

Meeting of:	Shared Regulatory Services Joint Committee
Date of Meeting:	Wednesday, 19 June 2024
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Shared Regulatory Services Annual Report
Purpose of Report:	To advise members on the performance and financial position of the Shared Regulatory Service for the 2023-24 financial year.
Report Owner:	Head of Shared Regulatory Services Head of Finance / Section 151 Officer, Vale of Glamorgan Council
Responsible Officer:	Director of Environment and Housing
Elected Member and Officer Consultation:	Advice has been sought from the partner Councils
Policy Framework:	This is a matter for the Shared Regulatory Services Joint Committee
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The Shared Regulatory Service (SRS) is a collaboration between Bridgend County Borough Council, the County Council of the City and County of Cardiff and the Vale of Glamorgan Council that commenced on 1st May 2015, and is charged with the provision of Regulatory Services across the three Authorities. • The Joint Working Agreement requires the Head of SRS and the Head of Finance to produce an Annual Report which, once approved by the Committee, is forwarded to the partner Councils. • The report provides assurance that during 2023-24, the Shared Service has largely recovered performance across its traditional metrics after the disruption caused by the COVID-19 pandemic. There is still some way to go however in finally clearing the inevitable backlogs in some areas of programmed work. • The report also reflects on additional demands being placed upon the Service, through for example, Government expectation that new areas of legislation will be enforced despite there being no new funding. This at a time when the Service had implemented a core services budget saving of 3% going into the 2023-24 financial year. 	

- The £8.645m 2023-24 Shared Regulatory Services (SRS) Budget was agreed by the Joint Committee on 9th February 2023. The net budget increase of £314k included an assumed 5% pay award of plus an adjustment in respect of the previous year’s pay shortfall, less agreed savings.
- As at 31st March 2024, the SRS has achieved an unaudited outturn deficit of £171k against the 2023/24 £8.645m budget. The outturn position is illustrated on the following table;

	Gross Budget	Forecast Outturn	Outturn Variance
Authority	£'000's	£'000's	£'000's
Bridgend	1,914	1,855	59
Cardiff	5,009	5,241	(232)
Vale	1,722	1,720	2
Total Gross Expenditure	8,645	8,816	(171)

- The reported position includes mitigation of £161k being down in two separate reserves movements (£83k and £78k) to partially offset the forecast overspends within both Animal Services and Housing Services within the Core budget.
- The adverse variances at year end shown against Cardiff and the Vale can be associated with both the Authority Specific and Core elements of the SRS budget and is further detailed in this report.
- This position is subject to the completion of the external audit of these accounts by Audit Wales.

Recommendation

1. That the Joint Committee approves the report, and authorises the Chief Executive, Vale of Glamorgan Council, to forward a copy of the report to the Heads of Paid Service for the other partner Councils.
2. That the 2023-24 unaudited outturn position is noted

Reason for Recommendations

1. To meet the requirements set out in Clause 5.1 of the Joint Working Agreement.
2. That Members are aware of the 2023-24 unaudited outturn position

Background

- 1.1 Under the Joint Working Agreement, the Shared Regulatory Service (SRS) is required to produce an annual report that covers the operational and financial performance of the service for the preceding year. Clause 5 of the Joint Working Agreement states:

‘The Joint Committee shall receive in each year at its annual meeting which shall be held no later than 30th June the report of the Head of Regulatory Services and the

Lead Financial Officer in respect of the functions delegated to the Joint Committee relating to the twelve months ending 31st March of that year and a copy thereof shall be forwarded to the Chief Executive of each Participant.'

