

## SHARED REGULATORY SERVICES JOINT COMMITTEE

Minutes of the Annual Meeting held on 11<sup>th</sup> June, 2019.

### Present:

Representing Bridgend County Borough Council: Councillor D. Lewis.

Representing Cardiff City and County Council: Councillors Ms. N. Mackie and L. Thorne (substituting for Councillor M. Michael).

Representing the Vale of Glamorgan Council: Councillors P.G. King (substituting for Councillor E. Williams) and J.W. Thomas.

### APOLOGIES FOR ABSENCE –

These were received from Councillors Ms. D. Patel (Bridgend County Borough Council), M. Michael (Cardiff City and County Council) and E. Williams (Vale of Glamorgan Council).

### (a) Appointment of Chairman –

RESOLVED – T H A T Councillor E. Williams be appointed Chairman for the current Municipal year.

In the absence of Councillor E. Williams, Councillor P.G. King took the Chair.

### (b) Appointment of Vice-Chairman –

RESOLVED – T H A T Councillor Ms. D. Patel be appointed Vice-Chairman for the current Municipal year.

### (c) Minutes –

RESOLVED – T H A T the minutes of the meeting held on 26<sup>th</sup> February, 2019 be approved as a correct record.

### (d) Declarations of Interest –

No declarations were received.

### (e) Draft Shared Regulatory Services Statement of Accounts 2018/19 –

The draft unaudited Statement of Accounts for 2018/19 were presented to the Committee for consideration.

It was noted that for 2018/19 there was an underspend of £496k, which was more than previously predicted.

In addition, the Committee noted that as at 31<sup>st</sup> March, 2019, the balance of usable reserves held by the Shared Regulatory Services (SRS) was £890k. As authorised by the September 2018 Committee, the £346k 2017/18 underspend was returned to the Partner Authorities. The Joint Working Agreement stated that the treatment of any surplus or deficit balance held by the joint service required agreement of the Joint Committee following completion of the audit of the annual accounts. Distribution of any surplus or the recovery of deficit positions would be presented to the September 2019 Joint Committee for approval.

The Head of Finance outlined that the Statement of Accounts was a technical document, the format of which had not changed since last year. She referred to the Notes to the Financial Statements which began on page 32 and the adjusted and restated figures that were shown on the table on page 56.

Having considered the draft unaudited Statement of Accounts for 2018/19, it was subsequently

RESOLVED – T H A T the Shared Regulatory Services draft unaudited Statement of Accounts for 2018/19 be approved.

#### Reason for decision

Following consideration of the draft unaudited Statement of Accounts for 2018/19.

#### (f) Shared Regulatory Services Business Plan –

The Head of Shared Regulatory Services presented the report, the purpose of which was to seek approval for the Shared Regulatory Services Business (SRS) Plan 2019/20.

The draft SRS Business Plan reflected the aspirations set out in each of the participant Councils' Corporate Plans, along with the national priorities agreed for Regulatory Services in Wales. Performance was monitored and measured with quarterly and annual reviews by the SRS Management Team and SRS Management Board. The SRS plan ensured that the partner Councils continued to meet statutory requirements and to continuously improve service delivery.

The draft SRS Business Plan had a “golden thread” or “line of sight” to the corporate priorities of the respective Councils. The strategic themes of the Shared Regulatory Service identified the areas of work that were delivered in support of these corporate priorities.

The draft SRS Business Plan had been the subject of consultation with the SRS officers, senior managers at the partner Councils and a range of stakeholders. The Plan had been presented to the Environmental Scrutiny Committee at Cardiff on 7<sup>th</sup> May, 2019 and their response was included at Appendix A to the report. The Plan (Appendix B to the report) was now presented to the Committee for approval.

Members would be provided with a brief presentation identifying the key issues for 2019/20 at the Committee meeting.

