

Meeting of:	CABINET
Date of Meeting:	24 SEPTEMBER 2024
Report Title:	SHARED REGULATORY SERVICES ANNUAL REPORT 2023-24
Report Owner / Corporate Director:	CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HUMAN RESOURCES AND CORPORATE POLICY
Responsible Officer:	HELEN PICTON HEAD OF SHARED REGULATORY SERVICES
Policy Framework and Procedure Rules:	This report content has no direct effect upon the policy framework and procedure rules.
Executive Summary:	<p>The purpose of this report is to present to Cabinet the Shared Regulatory Services (SRS) Annual Report for 2023-24. It provides an overview of the creation of the Shared Regulatory Service for the purpose of providing the Environmental Health, Trading Standards and Licensing functions for Bridgend County Borough Council and two other partner authorities.</p> <p>The Annual Report and the SRS Business Plan are presented to the Joint Committee at its annual general meeting in June of each year, and the Joint Working Agreement between the partner authorities makes provision for the Cabinet of each of the three authorities to receive these reports for information purposes.</p> <p>A number of achievements and challenges during the year are highlighted in the body of this report, and a summary of key performance and budgetary data is provided. The report concludes with an overview of some significant areas of work for the Service in the current financial year, as set out in the SRS Business Plan for 2023-24.</p>

1. Purpose of Report

- 1.1 The purpose of this report is to provide Cabinet with the Shared Regulatory Services Annual Report for 2023-24 for noting.

2. Background

- 2.1 In April 2015 Bridgend County Borough Council (BCBC), Cardiff Council and the Vale of Glamorgan Council signed a Joint Working Agreement (JWA) for the provision of regulatory services across the three Council areas. The JWA underpins the work of the Shared Regulatory Service (SRS) and the SRS Joint Committee.
- 2.2 The Cabinet Member for Finance and Performance and the Chair of the Licensing Committee are the two Bridgend County Borough Council representatives on the SRS Joint Committee and they have oversight of the Service alongside their counterparts from the other two partner Councils.
- 2.3 In accordance with the Joint Working Agreement the Shared Service is required to produce an Annual Report that covers the operational and financial performance of the service for the preceding year. In March 2017 the Council ratified the insertion of a new clause into the Agreement to enable each partner authority's Cabinet to receive the SRS Annual Report, for information purposes.
- 2.4 A copy of the report considered and approved by the SRS Joint Committee on 19th June 2024, which incorporates the SRS Annual Report 2023-24, is attached as **Annex 1**. The SRS Annual Report itself includes three appendices.
- 2.5 The SRS Annual Report 2023-24 reflects upon the ninth year of operation of the Shared Service. It outlines performance over the course of the 2023-24 financial year, the progress made in achieving the objectives set out in the SRS Business Plan, and the summary revenue account and financial outturn position.
- 2.6 The management of key operational performance for Shared Regulatory Services in BCBC sits with the Chief Officer - Legal and Regulatory Services, Human Resources and Corporate Policy. The Client lead 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.

3. Current situation / proposal

- 3.1 The key aspects of operational performance across the region from the Annual Report are as follows:
 - Overall sickness absence levels for 2023-24 were **6.93 days per FTE person**. This represents a marked improvement on the same measure for 2022-23 when the overall sickness absence rate stood at **10.47 days per FTE person**. It is particularly pleasing to see a near halving of the long-term sickness absence rate for the year, albeit there was a slight increase in short term absence compared to the previous year (3.22 days per FTE compared with 2.78). The figures for 2023-24 are on a par with the record low rates of sickness seen during the 'COVID year' of 2020-21, and compare favourably when viewed in the wider context of the average sickness rates across the partner Councils.

- The shortage of suitably qualified Environmental Health and Trading Standards staff across Wales and England continues to focus the mind on effective recruitment and, crucially, also the retention of staff. Added to this an ageing workforce has brought into sharp relief the urgency needed in finding solutions for the medium and long term.