1.2 The report shall include:-

- (i) *A statement showing the performance of the Regulatory Service Functions and progress in achieving the Objectives and delivering the Business Plan.*
- (ii) *a summary revenue account and statement of capital spending including the distribution or use of any revenue surpluses and the financing of any capital expenditure"*

1.3 This is the ninth report produced under this requirement and covers the period 1st April 2023 to 31st March 2024. If the content of this report is agreed, a copy of the report must be sent to the Head of Paid Service of each of the three Councils along with the SRS Business Plan for 2024-25. This annual report outlines many of the actions undertaken at each partner Council to deliver the wide range of statutory functions assigned to the Service. The report provides a review of operations across the service, a summary of the financial position, and outlines performance against the 2023-24 service objectives.

Operating the Shared Regulatory Service

1.4 The Shared Regulatory Service (SRS) operates across Bridgend, Cardiff and the Vale of Glamorgan. Through a collaborative model, it delivers a range of statutory services, that are critical to maintaining the health, safety and economic wellbeing of local communities. The operating model delivers an integrated service for the Trading Standards, Environmental Health, and Licensing functions, which has 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.

1.5 As a regional organisation, providing regulatory services across three local authority areas, the SRS seeks to place 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 Shared Regulatory Service of

- Safeguarding the Vulnerable
- Improving Health and wellbeing

- Protecting the Environment
- Supporting the local economy
- Maximising the use of resources

provide a robust base for achieving the outcomes identified in previous Business Plans and the partner Councils' corporate aspirations.

1.6 The Joint Working Agreement (JWA), executed in April 2015, and updated in July 2017, underpins the entire service provision. The JWA contains a number of 'milestones and requirements'. In accordance with those requirements:

- The Wales Audit Office completed an independent financial audit of the service in 2023; there were no recommendations for improvement.
- The Business Plan for 2024-25 is presented for political approval in papers to the June 2024 Joint Committee meeting.
- The Joint Committee will receive an audited statement of accounts for 2023-24 at its December 2024 meeting.

2. Key Issues for Consideration

2.1 The 2022-23 Annual Report illustrated that the Shared Service had delivered the necessary financial savings and delivered the majority of the business plan actions for that year. The Key Milestones set for 2023-24 were:

- *Delivery of the SRS Business Plan 2023-2024 and the associated corporate priorities assigned to the SRS by the partner Councils*
- *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.*
- *To review the agile working arrangements for the service to ensure that technology is being exploited fully to improve service delivery.*

2.2 The 2023-24 SRS Business Plan marked a further return to 'business as usual' for the Service after the demands of the COVID response.

Human Resources

- 2.3** Overall sickness absence levels for 2023-24 were **6.93 days per FTE person** overall. 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 which stands at 3.7 days per FTE, albeit there was a slight increase in short term absence compared to the previous year. As shown in **Figure 1** below, the figures for 2023-24 are on a par with the record low rates of sickness absence seen during the ‘COVID year’ of 2020-21.

Figure 1: 2023-24 sickness absence figures compared to those for previous years

Year	Short term days lost per FTE	Long term days lost per FTE	Total days lost per FTE
2023-24	3.22	3.70	6.93
2022-23	2.78	7.69	10.47
2021-22	1.95	8.16	10.11
2020-21	1.68	4.64	6.32
2019-20	3.04	7.19	10.23

- 2.4** 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.
- 2.5** Concerns have been identified that a number of job titles across the Service could be hindering recruitment as they do not reflect the professional disciplines of Environmental Health and Trading Standards. This could well mean that online job searches for Environmental Health and Trading Standards roles are not resulting in hits on SRS posts that are based on different nomenclature such as ‘Commercial Services Officer’ and ‘Neighbourhood Services Officer’. A further layer to the job title debate is the fact that despite years of study in gaining their professional qualifications, these simply aren’t recognised in the current SRS job titles. Finally, job titles such as Commercial Services Officer, rather than ‘Environmental Health Officer’ or ‘Trading Standards Officer’ can cause confusion for residents and businesses.

In a March 2023 survey, SRS staff were asked for their views on changing job titles to reflect professional disciplines. An overwhelming 97% confirmed that they would welcome this change. As a result, work is now underway to effect this change, as well as some associated changes to service sector and Operational Manager titles.