The draft Plan had been developed through conversations with SRS officers and discussions with different stakeholders. Perhaps most pleasing was the recognition that a comprehensive plan had been produced, with a realistic acknowledgement of the challenges and resource limitations within which SRS was trying to deliver essential services. There was broad support for continued use of the existing strategic priorities namely:

- Improving health and wellbeing;
- Safeguarding the vulnerable;
- Protecting the local environment;
- Supporting the local economy;

All of the above were underpinned by a fifth strategic priority, that of “maximising the use of our resources”.

The draft SRS Business Plan built upon the Plan approved by the Joint Committee in 2018. That Plan focused primarily on the consolidation of the Shared Service with a mix of “business as usual” and the conclusion of those implementation activities required to ensure effective service delivery.

The Plan set out the full range of services provided by SRS under the embedded operating arrangements, an indication of the activities planned for the 2019/20 period, the financial projections for the year, and a review of performance for 2018/19.

The Plan contained proposed service improvement targets aligned with the Well-being Objectives and Corporate Health priorities. These were set out in Section 6 of the Plan which outlined the proposed targets and included all relevant performance indicators that would enable the partner Councils to demonstrate progress against achieving their Corporate Plan Well-being Objectives. Targets had been set for those performance indicators that were continuing into 2019/20 where appropriate to do so. Consultation with stakeholders generated some minor changes to the Plan and Members were asked to approve the draft 2019/20 SRS Business Plan.

There was consensus amongst those present that the Business Plan was a very interesting and well put together document, with Members happy to approve the content. Subsequently, it was

RESOLVED –

(1) T H A T the contents of the Shared Regulatory Services 2019/20 Business Plan be approved.

(2) T H A T the Head of Shared Regulatory Services be authorised to make administrative amendments to the 2019/20 Business Plan should the need arise.

Reasons for decisions

(1) The Joint Working Agreement specified (at Clause 14) that each year the Head of Shared Regulatory Services will develop a draft Business Plan under the direction of the Management Board.

(2) The purpose of the Business Plan, as specified by the Joint Working Agreement, is to update the information contained in the previous Business Plan, and to identify proposes for service activities, business and financial objectives, efficiency targets, business continuity planning, risk management, indicative staffing levels and changes, performance targets, costs and income.

(3) The Joint Working Agreement further specifies that the draft Business Plan is submitted to the Joint Committee for approval, and circulated to each participating Authority's Head of Paid Service.

(g) Shared Regulatory Services Annual Report 2018/19 –

The Head of Service presented the report which provided an update on performance and the financial position of the Shared Regulatory Service (SRS) for 2018/19.

Under the Joint Working Agreement (JWA), there was a requirement for the SRS to produce an Annual Report which covered the operational and financial performance of the service for the preceding year.

This was the fourth report produced under this requirement and covered the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019. If the content of the report was agreed, a copy must be sent to the Head of Paid Service of each of the three Councils along with the SRS Business Plan for 2019/20. Members noted that the report outlined many of the actions undertaken at each partner Council to deliver the wide range of statutory functions assigned to the service. The report provided a review of operations across the service, a summary of the financial position, and outlined performance against 2018/19 service objectives.

The SRS operated across Bridgend, Cardiff and the Vale of Glamorgan. The SRS delivered a range of statutory services through a collaborative model that were critical to maintaining the health, safety and economic wellbeing of local communities. The operating model delivered an integrated service for the Trading Standards, Environmental Health and Licensing functions, which had three service delivery sectors focusing upon the customer rather than the traditional professional delivery model.

- Neighbourhood Services: activities relating to residential premises or having an impact on the local community;
- Commercial Services: activities relating to business premises (generally where national standards apply);
- Enterprise and Specialist Services: specialist areas of work and income generating services.

As a regional organisation, providing regulatory services across three Local Authority areas, the SRS sought to ensure that the corporate priorities and stated outcomes of the three Councils at the heart of all its activities. Using them as a focus, the strategic priorities for the SRS:

- Safeguarding the vulnerable;
- Improving health and wellbeing;
- Protecting the environment;
- Supporting the local economy;
- Maximising the use of resources;

The above provided a robust base for achieving the outcomes identified in the 2019/20 Business Plan and the partner Councils' corporate aspirations.

