29 Environmental Health students have been recruited into the service on a temporary basis to support these areas of work. They have performed incredibly well in challenging circumstances, and it is pleasing to see that as they graduate, a number of them have been successful in being appointed into permanent roles in the SRS. It is hoped that this trend will continue as more graduate in the months ahead
 - Sickness absence levels for 2021-22 were 10.23 days per FTE person. This is an increase on the previous year where absence rates were recorded as 6.32 days per FTE person. It is likely that a number of factors contributed to the lower rate of absence seen in 2020/21 (e.g., social distancing, shielding and almost exclusively homeworking) and these points were set

out in the Annual Report presented to the Joint Committee in June 2021. It is encouraging to note on closer examination however, that the number of short-term days lost has barely risen in 2021/2022 compared to 2020/21, and it is the number of days lost through long term absence that has impacted the overall rate for 2021/22.

- The SRS reported an overall unaudited underspend of £363k against the 2021-22 gross revenue budget of £8.331M of which Cardiff's element was £146k.
- The underspend was predominantly derived from staff savings, particularly in Food Services and Trading Standards due to recruitment issues. This was partly impacted by an overspend in Animal Services due to residual horse accommodation costs incurred in the first few months of the year.
- Operational performance throughout 2021-22 has been reported both to the Joint Committee and to each partner Council through the legacy systems. Performance is gauged normally against the targets set out in the Business Plan. Unfortunately, a number of the targets and actions identified in the plan were not achieved. While all the statutory documents were published on time, the service did not complete many of the proactive programmes. Some of this was due to partner organisations being unable to progress matters, but the primary cause was the realignment of resource toward coronavirus work.
- The SRS may, through the relevant participative Council, prosecute breaches of legislation, particularly in respect of those who flout the law or who act irresponsibly, or where there is an immediate risk to health and safety. In the period, the service has been successful in challenging a range of unfair practices, many of which attracted significant media attention. The time and work required investigating these matters, and the consequences of officers' ability to carry out day to day work whilst these matters are ongoing, is significant.
- The SRS has been active in the Courts and Appendix 3 of the Annual report sets out the successful interventions undertaken in the 2021-22 period.

10. The key operational implications for Cardiff Council are as follows:

Public Accountability Measures

• PAM 023 – Food establishments - 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 Shared Regulatory Service, 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. Additionally, the business support regimes introduced into the SRS structure play a part in promoting an increase in hygiene standards, examples of that are set

out under the Council’s well-being objective of supporting the local economy. Premises are deemed to be broadly compliant if specified risk scores are achieved for cleanliness, structural issues, and confidence in the management of the business.

The number of premises that are broadly compliant with food hygiene requirements, i.e. scoring 3* or above, is consistent with the previous year and in line with the UK average of 95%. The numbers associated with this indicator do carry a “health warning” for the year in that many of the premises scheduled for inspection were closed for much of this reporting period and some did not open at all. The number of food businesses with a food hygiene rating of more than 3* in Cardiff during 2020/21 were:

Cardiff **95.74%** (from **95.41%** 2020-21)

Moving forward, it is important to note that within the SRS region there has been a significant turnover of food business operators; there was over 900 new food business enterprises across the region needing inspection in 2021-22. Many of these new entrants to the market do not attract immediately a broadly compliant rating and that may affect the overall broadly compliant score for the region. Additionally, a focus upon new businesses will impact the traditional risk assessed proactive programme.

Specifically in relation to the Food inspection programme, and recognising the significant pressure faced by local authorities (given the inevitable secondment of key members of staff over the last two years) the Food Standards Agency has implemented a four nations approach through the Recovery Plan shown in the figure below.