2.6 During 2023-24, the Service has continued its commitment to 'growing our own' staff, and it is pleasing to see the successful fast-tracking of two members of staff by supporting them to undertake the Higher Certificate qualification in Food Premises Inspection. Both are due to complete the required two years of study in the summer of 2024, equipping them to be able to inspect a range of food premises.

2.7 In the autumn of 2023, a further 4 members of SRS staff received match funding support to begin further qualifications. 3 of them are studying towards the *MSc in Environmental Health*, and the other towards the *HNC in the Built Environment*. This is in addition to the 12 members of staff who have successfully achieved additional qualifications through match funded study. The qualifications attained since match funding applications were first considered in 2017 are as follows:

- Eight achieved the MSc in Environmental Health
- One achieved the MSc in Health and Public Services Management
- Once achieved the MSc in Leadership and Management
- One achieved the MSc in Public Sector Leadership
- One achieved the Masters in Public Health qualification

The success of the initiative is evident, not only in demonstrating how SRS values its staff and supports their development, but in equipping the Service with the necessary skills and behaviours to shape future leaders. All but two of the sixteen colleagues supported to date in further study remain with the Service.

In the run up to the new academic year, expressions of interest will again be sought for opportunities for further match funded study. Given the financial pressures facing the Service, applications will be considered on a case-by-case basis in line with the Performance Review process.

2.8 Also looking to the longer term, the Service continued to work closely with Cardiff Metropolitan University, offering a number of work placements for Environmental Health degree students during the year. This relationship has been further enhanced by the establishment of two academic awards, in memory of the SRS Environmental Health professionals who sadly passed away in service, in 2022. Awarded for the first time in June 2023:

- The Zoe Pieris Award recognises the highest achieving final year degree student, by exam grade.
- The Rachel Stickler Award recognises the student who best exemplifies the values of the Environmental Health profession through their commitment, drive and positive attitude.

- 2.9** SRS has continued to lead on the establishment of a Level 4 Regulatory Apprenticeship for Wales. This has been a long journey, but one that has seen significant progress over the course of 2023-24. As each apprenticeship in Wales has a recognised qualification at its heart, the development of the Level 4 Diploma in Regulatory Compliance (and its subsequent designation by Qualifications Wales) has been a significant step forward. Thought now turns to the development of Level 6 Degree Apprenticeships to sustain the Environmental Health and Trading Standards professional qualification pathways, way into the future.
- 2.10** Once again, staff of the Shared Service have gone above and beyond to assist residents and reputable businesses alike, and they never fail to amaze in all that they do. This has been recognised throughout the year in the positive feedback received about individuals and the services they provide and, in the recognition / awards received by the Service.

Operational Performance

- 2.11** Operational performance throughout 2023-24 has been reported both to the Joint Committee and to each partner Council through the legacy systems. The 2023-24 SRS Business Plan was written as we closed a year impacted by amongst other things the cost of living crisis and the supply chain turmoil evident in the early part of the war in Ukraine. Faced with these factors, the 2023-24 Business Plan was sufficiently realistic in setting out the SRS priorities for the year. As a result, performance against the 2023-24 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. Those actions that weren't attained (through lack of resource or for reasons outside the control of the Service) are being rolled over into the 2024-25 Business Plan. The following paragraphs reference the key performance criteria.
- 2.12** 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 for 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, examples of that are set out under the priority heading 'supporting the local economy' later in this report. 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, exceeds the UK average of 95%, and is consistent with that seen in previous years for each of the local authority areas, as shown in **Figure 2** below i.e.