The JWA, executed in April 2015, and updated in July 2017, underpinned the entire service provision. The JWA contained a number of "milestones and requirements". In accordance with those requirements:

- The Wales Audit Office completed an independent financial audit of the service in September 2018; there were no recommendations for improvement;
- The service set its budget in December 2018 for the 2019/20 period. This implemented Year 2 of the 3 year budget reduction programme which set out a budget reduction of 5% p.a. for the period to March 2021;
- The Annual Report was presented here for consideration by the Joint Committee;
- The Business Plan for 2019/20 was presented for political approval in other papers to the June 2019 Committee, following consultation with stakeholders;
- The Joint Committee would receive an audited statement of accounts in September 2019.

The 2017/18 Annual Report illustrated that the SRS consolidated service delivery in accord with the agreed standards and delivered the requisite financial savings. However, the report indicated that more demands were being placed upon the service at a time of reducing resources. The Key Milestones for 2018/19 were:

- Delivery of the SRS Business Plan 2018/19;
- A review of the organisational structure for the SRS to meet the budget savings set out for 2019/20 and 2020/21;
- Consequently, to implement the financial savings agreed for the delivery of the SRS for the period 2018 – 2020;
- To respond to new legislation and new policy developments that were anticipated to place greater responsibilities upon the service; and with those responsibilities, greater expectations. The consequences arising from the Grenfell disaster, the changes to the Public Health regime, the increased exploitation of vulnerable people, the challenges of improving air quality, have placed the SRS under considerable pressure the at a time of reducing budgets.

In addition, the report provided an update on the following areas:

- Human Resources;
- Operational performance;
- Improving health and wellbeing;
- Safeguarding the vulnerable;
- Protecting the environment;
- Empty homes;
- Air quality;
- Maximising the use of resources;
- Financial performance;
- Challenges moving forward.

The Committee noted that the SRS was reporting an overall underspend of £496k against the 2018/19 gross revenue budget of £8.504m. This was primarily due to the inability to recruit suitably qualified officers. The report indicated how the service intended to respond to that challenge in 2019/20, by using some of the underspend to support the recruitment and training of apprenticeships. In addition, the Committee considered the available resources in order for the service to grow its own staff. Committee consequently agreed for a reserve of money should be put aside in order for the recruitment and development of staff.

In terms of the SRS's Key Performance Indicators shown at Appendix 1, the Committee queried timescales for the percentage of significant breaches that were rectified by intervention during the year for Trading Standards. The Committee noted that this related to premises that were subject to ongoing investigations, so it may not always be possible to conclude such investigations with the financial year. The Head of Service stated that a more detailed update on interventions would be presented at the Committee meeting in September.

Appendix 2 to the report provided a summary of prosecution cases concluded between April 2018 and March 2019. The Committee queried whether in cases where a person or organisation had been prosecuted whether the Council could recover its legal costs. The Committee agreed for this to be explored and for this to be taken up with the Ministry of Justice.

The Committee also considered the use of social media to promote the work of the SRS, particularly in relation to successful prosecutions.

Subsequently, it was

RESOLVED –

(1) T H A T the report be approved and authorisation granted to the Managing Director, Vale of Glamorgan Council, to forward a copy of the report to the Heads of Paid Service of the other partner Councils.

(2) T H A T the change of use of the reserve held by the service to support the recruitment and training of apprenticeships be agreed.

(3) T H A T correspondence be sent to the Ministry of Justice in order to explore the possibility of the Council recovering a greater proportion of its costs for prosecution.

Reasons for recommendations

(1) To meet the requirements set out in Clause 5.1 of the Joint Working Agreement.

(2) To address the current staffing shortfall within the service.

(3) In order to explore the possibility of the service recovering its costs for prosecutions.