Over the course of the year the Shared Service has continued its '*growing our own*' approach through, for example:

- Fast tracking two members of staff to gain the Higher Certificate qualification in Food Premises Inspection
 - Supporting a further four members of staff to attain additional qualifications, three of whom are studying towards the MSc in Environmental Health
 - Further enhancing relationships with academic institutions
 - Continuing to lead on the establishment of the Level 4 Regulatory Apprenticeship for Wales
- 2023-24 was also a challenging year financially. When the SRS budget was set in February 2023 it included an assumed pay award of 5% less the 3% savings agreed by the three partner Councils. Inflationary pressures over the year, together with additional expenditure, for example that incurred in boarding animals seized during animal welfare investigations, resulted in the Shared Service achieving an unaudited outturn deficit of £171k against the 2023-24 budget of £8.645m.
 - The Annual Report advises on the draft financial outturn position of the Service, and the resulting impact this has for each of the Partner Authorities. Full details are provided in **Appendix 3** to the 2023-24 Annual Report. This position is due to be confirmed by Audit Wales through its annual audit of the SRS statement of accounts.
 - Operational performance throughout 2023-24 has been reported both to the Joint Committee and to each partner Council through the legacy systems. The detail of performance against all the agreed performance indicators is set out in **Appendix 1** to the Annual Report.
 - Specifically in relation to the Food inspection programme, from 1st April 2023 the Service moved on from the Food Standards Agency's COVID-19 Local Authority Recovery Plan, towards resumption of the full programme. Working with the Food Standards Agency, a risk-based, bespoke solution was agreed to bridge the gap between the Recovery Plan and resumption of the full SRS Food programmes. It is pleasing to see the year-end position for the Food Hygiene programme achieving 100% of the inspections due for category A and category B rated premises, as well as 100% of the due Category C rated premises. This really is a tribute to the hard work of officers during the year, supplemented, it must be said, by a significant spend on contractors.

- The Shared Service 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 media attention. The time and work required investigating these matters, and the impact on officers' ability to carry out day to day work whilst these matters are ongoing, is significant.
- **Appendix 2** to the Annual Report sets out the successful prosecutions that concluded in court during the 2023-24 financial year.

3.2 The Shared Regulatory Service continues to report the following to the three partner Councils as useful indicators of performance (i.e. the former public accountability measures in respect of food establishments and empty homes).

Percentage of food establishments broadly compliant (former PAM 023)

This indicator continues to provide a measure 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. 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.

In Bridgend County Borough the proportion of premises that are broadly compliant with food hygiene requirements, i.e., scoring a 3* food hygiene rating or above, exceeds the UK average of 95%, and is consistent with that seen in previous years, i.e.

Percentage of food establishments in the County Borough 'broadly compliant'

Year	Percentage 'broadly compliant'
2023-24	98.03%
2022-23	98.00%
2021-22	97.38%
2020-21	97.24%
2019-20	97.49%

Empty Homes performance indicators (formerly PAM 013 and PAM 045)

The Service continues to report on the *percentage of empty private properties brought back into use*, and the *number of new homes created as a result of bringing empty properties back into use*. These indicators have as their core purpose the aim of quantifying the reduction in the number of empty properties as a consequence of intervention by Councils. Among the categories of direct action local authorities can take to bring a property back into use are the following

- Grants, loans or other financial assistance
- Enforcement action including statutory notices, and
- Dialogue between the owner and the local authority where progress to restore the use of the property is evident.

Officers from the Shared Regulatory Service contribute a dedicated resource to bringing empty properties back into beneficial use within the County Borough. During 2023-24 officers continued to target resources towards the top 20 worst cases, and, of these, 2 properties have been sold, 3 are under renovation and 2 have completed on probate.