Figure 2: Percentage of food establishments 'broadly compliant'

Year	Bridgend	Cardiff	Vale of Glamorgan
2023-24	98.03%	95.64%	96.63%
2022-23	98.00%	95.67%	97.01%
2021-22	97.38%	95.74%	97.25%
2020-21	97.24%	95.41%	97.53%
2019-20	97.49%	94.84%	97.37%

The significant turnover of food businesses has continued, and during 2023-24, some 889 new food businesses were due for inspection across the region. All new food businesses are required to be inspected and the Food Law Code of Practice requires that where possible, they are inspected within 28 days of opening. This requirement places a significant impact on the resources of the Shared Service as these visits are in addition to the existing programme of inspections. The problem is further exacerbated when new businesses are found to have poor levels of compliance, requiring further intervention.

- **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. The current performance measure guidance sets out the categories of direct action that local authorities can take to bring a property back into use, including

- 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.

Funding secured from the Vale of Glamorgan Council from the start of 2023-24, means that for the first time the Shared Regulatory Service contributes a dedicated resource to bringing properties back into beneficial use through intervention and enforcement in all three partner Council areas.

Over the course of 2023-24:

In **Bridgend**, SRS continues to target resources towards the top 20 worst empty homes cases. Of these:

- 2 properties have been sold
- 3 are under renovation
- 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 Enforcement 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. Work to develop the Empty Property Loan Scheme is nearing completion.

In **Cardiff**, through a combination of dialogue, incentives and enforcement action, 113 empty properties were returned to use in 2023-24. This far exceeds the figures achieved in previous years and is attributable to the dedication of SRS Officers in tackling empty homes across the city, together with the corporate focus achieved through the cross-departmental Empty Homes Working Group, chaired by the Cabinet member for Housing & Communities. An action plan submitted to, and agreed by, Welsh Government identified our most problematic empty properties and prioritised associated actions. Targeted enforcement of these most problematic properties is yielding positive results with several properties now occupied, and cases progressing with the service of enforcement notices and works.

Works in default are also being completed at properties with the aim of enforcing their sale if the debt is not paid. In addition to this proactive work, the team also works reactively, responding to complaints and enquiries specifically relating empty properties. The team continues to make strong progress to address long term empty properties within Cardiff, an area of important work during a cost-of-living crisis and the shortage of affordable, available housing.

In the **Vale of Glamorgan**, the mid-year appointment of an Environmental Health professional as an Empty Property Officer within SRS has brought the much-needed capacity to carry out enforcement work in this regard.

The Vale of Glamorgan Empty Property Action Plan identifies long term derelict problematic empty properties as key targets and progress is being made on these. SRS is currently working on 13 active residential cases and 6 commercial cases of empty properties. Of these, there are 7 residential properties subject to planned enforcement action and notices with one works in default completed and further work pending. A property previously subject to an enforced sale is currently being

converted into 2 self-contained flats and will be ready for occupation later this year. Another property has progressed through probate and will be marketed for sale imminently. Meanwhile, 4 commercial properties are subject to planning & conservation/building control engagement, 1 of which has enforcement action pending.

Work also continues on the remaining key properties, again utilising the 5-stage escalation letter process to engage with owners. SRS has been instrumental in re-establishing the Vale of Glamorgan Empty Property Working Group to coordinate council wide disciplines in reaching objectives. Links have also been established with registered social landlords to explore opportunities to work more closely together in bringing properties back into use.

- 2.13** The detail of performance against all the agreed performance indicators is set out in **Appendix 1** to this report. Specifically in relation to the Food inspection programme, from 1st April 2023, the Service moved on from the FSA 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 particularly pleasing to see the year-end position for the Food Hygiene programme achieving 100% of the inspections due 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. Further detail on food hygiene and food standards interventions is provided at 2.19 below.
- 2.14** The SRS may, through the relevant participant 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 to investigate these matters, and the consequences this has on Officers' ability to carry out day to day work whilst these matters are ongoing, is significant. The details of all 46 prosecutions that concluded in the period 1st April 2023 to 31st March 2024 are set out in **Appendix 2**.
- 2.15** SRS has continued to tailor its efforts to support the particular challenges facing each of the partner Councils, including those arising from the cost of living crisis, dealing with anti-social behaviour and in supporting air quality compliance.
- 2.16** Turning to licensing, SRS presented Cabinet reports over the course of 2023-24 in respect of a number of policy areas including cumulative impact policy under alcohol licensing. The results of the consultation exercise on introducing card payment facilities in Cardiff taxis were presented to Cardiff Council's Public Protection Committee during the year.

