

**SHARED REGULATORY SERVICES ANNUAL REPORT 2022-23**

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

**AGENDA ITEM: 10**

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**Reason for this Report**

1. To enable the Cabinet to receive and note the Shared Regulatory Services Annual Report for 2022-23.

**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 apprises 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 21 June 2023, which incorporates the SRS Annual Report 2022-23, is attached as Appendix A to this report.
7. The SRS Annual Report 2022-2023 reflects upon the eighth year of operation of the SRS. It outlines the performance of the SRS in 2022-2023, 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:
  - The 2022/23 SRS Business Plan was sufficiently realistic to recognise the need for the Service to recover, post COVID response, as it returned to its 'business as usual' work. Over the previous two years, the Service had engaged with a wide range of partners to play a central role in protecting the health of the public. At the time of writing the 2022/23 Plan, the over-riding challenge facing the Service was in balancing 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 resuming fully its 'normal' programmes of work.
  - Overall sickness absence levels for 2022/23 were 10.47 days per FTE person. This represents a slight increase on the same measure for 2021/22 when the overall sickness absence rate stood at 10.11 days per FTE person. Once again, it is the number of days lost through long term absence that has impacted the overall rate of absence, and through the year, the Service has had a number of staff away for a significant period of time.
  - The SRS reported an overall unaudited overspend of £63k against the 2022-23 gross revenue budget for authority specific and core services of £8.331M of which Cardiff's element was £125k overspend.
  - The Cardiff specific expenditure outturn for non-core services was £1.683 million against the approved budget of £1.468 million resulting in an overspend of £215k, predominantly relating to an £196k overspend within Taxi Licensing Section which is consistent with performance in previous years.
  - Multiple recruitment drives were undertaken during 2022/23. However, the Service experienced significant issues in attracting appropriate candidates to particular disciplines within the Service, which may also be due to a national scarcity of resource being available. This position was then amplified further due to the cost-of-living price rises and the overall position of the economy.
  - Throughout 2022/23, the Service worked with local universities in the practical support of students who are enrolled on degree courses relevant to areas in the SRS such as supporting the Homes for Ukraine initiative within the Housing Team. Some of the students then went on to secure permanent posts within the Service as vacancies arose.
  - Operational performance throughout 2022/23 has been reported both to the Joint Committee and to each partner Council through the legacy systems. Written as we emerged from the pandemic, the 2022/23 Business Plan was

realistic in identifying resource pressures and the uncertainty at that time over any resurgence in the pandemic through new variants. As a result, performance against the 2022/23 Business Plan is very positive, with all statutory documents published on time and the targets and actions identified in the plan were in the main achieved.

- 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 2 of the Annual report sets out the successful interventions undertaken in the 2022-23 period.
- SRS has continued to support relevant corporate challenges at each Council. During the 2022/23 financial year, the Shared Service brought its expertise to the table to support significant challenges as they arose. In this context, SRS Officers conducted checks on the suitability of accommodation offered by residents of the three local authorities under the Homes for Ukraine scheme. During the 2022/23 timeframe, over 500 such checks were carried out, thereby enabling Ukrainians displaced by the war to settle in suitable host accommodation across the SRS region.

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 and advice regimes introduced into the SRS structure play a part in promoting an increase in hygiene standards, examples of which are set out under the priority heading '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 proportion of premises that are broadly compliant with food hygiene requirements, i.e., scoring a 3\* food hygiene rating or above, is in line with the UK average of 95%, and is consistent with that seen in previous years.
- The number of food businesses with a food hygiene rating of more than 3\* in Cardiff during 2022/23 were:

**Cardiff 95.67%** (from 95.74% 2021/22) (from 95.41% 2020-21)

- The transition from COVID response to ‘business as usual’ meant that again, our traditional inspection programme was to some extent impacted in 2022/23. Specifically in relation to the Food inspection programme, the Service continued to follow the Food Standards Agency’s (FSA) COVID-19 Local Authority Recovery Plan which recognised the significant pressure faced by local authorities (given the secondment of key members of staff to COVID response roles over a period of more than two years). The purpose of the Recovery Plan was to provide a risk-based pathway towards resumption of planned interventions, in accordance with the Food Law Code of Practice, while dealing with the COVID-related inspection backlogs that inevitably built up in the system.