Three successful prosecutions have concluded in respect of empty properties with a further prosecution pending, and one work in default has been completed. Three applications have been submitted to Welsh Government to access the Transforming Towns Empty Property Management Fund (two of these have been approved and one is pending). The remaining properties are subject to informal action. Meanwhile, work continues towards the Compulsory Purchase of the Authority's worst residential empty property and steps are being taken to enforce the sale of a commercial premises. Efforts also continue on properties outside the 'Top 20', utilising the 5-stage escalation letter process and enforcement provisions.

3.3 The SRS Business Plan is aligned to the Council's Corporate Plan enabling the Service to support corporate priorities and challenges. The SRS activities below summarise just a few examples in this regard delivered over the course of 2023-24:

- *Working with landlords to return empty properties back into use helping to increase the availability of affordable housing for sale or rent in Bridgend County Borough*

Officers from SRS in conjunction with Bridgend CBC aim to identify long-term vacant properties and encourage owners and landlords to bring their properties back into use through the provision of advice, support and encouragement. The process entails sending a series of letters to the owners to encourage them to take positive steps to bring the property back into occupation. Owners are provided with '*A property owners guide to empty homes*' brochure which outlines the options available and the services on offer. Where there is a threat to public health and/ or a lack of cooperation from the owners, consideration will be given to the use of enforcement action to improve

the condition of the empty property and secure its occupation. The Service offers empty property owners the opportunity to access the following services:

- Financial assistance in the form of grants and loans
 - The provision of information to access a VAT reduction on renovation costs
 - The provision of information and advice on how to sell or rent the property including legal requirements
 - Access to potential developers in the area seeking to purchase empty properties to renovate or re-develop
 - Access to housing associations who have the potential to acquire or assist with leasing long term vacant properties.
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- *Air Quality*

During the year, SRS ensured that Bridgend County Borough Council met its statutory obligation under the Environment Act by producing the 2023 Air Quality Annual Progress Report (APR) which was considered by Cabinet in September 2023. The 2023 APR demonstrated that only two sites, both located within Park Street Air Quality Management Area (AQMA) exceeded the air quality objective for nitrogen dioxide NO₂ as prescribed in the Air Quality (Wales) Regulations 2000 and the Air Quality (Amendment) (Wales) Regulations 2002.

All other locations within the County Borough continued to meet all other relevant air quality objectives. Both locations recorded annual average figures in 2022 of 47.2 µg/m³ & 45.5 µg/m³ respectively. This represented a reduction in NO₂ concentrations of 12% and 17% at these locations since 2019.

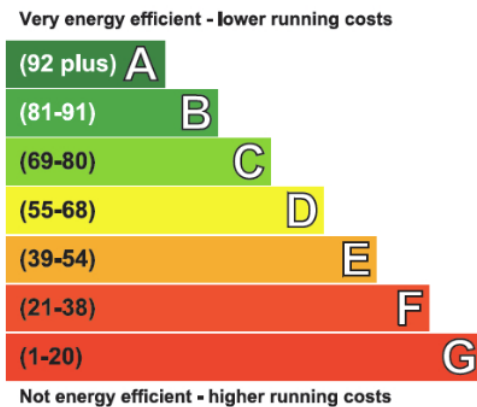
The 2023 APR also provided an update to BCBC Cabinet on the progression of the Air Quality Action Plan for the AQMA on Park Street. Having been consulted upon, and following technical feedback from Welsh Government, the Action Plan was subsequently approved at a further meeting of the Cabinet. It provides a full implementation timeline of any additional measures, and also a projected year of compliance. The Air Quality Action Plan for the Park Street AQMA has since been submitted, as required, to Welsh Government.

- *Climate change agenda*

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations introduced minimum energy efficiency standards (MEES) for domestic private rented properties. The regulations are designed to increase the energy efficiency of the worst performing dwellings, reduce fuel poverty, and improve housing standards.

An Energy Performance Certificate (EPC) has been a legal requirement for all UK homes being rented for over a decade. Certificates are valid for 10 years and, through calculation of the energy efficiency score for a given property, they provide a rating from A (most efficient) to G (inefficient), as shown below.