Significant Service achievements

2.17 Paragraph 1.5 above highlights the priority themes for Shared Regulatory Services, and a range of achievements over the course of 2023-24 demonstrate progress toward delivering the outcomes associated with these priorities. The 2024-25 SRS Business Plan reviews these achievements in some detail, while the sections below provide just some examples of the work carried out in the last financial year.

Improving Health and Wellbeing

2.18 Improving health and wellbeing is a key priority for Shared Regulatory Services. Work undertaken to ensure that food is safe, that infectious disease, noise, and air emissions are controlled, that risks in the workplace are managed properly, allows people to live in healthy environments. Add to this our activities to ensure the quality of private rented property, the promotion of a safe trading environment and our regulation of licensed premises to ensure they operate responsibly, and it is evident that the work undertaken by SRS is hugely important to the health and wellbeing of the region.

Food Hygiene and Food Standards interventions

2.19 There are certain unique challenges facing 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

- 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
- Many cases where previously high scoring premises under the Food Hygiene Rating Scheme are scoring lower, post pandemic
- 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.

2.20 Reflecting the significant increase in enforcement action required at food premises, post pandemic, a total of eight food prosecution cases, involving thirteen defendants, concluded during 2023-24. The combined impact of these eight concluded cases was:

- A total of 9 months in suspended prison sentences (2 cases)
- Fines of £29,070

- Costs of £11,533
- 60 hours community service and
- The issuing of three Food Hygiene Prohibition Orders, preventing individuals from having a role in the running of a Food business in the future.

Special Procedures

- 2.21** The Service responded to the Welsh Government consultation on draft regulations and statutory guidance that will see the mandatory licensing scheme for acupuncture, body piercing, electrolysis and tattooing become a reality. The draft statutory guidance sets out the matters local authorities are to take into account in deciding whether and to what extent an applicant practitioner's fitness to perform a special procedure has been called into question.
- 2.22** It is understood that the anticipated effective date for the Special Procedures regime has been put back further to November 2024, and work continues across the Service to manage the transition of practitioners and premises onto the new mandatory licensing framework. This is a significant task with unfortunately no additional funding to assist in resourcing it. In addition, Welsh Government awareness raising has begun to take place with Licensing Committees, members of which will consider representations and certain applications under the new regime.

The Vapes Market

- 2.23** When the first electronic cigarettes came onto the market more than 15 years ago, they had the appearance of a 'real' cigarette, usually with an illuminated tip and vapour reminiscent of cigarette smoke. Over the years, these devices have proved helpful for those trying to give up smoking and their use has been encouraged as an effective smoking cessation aid for adults.
- 2.24** More recently there has been a marked change in the appearance and presentation of electronic cigarettes. The product line has quickly evolved into the devices we now know as vapes, which look nothing like cigarettes, and which are marketed under various brand names in attractive packaging and in a range of appealing flavours.
- 2.25** With the rapid expansion in the market for vapes come concerns that they are being used not just by smokers, but by non-smokers and by youngsters, leading to calls for stronger regulation of the market. Exacerbating the problem, the last few years has seen a huge influx of illegal vapes into UK supply chains. These are products that have not been registered with the Medicines and Healthcare Products Regulatory Agency (MHRA), do not comply with the Tobacco and Related Products Regulations 2016 in respect of their tank liquid capacity exceeding the 2ml permitted (equivalent to approximately 600 puffs), and the nicotine strength of the liquid exceeding 20mg / ml. As a snapshot of the scale of the illegal vapes problem, during 2023-24 SRS Officers

carried out several operations to identify the sale of such products. As a result, 141 test purchases were attempted and 53 premises found to be selling illegal vapes. In addition, 50 inspections were conducted, 32 of which resulted in seizures of 7105 illegal e-cigarettes with an estimated retail value of over £75,000. Retailers identified as selling these products received a written warning and advice and were subject to follow-up inspection. Six investigations are currently on-going.