- **PAM 013 - Percentage of empty private properties brought back into use**
- **PAM 045 - The number of new homes created as a result of bringing empty properties back into use.**

In Cardiff, SRS presented a new Private Sector Empty Homes Policy 2021-2024 to Cardiff Council's Cabinet, which was adopted. The increased profile of this work due to the adoption of the Policy has enabled the Service to employ two empty homes officers for a further two years. An empty homes working group has been established and is proving useful in shaping corporate working to maximise performance in this context. An action plan has been submitted to Welsh Government which will allow the drawing down of funding to underwrite losses made in any subsequent activity taken against the worst derelict, long term empty City Centre properties. In total, **84 properties** were returned to use or new units created as a result of empty homes work in Cardiff during the last year.

Significant Service Achievements against Business Case 2021/22

11. Improving Health and Wellbeing

- Throughout 2021/22, SRS played a central role in supporting TTP and in delivering the wider enforcement regimes that underpinned the Public Health (Coronavirus Restrictions) (Wales) Regulations. Early 2022 saw the start of a transition where the focus of this work would move away from breaking chains of transmission in the whole population, toward a programme that protects the most vulnerable in society. On 4th March 2022, Welsh Government published its transition plan in which a stepped 'return to normal' approach was set out. While this transition to the long-term steady state phase concludes at the end of June 2022, partners in the public health network commit to maintaining a capacity to respond to any future local outbreaks and to prepare for a resurgence of the virus. Working with partners, SRS now has the necessary arrangements in place to retain the required skill sets within the service for the duration of 2022/23.
- The Shared Service has been working to the Food Standards Agency COVID-19 Local Authority Recovery Plan which applies across the four nations. Covering the 2021/22 and 2022/23 financial years, the aim of the Recovery Plan is to ensure that during the period of recovery from the impact of COVID-19, local authority resources are targeted where they add greatest value in providing safeguards for public health and consumer protection in relation to food. It also aims to safeguard the integrity of the Food Hygiene Rating Scheme (FHRS). The plan provides a route map for re-starting the delivery system in line with the Food Law Codes of Practice for both new food establishments and for high-risk and/or non-compliant establishments while providing flexibility for the inspection of lower risk establishments.

- Following publication of the Building Safety White Paper, a Welsh Government priority remains the establishment of the Joint Inspection Team (JIT), hosted by the WLGA. This remains a work in progress and SRS continues to have a presence on the Steering Group which has been charged with appointing the members of the JIT. It is anticipated that appointments will take place this year to enable a work programme to be drawn up in consultation with all Welsh local authorities and Welsh Government. We will work with the JIT to understand the scale of the issues in high rise buildings in the Authorities that we serve and working in conjunction with Welsh Government prioritise any remediation work to ensure the health and safety of the occupants.
- SRS is represented on the Leaseholder Task and Finish Group which is examining options to help support leaseholders who find themselves in significant financial hardship. Welsh Government is considering options to introduce a scheme to target provision where it is most needed, i.e., those buildings with identified defects where individual leaseholders cannot sell their properties on the open market and find themselves in considerable difficulty due to escalating costs.

12. Safeguarding the vulnerable

- During 2021 /2022, a number of significant rogue builder or doorstep crime prosecution cases concluded in court. Sitting behind each of these cases is a story of residents being defrauded of large sums of money, often their life savings. The cases show a pattern of little, or no, work being done, and where work has been carried out, it will have been to a very poor standard. The legacy of COVID-related delays in the court process meant that fewer cases of this type than normal, finally concluded in court. Nevertheless, the impact of the six concluded cases in this category is significant
 - A combined total of nearly 10 years in custodial sentences
 - A 12-month Community Order
 - Compensation of £3080 for some of those affected
 - A number of Proceeds of Crime investigations from which it is hoped compensation for the victims will be forthcoming.

Five of these cases directly related to Cardiff.

13. Protecting the environment

- In recent years, there has been a huge increase in demand for pet dogs, particularly the most desirable breeds, and this was only exacerbated during the coronavirus pandemic as families sought 'lockdown buddies'. Huge demand drives huge prices with recent research suggesting that the average going rate for a Labradoodle puppy is now in excess of £1,300, while a French Bulldog costs in excess of £1,700, and an American Bully puppy goes on average for around £2,300. Perhaps it is no surprise that this is an industry that has attracted a rogue element, keen to make quick

profits, with little thought for animal welfare, and in an environment where they perceive there to be a low risk of being caught and punished. This is the world of the unlicensed, illegal dog breeder.