Energy Performance Certificate Rating of Properties



The Regulations require that domestic property let out under all new *and existing* tenancies must have an EPC rating of E or above. F or G rated properties cannot be let unless there is a bona fide, properly registered, exemption.

Having developed the necessary infrastructure to take this area of work forward during 2022-23, the Service was able to build upon these foundations in 2023-24, to good effect. Over the course of the year, owners, agents, and landlords of private rented properties were contacted 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. Officer interventions have been focussed 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.

By the end of the year, a total of 48 properties were sufficiently improved to take them out of the F and G energy efficiency rating to become E rated or better. Also as a result of SRS interventions during the year, previously unrated private rented properties now hold Energy Performance Certificates, having achieved ratings ranging from B to E.

The impact of this work, in terms of both the climate change and the cost of living agendas, translates into tangible figures submitted to the partner Councils on a quarterly basis. For Bridgend County Borough the improvements achieved during 2023-24 amount to:

- **Reduction in carbon tonnage**

A reduction of **188.2 tonnes** in the amount of CO₂ produced at the improved properties

- ***Reduction in energy use at improved properties in kWh***

A reduction of **167,768 kWh** in the energy needed to heat the improved properties.

- ***Ensuring Animal Health and Welfare***

In 2023, SRS was recognised in the annual RSPCA PawPrints awards in three categories. The hard work of our Animal Wardens and Animal Health and Welfare Officers throughout the year resulted in the following being awarded:

- **Animal-related Licensing: Gold Award**
- **Stray Dog provision: Gold Award**
- **Kennelling: Gold Award**

The aim of the RSPCA in giving these annual PawPrint awards is to shine a light on organisations that have 'gone the extra mile' for animals, often in difficult conditions. It is wonderful to see that not only did the Service maintain its 2022 Gold standard in the first two of these categories, but for the first time it also achieved the Gold standard for Kennelling.

The decision of the external panel of animal welfare experts means that, in 2023, SRS is the *only service in the UK* to achieve the Gold standard in all three categories.

- ***Prosecutions***

Officers will always seek to advise and guide businesses to achieve compliance, however there are occasions where unfortunately, the only appropriate outcome to an investigation is prosecution. The summaries below provide examples of prosecution cases arising in the county borough and which concluded in court during the 2023-24 financial year. Full details are provided in **Appendix 2** to the SRS Annual Report.

Case 1 – Food hygiene failings

In May 2022, a complaint was received by Shared Regulatory Services from a member of the public reporting rats being seen inside a Kenfig Hill restaurant. When officers visited the premises, they discovered an active pest infestation, with notable lack of effective pest control procedures in place. Rat droppings were found in the front dining room of the premises, and in the back storerooms where food equipment

and open food items such as potatoes and onions were stored, posing a high risk of direct contamination. Pest access points were found that should have been identified through routine pest control checks.

The general hygiene and cleanliness throughout the premises were also poor, with visible food debris and dirt under equipment at wall to floor junctions and dirty hand contact surfaces. Food equipment was found to be unclean with some equipment being badly worn and damaged, such as chopping boards which were still in use by the business.

Another aspect of particular concern was the lack of controls in place for personal hygiene even though the business handled raw food such as chicken and lamb together with ready to eat food items such as fresh salads. There was no hand soap in the main kitchen or staff WC, only hand sanitiser, demonstrating a lack of understanding by staff of the risk posed to food safety. After the inspection, the business voluntarily closed to undertake a deep clean, fix all pest access points, and eradicate the infestation.

The investigation was complicated by the fact that two different companies were running the business. In sentencing, the District Judge accepted that neither company was trading, and the restaurant had closed. That left the two company Directors to be dealt with. Both defendants pleaded guilty to eight offences under the Food Hygiene (Wales) Regulations 2006.