2.26 In the autumn of 2023, SRS responded to the *Creating a smokefree generation and tackling youth vaping* Westminster Government consultation which was supported by the devolved administrations as part of a four-nation approach to the issue. Approaches around the following themes were explored in the consultation, all of which would fall to Regulatory Services to regulate:

- Restricting vape flavours
- Regulating vape packaging and product presentation
- Regulating point of sale displays
- Banning the supply and sale of disposable vapes
- Exploring further restrictions for non-nicotine vapes and other nicotine consumer products such as nicotine pouches
- The affordability of vapes, including a new duty on vapes

Building Safety

2.27 Welsh Government has repeated its commitment to introduce a new Building Safety Bill in the current Senedd term. SRS represents the Directors of Public Protection Wales group on the Building Safety Stakeholder Group which acts as a strategic, independent advisory group for Welsh Government on matters relating to the Welsh Building Safety Programme.

2.28 The final members of the Joint Inspection Team (JIT) have now been appointed and the intention is for the Team to be operational within the next two months. The JIT is already engaging with local authorities and the Fire and Rescue Services to design and implement an inspection programme of high-rise buildings in Wales which will augment the existing inspection programme and audit undertaken by the Fire and Rescue Services.

2.29 Welsh Government has made it clear that it does not expect leaseholders to bear the cost of repairing fire safety issues that are not of their making and eleven of the major developers have made a public commitment to address fire safety issues in buildings of 11 metres and over which they have developed over the last 30 years. Welsh Government continues to develop the Leaseholder support fund for those leaseholders who face financial hardship as a result of fire safety issues in their homes

and are also planning further resident engagement on the various measures being developed.

- 2.30 There remains a great deal of work to be done in this area and SRS continues to represent the three partner authorities in the various stakeholder groups helping to inform Welsh Government and shaping the legislative programme as it moves forward.

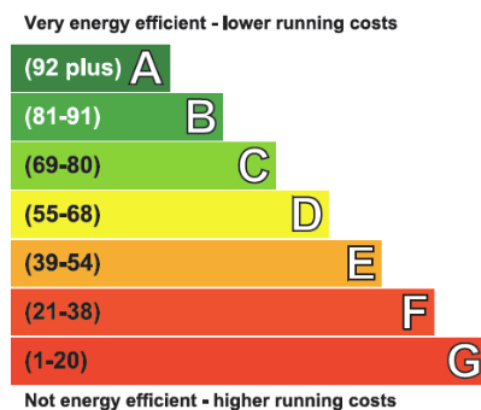
Protecting the Environment

- 2.31 Protecting the environment is a core strategic priority of SRS. Many of the activities such as water sampling, monitoring air quality, and remediating contaminated land contribute toward promoting a better environment. This in turn means better long term prospects for the health and wellbeing of our communities. The SRS has a key role to play in ensuring society makes best use of existing resources and bringing back redundant/derelict properties into use is an important contributor to local communities as well as the wider environment. In respect of the climate change and future generations agendas SRS is able to contribute through its enforcement role on energy efficiency controls in respect of properties and consumer products. In the short term, SRS ensures that communities are protected from nuisance and are safer, by investigating noise complaints, and dealing with straying dogs and other animals.

Minimum Energy Efficiency Standards

- 2.32 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.
- 2.33 An Energy Performance Certificate 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 in Figure 3, below.