- SRS has received an unprecedented volume of complaints and enquiries about unlicensed dog breeding. As a service, we are determined to take a firm line against illegal breeding to protect not only unsuspecting purchasers, but to safeguard the welfare of dogs and their puppies, and at the same time create a 'level playing field' for legitimate, properly licensed breeders. The following major investigations into illegal dog breeding that concluded during 2021/22, illustrate the gravity and extent of the problem.
- In a major illegal dog breeding case in Cardiff, a complaint was received about sales of American bully puppies via Facebook. After some investigation, a warrant was executed at the individual's property where 5 breeding bitches and 3 male dogs were found, as well as 8 puppies. All but two of the puppies had recently had their ears cropped, a practice classed as animal mutilation and prohibited by the Animal Welfare Act. During the course of the investigation the scale of the defendant's illegal trading was established with the finding that he had registered 67 dogs at one local veterinary practice alone. The defendant was sentenced to a total of 16 weeks in custody with immediate effect, fined £1200 and ordered to pay costs of £9775. He was also banned from keeping animals for a period of 8 years, with no right to apply for this ban to be revoked for a period of 5 years. In addition, an order was made to deprive the offender of the 8 puppies and 8 adult dogs found at the property.
- During 2021/22, SRS ensured that Bridgend, Cardiff and the Vale of Glamorgan Councils met their statutory duties under part 4 of the Environment Act 1995 by producing the 2021 Annual Progress Report (APR) for each area, and reporting these to the respective Cabinets.
- In Cardiff, the 2021 APR highlighted that no monitoring sites recorded concentrations in exceedance of the annual average objective set for NO₂ of 40 µg/m³. The results were indicative of the impacts of the COVID lockdowns and restrictions on pollution levels in Cardiff, which was likely due to traffic volumes having decreased. SRS continues to support delivery of the Cardiff Council Clean Air Plan in line with the additional Legal Direction it received. Work in 2021-22 has ensured delivery of a number of key measures in the Plan, namely implementation of 36 Electric Buses, Retro fit programme of 49 buses, and a taxi lease scheme in conjunction with a 30 day try before you buy scheme with Cardiff Capital Region. In November 2021, Cabinet implemented an interim transportation scheme on Castle Street following approval in June 2021. Work is ongoing to assess the implementation of a permanent scheme on Castle St to ensure long-term NO₂ compliance post COVID recovery and work is ongoing to monitor the impact of the current interim scheme in terms of ensuring compliance is maintained.

14. Supporting the local economy

- SRS has maintained its 28 Primary Authority partnerships over the course of another year in which the trading environment for many businesses continued to be challenging. Discussions are currently underway with some highly respected companies with a view to agreeing additional Wales-only Primary Authority partnerships, with a number of these being household names.
- Following a number of tragic incidents where customers have died as a result of consuming products that they were unaware contained certain allergens, the law on allergen declaration changed on 1st October 2021. The amendment to the legislation, commonly known as 'Natasha's law' requires all products pre-packed for direct sale to have a full list of ingredients showing clearly the presence of any of 14 specified allergens. Pre-packed for direct sale foods are those that are placed in sealed packaging on the premises where they will be sold, before a customer makes their selection. Examples of foods commonly pre-packed for direct sale include sandwiches, wraps and bakery items, but depending on the circumstances, many other foods can fall within this definition.
- In the run up to the change in the law on food allergens, SRS worked with businesses of all shapes and sizes to assist them in complying with the new requirement. In order to support this approach, free online workshops were provided for businesses across Bridgend, Cardiff and the Vale of Glamorgan. The workshops provided local food businesses with an overview of the legal requirements but also provided the opportunity for attendees to ask questions of the SRS Officers delivering the training about the changes in the law, and how the changes would apply to individual businesses.