*FSA COVID-19 Local Authority Recovery Plan*



- Progress against the FSA COVID-19 Recovery Plan has been reported to the Joint Committee throughout the year, and it was confirmed in February 2023 that the Recovery Plan would be withdrawn at the end of the 2022/23 financial year. The Service met with the FSA in March 2023 to agree a bespoke solution for bridging the gap between the Recovery Plan and resumption of the full SRS Food programmes.

**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.**

- Officers from the Shared Regulatory Service contribute a dedicated resource to bringing empty properties back into beneficial use within Cardiff.
- In Cardiff, through a combination of dialogue, incentives and enforcement action, 91 empty properties were returned to use in 2022/23. Welsh Government approved Cardiff Council's Empty Homes action plan, which identifies 13 long term derelict problem empty properties as top targets and progress is being made on several of these key targets. In addition to the day to day work to support and advise owners of empty properties, the Empty Homes Working group, chaired by the Cabinet member for Housing & Communities has helped to secure effective working across all empty homes disciplines. SRS also held a workshop with Council Housing officers to ensure the best package of measures is offered to empty property owners, in the most attractive and timely way possible which will include property loans, leasing scheme and buy back/purchase where appropriate.
- From 1st April 2023, each of the three partner Councils will charge a 100% Council Tax premium on long term empty homes to help fund this work.

### **Significant Service Achievements against Business Case 2022/23**

#### 11. Improving Health and Wellbeing

- There are certain unique challenges facing the SRS in delivering on the full food hygiene and food standards programmes. These are well established and result from the sheer number of food businesses within our footprint (around 20% of all those in Wales), the diverse and vibrant nature of the food scene locally, and the very frequent churn of new business start-ups. A number of other factors have emerged, post pandemic which add to the challenges faced, namely:
  - i. The significant increase in enforcement action necessary at food premises post COVID, and the increase in the incidence of pests, all of which impacts on Officers' ability to carry out inspections and programmed work.
  - ii. Many cases where previously high scoring premises under the Food Hygiene Rating Scheme are scoring lower, post pandemic.
  - iii. The Service has also seen a significant increase in new and different cuisines being offered at food businesses. This requires Officers to research and understand these new approaches so that through their interaction with the businesses concerned, appropriate advice can be given, and action taken as required.

- Taking into account all of the above, it has been agreed with the FSA that from 1st April 2023, the Service will work towards realigning with the provisions of the Food Law Code of Practice, using the full range of flexibilities offered by the Code. The bespoke agreement will see SRS continue its risk-based approach, tackling the inspection backlog and moving to completion of 4\* C rated premises along with high-risk new businesses.

## 12. Protecting the Environment

- In 2018, the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 introduced minimum energy efficiency standards (MEES) for domestic private rented properties. The regulations were designed to increase the energy efficiency of the worst performing dwellings, reduce fuel poverty, and improve housing standards.
- During 2022/23, the Service developed the necessary materials for a targeted program of work to contact the owners, agents and landlords of private rented properties to remind them of their duties under the legislation and to signpost to opportunities for funding streams that may be available to assist in improving the rating of their property. Interventions will be focussed initially on those properties appearing to fall into the forbidden F and G energy efficiency ratings, together with those for which there is no published rating.

## 13. Animal Welfare

- Complaints and other intelligence continue to be received on illegal, unlicensed dog breeding. Unfortunately, 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. The Service is 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.
- SRS Officers have carried out a number of major investigations into illegal dog breeding over the course of 2022/23, and while no prosecution cases have concluded in court over that particular time frame, several are in the court system currently. A continuing theme to emerge from these investigations is the exploitation of the narrow definition of dog breeding that requires a licence. Other activities, often inextricably linked with dog breeding fall outside the current requirement to be licensed. Examples include the sale and supply of semen, the provision of stud dogs, artificial insemination, and other fertility services. In responding to a January 2023 Welsh Government consultation on animal related licensing, SRS made the case for these allied activities, provided to clients at significant cost, to be regulated as part of a wider licensing requirement.

- During 2022/23, SRS contributed to two TV documentaries highlighting the often dark world of dog breeding and the harms that can be caused by it. The first of these was the BBC Panorama programme '*Dogs, Dealers and Organised Crime*' which featured an investigation reported to Joint Committee in 2021/22, when a Vale of Glamorgan couple were prosecuted for animal welfare offences (including the overbreeding of bitches). The case resulted in them both being fined £19,000 and ordered to pay costs totalling £44,000. The second documentary was an episode of '*Defenders UK*' which featured an SRS investigation into an illegal dog breeder based in Cardiff (again, reported previously to Joint Committee). In that case, American Bully puppies were sold through Facebook, and the investigation uncovered offences of animal mutilation, causing unnecessary suffering to an animal and the illegal importation of dogs. The breeder was sentenced to 16 weeks in custody, fined £1200 and ordered to pay costs of £9775. He was also banned from keeping animals for 8 years.