The District Judge fined the first of the two defendants a total of £380 and ordered him to pay costs of £250 together with a victim surcharge of £152.

The second defendant was fined a total of £235 and ordered him to pay costs of £125 and a victim surcharge of £95.

In addition, the first defendant was permanently prohibited from participating in the management of any food business in future.

Case 2 – Enforcement action in respect of empty properties

This involved two separate prosecutions in respect of longstanding empty properties in the County Borough, all owned by the same individual.

The **first of these prosecutions** arose as a result of the repeated failure to provide documentation when requested by Officers as part of their work on empty homes. The defendant was charged with one offence under the Housing Act 2004, but failed to attend to court. He was therefore found guilty in his absence, and fined £220. He was also ordered to pay legal costs of £200, investigation costs of £200 and a court surcharge of £88.

The **second prosecution** arose as a result of a rat infestation at one of the defendant's empty properties, and a failure to comply with notices issued under both the Building Act 1984 and the Local Government Miscellaneous Provisions Act 1976.

Once again, the defendant failed to attend court and the matter was proved in his absence.

The Magistrates found the case proved in respect of all charges (under the Prevention of Damage by Pests Act 1949, the Building Act 1984 and the Local Government (Miscellaneous Provisions) Act 1976. The defendant was fined £660 for the damage by pests offences, £660 for the building act offence, £660 for the local government miscellaneous provisions offence and £220 for failing to comply with the order under the Building Act. This gave a total fine of £2,200. He was also ordered to pay costs of £3,250 together with a victim surcharge of £880.

Case 3 - Rogue Builder investigation

In 2021 officers from Shared Regulatory Services received complaints from 22 victims concerning the defendant's failure to complete works at their properties and for making a number of false representations during the conduct of the work. The defendant was the director of a company that supplied and fitted UPVC products.

Victims had generally been cold called via a knock at the door by a representative of the company and, in some instances where work had actually been carried out, it was very poor and even dangerous. In other cases, the company had taken money for works and materials and simply never returned. Multiple excuses were given to the residents, including such things as the weather, Covid-19, staffing issues, failed deliveries and incorrect measurements being taken.

The defendant had previous convictions for similar offences in 2018, and pleaded guilty in the Crown Court to one offence under the Companies Act 2006 for carrying on a fraudulent business and to one offence under the Consumer Protection from Unfair Trading Regulations 2008 for engaging in a misleading commercial practice by failing to complete building work. He had also previously pleaded guilty to 13 similar offences under the Consumer Protection from Unfair Trading Regulations 2008 at Cardiff Magistrates Court.

Victim impact statements detailed how the defendant had abused the confidence and trust of his victims; how some residents had needed to borrow money to rectify the works he had carried out; how he had caused depression and anxiety in a number of cases and how he had no respect for the victims or their property. He and his staff left property in a dangerous state and whilst carrying out works their language was vulgar and disrespectful.

The defendant was sentenced to a total of 32 months imprisonment. The judge also granted a Criminal Behaviour Order preventing him from

- canvassing for business or work door to door;
- instructing others to do so on his behalf;
- being a director or owner of a company which had anything to do with home improvements;

- being involved in the estimating, quoting or negotiating of contracts or collecting payments from customers in connection with any home improvements, and
- being involved in the professional fitting of any UPVC products.

The Criminal Behaviour Order will remain in effect for 10 years.