15. Maximising the use of resources

- The SRS website is supplemented by our social media offerings, SRS Twitter (@SRS_Wales) and the SRS LinkedIn account. These channels have proved to be a highly effective way of getting information to a large number of businesses and residents.
- The use of the noise app has gone from strength to strength. The app can be downloaded by residents wishing to make a complaint about noise, enabling them to record short bursts of the disturbance and submit to the service to determine if a nuisance has occurred. This approach has been invaluable at a time when noise nuisance complaints increased with more people staying at home, and has enabled complaints to be triaged effectively, thereby ensuring that officers' site visits are prioritised where and when they are most needed.

- As part of the 2021/22 Annual Internal Audit Plan, two audit reviews were carried out in respect of Shared Regulatory Services. The first of these reviews involved an audit of SRS governance and financial controls. Just one issue was identified which needs to be addressed, that of resolving the current recruitment difficulties experienced by SRS. This was reflected in the Management Action Plan with the recommendation that 'The recruitment strategy is reviewed and updated to find solutions for recruitment and selection in the current market'. This review resulted in an audit outcome of 'reasonable assurance' being awarded, meaning that there is a generally sound system of governance, risk management and control in place. The second review involved an audit of the Wales Illegal Money Lending (IML) Grant. No key issues were identified in this audit and the report concludes that a sound system of governance, risk management and control exists, with 'internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited'.

16. Challenges to SRS moving forward

- Over the last two years, the service has engaged with a wide range of partners to play a central role in tackling the spread of coronavirus. The over-riding challenge during 2022/23 will be to balance the need to respond to any resurgence of COVID-19, with the need to respond to other emerging global events while at the same time ensuring a return to 'business as usual work' with. Consequently, the Key Milestones for 2022/23 include:
 - Delivery of the SRS Business Plan 2022-2023 and the associated corporate priorities assigned to the SRS by the partner councils.
 - To support the partner councils and other agencies to manage the impact of any resurgence of Covid-19.
 - To monitor the implementation of new legislation and any requirements imposed by such legislation upon the Service, for example the Welsh Government requirements around Special Procedures.
 - To contribute to the climate change goals in each of the partner authorities through effective enforcement of environmental controls such as those regulating energy efficiency in the private rented housing sector.
 - To consult with staff and develop a recruitment and retention strategy comprising actions for the short, medium and longer term in order to attract, develop and retain skilled staff.
 - Review the agile working arrangements for the service to ensure that technology is being exploited fully to improve service delivery.

Reasons for Recommendation

17. To provide a briefing to Cabinet on the Shared Regulatory Services Annual Report for 2021-22.
18. To comply with Clause 5.6 of the revised SRS Joint Working Agreement; this enables the Cabinet to receive the SRS Annual Report 2021-22 for information purposes.

Financial Implications

19. There are no additional financial implications arising as a result of this report. The SRS Annual Report is a common report to all three authorities which outlines the performance and progress against key business plan objectives for 2021/22.
20. It also sets out the draft unaudited 2021/22 revenue outturn position for the SRS which achieved an overall underspend of £363,000 against the gross revenue budget of £8.331 million. The Cardiff Council share of this underspend amounted to £146,000 with the partnering authorities of Bridgend and the Vale achieving underspends of £142,000 and £75,000 respectively.

Legal Implications

21. The SRS Annual Report is a common report to all three authorities, produced in accordance with Clause 5.1 of the JWA, to update members on the operational and financial performance of the service for the preceding year. There are no direct legal implications for this report.

Property Implications

22. The report does not include any direct property implications.

HR Implications

23. There are no HR implications to be considered in this report.

RECOMMENDATIONS

Cabinet is recommended to note the Shared Regulatory Services Annual Report for 2021-22

SENIOR RESPONSIBLE OFFICER	NEIL HANRATTY
	Director Economic Development
	11 November 2022

Appendix A: Shared Regulatory Services Joint Committee Report, 28 June 2022 –
Shared Regulatory Services Annual Report 2021-22.

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 2021-22

Shared Regulatory Services Business Plan 2022-23