Figure 3: Energy Performance Score Rating of Properties



- 2.34** 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.
- 2.35** 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.
- 2.36** By the end of the year, a total of 138 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, some 127 previously unrated private rented properties now hold Energy Performance Certificates, having achieved ratings ranging from B to E.
- 2.37** The impact of this work, both in terms of the climate change and also the cost of living agendas, translates into tangible figures submitted to the partner Councils on a quarterly basis. The combined improvement figures across the SRS region during 2023-24 are as follows:
- ***Reduction in carbon tonnage***
A reduction of **406 tonnes** in the amount of CO₂ produced at the improved properties
 - ***Reduction in energy use at improved properties in kWh***
A reduction of **424,620 kWh** in the energy needed to heat the improved properties.

Animal Welfare

- 2.38** During the year, Officers have been involved in a number of animal welfare investigations, almost exclusively, these cases are linked to unlicensed, **illegal dog breeding**. A number of cases are pending in the court system, and it would appear that this unlicensed activity continues to operate across sophisticated criminal networks, presumably attracted to dog breeding as a profitable business model, and one that is perceived to carry a lower risk of punishment than other illegal supply chains. Ongoing intelligence and complaints received suggest that this position isn't going to change anytime soon.
- 2.39** Faced with the appalling conditions in which breeding dogs and puppies are being found, Officers have no choice but to act on Veterinary advice and seize animals to

remove them from further harm. While cases are dealt with as quickly as possible, seizures unfortunately result in significant costs for the Service in boarding and caring for the dogs pending the courts granting ownership to the Council. It is only at this point in proceedings that the rehoming process can begin. The reality is that at the conclusion of a case, costs may not be awarded in full, if at all.

2.40 In 2023-24, a successful prosecution against two individuals from the Vale of Glamorgan, highlighted the significant welfare issues that illegal breeders can subject animals to in pursuit of profit. As part of this one case, 11 dogs including 9 puppies were seized, with 5 of the dogs having to be euthanised. All of the dogs in this case were suffering from serious medical conditions, ranging from eye infections, moderate to severe corkscrew tails, respiratory problems, spinal issues, fractured teeth, and one dog was suffering from a rectal prolapse that was so severe the tissue was necrotic.

2.41 When this case was prosecuted, the defendants received suspended prison sentences of 22 and 14 weeks, and one of the defendant was disqualified from keeping animals for a period of 8 years. Each defendant was ordered to pay £4000 in costs and ordered to complete 180 hrs and 120 hrs unpaid work respectively.

2.42 Another case that concluded during the year involved an individual previously prosecuted for illegal dog breeding in the SRS region. At the time of his original 2021 conviction, the illegal breeder was given an 8-year Disqualification Order under the Animal Welfare Act 2006, preventing him from

‘keeping any animals, dealing in them, owning them, keeping them, participating in keeping them and from being party to an arrangement under which he is entitled to control or influence the way in which they are kept, transporting them and arranging for the transport of them’.

Nevertheless, in June 2022, the individual was found to have breached the disqualification by dealing in animals, which included the sale of puppies for £12,000. He was fined £1000 and ordered to pay costs of £590.

2.43 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**

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. This means that in 2023, SRS was the *only service in the UK* to achieve the Gold standard in all three categories.

- 2.44** The aim of the RSPCA in giving these annual awards is to shine a light on the organisations that have ‘gone the extra mile’ for animals, and entries are judged by an external panel of animal welfare experts.