#### 14. Air Quality

- During 2022/23, SRS ensured Cardiff Council met their statutory duties under part 4 of the Environment Act 1995 by producing the 2022 Annual Progress Report (APR) for each area. The report detailed their quality monitoring data for 2021 and was reported to Cabinet.
- In Cardiff, the 2022 APR highlighted that in 2021 no monitoring sites recorded concentrations in exceedance of the annual average objective set for NO<sub>2</sub> of 40 µg/m<sup>3</sup>. The results were indicative of the continued impacts of the COVID lockdowns and restrictions at the start of 2021 on pollution levels in Cardiff. Overall it appears that traffic volumes have decreased by approximately 20% to pre-covid levels, which continues to have a positive impact on overall air quality in Cardiff. SRS continues to support the delivery of the Cardiff Council Clean Air Plan in line with the additional Legal Direction from Welsh Government. Further detailed transportation and air quality modelling work was progressed during Quarter 3, the results of which will enable Cardiff to identify a permanent scheme for Castle Street, which was due to be reported.

#### 15. Safeguarding the Vulnerable

- During 2022/23, Officers investigated a number of significant rogue builder or doorstep crime cases. Sitting behind each of these cases is a story of residents, often vulnerable, being defrauded of large sums of money, sometimes 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. While multiple cases have progressed into the court process to be prosecuted, the legacy of COVID-related delays in the court system meant that relatively few

cases finally concluded in court during the year. Nevertheless, the impact of these three concluded cases is significant, i.e.

- i. A combined total of nearly 3 years in custodial sentences
  - ii. A 12-month Community Order
  - iii. 150 hours of unpaid work
  - iv. Costs of £750, and
  - v. Compensation of £6000 for some of those affected.
- In October 2022, the public face of the Wales Illegal Money Lending Unit was rebranded as 'Stop Loan Sharks Wales'. The rebranding was promoted with a four week media campaign and the creation of a social media digital toolkit for stakeholders. The social media campaign ran across the major social media platforms. In addition, the unit undertook local targeted action in areas of Wales based on recent intelligence of illegal lending activity, with additional awareness raising in the form of digi-vans (which use advertising screens on the sides of the vehicle), driving on specific routes with scheduled stops including supermarkets and town centre locations.
  - As part of the WIMLU rebranding, a new dedicated website was launched at <https://stoploansharkswales.co.uk/> This new website provides a range of information and resources/ training around illegal money lending. The aim is to ensure that these key messages are at the forefront of the minds of partners, and as a result this will help the Unit expand its reach and share messages with victims, support groups and members of the public throughout Wales so that more people know about illegal money lending, its dangers and how to report it.

## 16. Supporting the Local economy

- Illegal tobacco (i.e., counterfeit, or non-duty paid) continues to present a very real problem in our communities. Research has shown that at least 15% of all tobacco and cigarettes supplied in Wales are illegal, and smokers are quite comfortable in purchasing it, presumably under the misapprehension that the only impact of its widespread use is the loss of revenue to HM Treasury. This thinking ignores the most serious harms caused by illegal tobacco. At around half the cost of legitimate product, illegal tobacco removes the price incentive for smokers to quit the otherwise expensive habit. In addition, the way in which illegal tobacco is supplied means that mainstream tobacco control measures such as minimum age of purchase and the tobacco display ban are undermined. It is also important to remember that widespread availability of illegal tobacco undermines the viability of legitimate retailers selling genuine product, for it is not just the revenue from tobacco products that they are losing. Customers purchasing (illegal) tobacco elsewhere will also tend to purchase other goods elsewhere, for example the bread, milk and other essentials they pick up at the same time as their cigarettes.
- SRS officers carry out regular exercises with partner agencies and the assistance of tobacco detection dogs to locate illegal product (which invariably



will be hidden) whilst on site. During 2022/23, some 32 seizures of illegal tobacco were made from vehicles and residential properties as well as from retail premises. 13,834 packets of cigarettes and 957 packets of hand rolling tobacco were seized during these operations with a total retail value estimated to be £184,501.