3.4 Following approval of the 2023-24 Annual Report by the Joint Committee in June 2024, it was shared with the Chief Executives of the three partner Councils, along with the SRS Business Plan for 2024-25. The Business Plan, attached as **Annex 2** to this report, was also approved by the Joint Committee at its Annual General Meeting in June. As well as highlighting the successes of the Service in 2023-24, the Business Plan sets out the actions planned for the Service during the course of 2024-25. These reflect how the Service will improve health and wellbeing, safeguard the vulnerable, support the local economy, protect the environment and make best use of resources across the SRS region. The following summarises just a few of the challenges and emerging themes for the Service, detailed in the 2024-25 Business Plan:

- Addressing difficulties in recruitment and retention of staff in certain roles and the need to develop a workforce strategy embracing new ideas, including regulatory apprenticeships.
- The need to stay one step ahead of rogue traders, doorstep criminals and illegal money lenders (loan sharks) as they exploit the difficulties many residents will continue to find themselves in as a result of the cost of living crisis.
- The rapid expansion of the 'vapes' market leading to concerns around underage sales, marketing and presentation, illegal vapes and product safety, and environmental concerns in terms of disposal.
- The demand for puppies continues to drive complaints about illegal, unlicensed dog breeding. Unfortunately, this is an industry that has attracted a rogue element, keen to make quick profits, often 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.
- The need for further improvement in the energy efficiency of the private rented sector, thereby contributing to the net zero visions of the partner authorities
- Maximising options for cost recovery and income generation to ensure this approach underpins sustainable service delivery.

- A range of new legislation / enforcement regimes for which the Service will be responsible, and for which no additional funding is being made available. Examples include:
 - The *Special Procedures* regime for the effective licensing of practitioners in tattooing, piercing, acupuncture and electrolysis.
 - *Food promotion and placement*
 - *Building safety*
 - *Workplace recycling requirements*

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact Assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 This report assists in the achievement of the corporate well-being objectives, in particular:
- **A County Borough where we protect our most vulnerable** – the work of the Shared Service seeks to protect the vulnerable in our communities through, for example, swift action being against rogue traders and doorstep criminals, ensuring safe taxi provision and preventing the supply of age restricted goods to the under 18s.
 - **A County Borough with fair work, skilled, high quality jobs and thriving towns** – the work of the Shared Service seeks to ensure a fair and safe market place where legitimate businesses are supported and action is taken against rogue traders and others who undermine the local economy.
 - **A County Borough that is responding to the climate and nature emergency** – the Shared Service enforces a range of environmental legislation covering areas of work such as air quality, private water supplies, animal health and welfare, and minimum energy efficiency standards.

- **A County Borough where we support people to live healthy and happy lives** – the work of the Shared Service seeks to improve health and wellbeing by ensuring the safety of food and other consumer goods and services, through enforcing health and safety requirements in the workplace, and through the provision of safe housing. In addition, work to tackle rogue traders and doorstep criminals as well as loan sharks can contribute positively to the mental health of residents.

5.2 The SRS Annual report illustrates how the Council’s regulatory function contributes to the national Well-being Goals through the delivery of the well-being objectives contained in the SRS Business Plan (see **Annex 2**). The SRS operates in accordance with the five ways of working which are also reflected in the content of the Plan. There is a strong emphasis on collaboration as the SRS recognises the need to work with partners to deliver services and improve local well-being.

5.3 The Annual report reflects the importance of prevention, and this has been a strong theme in much of the activities to date, but also recognises that many of the issues are longer term matters, e.g. deprivation, climate change, an ageing population and physical and mental well-being. The involvement of partners and stakeholders in the development and delivery of the SRS functions is critical to its success as is the need to work in a more integrated way, recognising the connections across Council services and with other partners.

6. Climate Change Implications

6.1 One of the key strategic themes for the Shared Regulatory Service is *Protecting the Local Environment*.

6.2 The SRS Business Plan articulates the work carried out under this theme to deliver on the corporate priorities for the participant Councils, including their ambitions to minimise climate change and impacts on the natural environment.

6.3 In this context the Joint Committee is regularly updated on the contribution of SRS to this agenda, for example through its work in the areas of animal health and welfare, air quality, contaminated land, energy efficiency in the private rented sector and investigating greenwashing claims or environmental fraud.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from the report.

9. Recommendation

Cabinet is requested to:

9.1 Note the Shared Regulatory Services Annual Report for 2023-24.

Background documents

None