- During 2022/23 SRS Officers investigated the supply of a range of other counterfeit goods, the supply of which impacts the viability of legitimate traders who sell genuine items. Examples of the types of counterfeit goods seized during 2022/23 include:
  - i. Counterfeit chocolate bars
  - ii. Counterfeit Apple products
  - iii. Counterfeit dog clothes and leads (bearing Chanel and Dior trademarks)
  - iv. Counterfeit vapes
- Building on the success of the 'Ask the Regulator' series of podcasts, SRS prepared a further six episodes over the course of 2022/23. Produced by local community radio station Bro Radio, the podcasts can be accessed via the SRS website and are also available on Spotify. The most recent episodes cover the following topics:
  - i. Business Focus (May 2022)
  - ii. Penarth Food Pod and Jubilee Celebrations (June 2022)
  - iii. The '*Buy with Confidence*' scheme (September 2022)
  - iv. National Safeguarding Week (November 2022)
  - v. Illegal Money Lending (January 2023)
  - vi. Mandatory Licensing of Special Procedures in Wales (March 2023)

Such has been the success of the podcasts that they were nominated at the National Community Radio Awards for 2022 in the category for best podcast.

#### 17. Maximising the use of resources

- Further improvements to the **SRS website** have taken place over the last year in order to ensure the best possible customer journey. During 2022/23, the SRS website had 52,665 users and 141,142 page views. Our noise and air pollution web pages continue to receive the most page views of all areas.
- 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 Service encourages use of the **noise app** in cases where residents wish to make a complaint about noise. It can be downloaded simply from the App Store

enabling them to short bursts of the disturbance to be recorded and submitted to the case Officer to determine if a nuisance has occurred. This approach has enabled complaints to be triaged effectively, thereby ensuring that officers' site visits are prioritised where and when they are most needed.

#### 18. Challenges moving forward

- Since its inception, SRS has consolidated service delivery in accord with the agreed standards. The over-riding challenges during 2023/24 will be around recruitment and retention, tackling post-pandemic backlogs in programmed work, the need to address emerging global, national, regional, and local events, and all while working within a reduced resource. Consequently, the Key Milestones for 2023/24 include:
  - Delivery of the SRS Business Plan 2023-2024 and the associated corporate priorities assigned to the SRS by the partner Councils.
  - To support the partner Councils and other agencies as an integral part of the health protection system in Wales.
  - 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 and Single Use Plastics.
  - 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**

19. To provide a briefing to Cabinet on the Shared Regulatory Services Annual Report for 2022-23.
20. To comply with Clause 5.6 of the revised SRS Joint Working Agreement; this enables the Cabinet to receive the SRS Annual Report 2022-23 for information purposes.

## **Financial Implications**

21. 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 2022/23.
22. It also sets out the draft unaudited 2022/23 revenue outturn position for the SRS which reports an overall net overspend of £63,000 against the total gross revenue budget for authority specific and core services of £8.331 million. The Cardiff Council share of this overspend amounted to £125,000 with the partnering authorities of Bridgend achieving an underspend of £74,000 and the Vale having an overspend of £12,000.
23. The Cardiff specific expenditure outturn position for non-core services was £1.683 million against the approved budget of £1.468 million resulting in an overspend of £215k, predominantly relating to an £196k overspend within Taxi Licensing Section which is consistent with performance in previous years. This overspend was netted off by an underspend of £90,000 for core services activities and primarily in relation to vacancies within Trading Standards.

## **Legal Implications**

24. Legal Services are instructed that the SRS Annual Report is a common report to all three authorities, produced in accordance with the JWA (as set out in the report), 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.

## **Equality Duty**

25. In considering this matter, the Council must have regard to its public sector equality duties under the Equality Act 2010 (including specific Welsh public sector duties). This means the Council must give due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of religion or belief.
26. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
27. In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national

well-being goals. The well being objectives are set out in Cardiff's Corporate Plan 2023-26. When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

28. The well-being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

29. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

#### General

30. The decision maker should be satisfied that the decision is in accordance within the financial and budgetary policy

#### **Property Implications**

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

#### **HR Implications**

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

#### **RECOMMENDATION**

Cabinet is recommended to note the Shared Regulatory Services Annual Report for 2022-23

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| <b>SENIOR RESPONSIBLE OFFICER</b> | <b>NEIL HANRATTY</b>          |
|                                   | Director Economic Development |
|                                   | 12 January 2024               |

*The following appendix is attached to this report -*

Appendix A: Shared Regulatory Services Joint Committee Report, 21 June 2023 – Shared Regulatory Services Annual Report 2022-23.

*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 2022-23
- Shared Regulatory Services Business Plan 2023-24