Air Quality

- 2.45** During 2023-24, 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 2023 Annual Progress Report (APR) for each area. These reports detailed their quality monitoring data for 2022 and were reported to the three respective Cabinets.
- 2.46** In **Bridgend** 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 Bridgend 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.
- 2.47** 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. 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.
- 2.48** In **Cardiff**, the 2023 APR demonstrated that out of the 135 non automatic monitoring locations across the entire City, no monitoring sites recorded exceedances of the annual average objective set. for NO₂ of 40 µg/m³.
- 2.49** The APR provided an overview of the concentrations within each of the 4 AQMAs in Cardiff. Monitoring in the AQMAs demonstrated compliance was being achieved in each of the 4 AQMAs, although one location in the Llandaff AQMA, was close to exceeding the annual mean for NO₂ (39 µg/m³) and there has been a slight increasing trend in NO₂ concentrations since 2020 at this location.
- 2.50** The report detailed that owing to the continued increase of NO₂ concentrations at this location it will be necessary for the Council to consider additional specific actions for the Llandaff AQMA. That said results for 2023 show an improved picture at this monitoring location with a provisional result of 34 µg/m³.
- 2.51** The APR also gave a further update on the ongoing work on Castle Street in relation to the Welsh Government Air Quality Direction. At the time of the Cabinet Report, the Council had submitted an updated Final Plan, which was being reviewed by Welsh

Government's Expert Panel, and a final decision on funding for the Castle Street Scheme is anticipated by the end of March 2024.

- 2.52** In the **Vale of Glamorgan**, the 2023 APR demonstrated that there were 50 specifically allocated non-automatic monitoring sites across the Vale of Glamorgan which monitored levels of nitrogen dioxide (NO₂). From the 50 locations monitored throughout the Vale with the use of passive diffusion tubes, no sites breached the national NO₂ annual objective of 40 µg/m³ or the NO₂ 1-hour objective (200 µg/m³ not to be exceeded more than 18 times per year). Overall, the Vale of Glamorgan has seen a downward trend in NO₂ levels since before the Covid-19 pandemic.
- 2.53** The report also provided an update on a successful application to the Local Air Quality Management support fund from Welsh Government, for funding to upgrade and enhance the current real time air quality monitoring capabilities within the Vale. The bid enables the Vale to install an additional 5 monitors and the locations will be decided using a risk-based approach in line with relevant technical guidance.

Safeguarding the Vulnerable

- 2.54** SRS contributes toward the safeguarding agendas of the partner Councils by seeking to ensure that children are protected from harmful substances and products, that older and vulnerable people are protected from unscrupulous individuals and traders, that illegal money lending activities across Wales are challenged robustly, and that the public feel safe when using taxis as public transport.
- 2.55** During 2023-24, SRS received 111 complaints or intelligence logs regarding **underage sales** of alcohol, e-cigarettes, tobacco and knives. With the assistance of young volunteers, Officers responded by staging a total of 53 attempts to purchase a range of age restricted products during the year. 10 of these attempts to purchase resulted in a sale (19%) of either alcohol or e-cigarettes / vapes. The circumstances of each case were fully investigated, and appropriate enforcement action taken. While the Service will always recommend a stepped approach to enforcement, during 2023-24, two cases concluding in court saw the successful prosecution of two businesses for underage sales of alcohol and vapes respectively.
- 2.56** Once again, Officers have 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. During the year, some eight cases in this category (with a total of nine defendants) concluded in court. The outcome of these eight cases is significant, and is set out in detail in the broader case summaries provided at **Appendix 2**. In summary the following were achieved:

- A total of 96 months (8 years) in custodial sentences
- A total of 24 months (2 years) in suspended prison sentences
- 1 Criminal Behaviour Order, lasting 10 years
- 5 Community Orders, together requiring 820 hours unpaid work
- A fine of £215
- Costs of £300, and
- Compensation of £6720 for some of those affected.

2.57 Hosted by SRS, the **Wales Illegal Money Lending Unit (WIMLU)** has as its public-facing identity Stop Loan Sharks Wales. With the full effects of the cost of living crisis being felt over the course of the year, it will come as no surprise that illegal money lenders or loan sharks have been poised to exploit the vulnerable in times of crisis, right across Wales. Reporting rates to the Unit are often low however, with victims unwilling to come forward let alone name a lender for fear of reprisal. Over the course of 2023-24, twenty pieces of intelligence were received about illegal lending and eleven lenders were investigated as a result. Linked to these investigations, 25 victims have been supported, with six having had their debts written off.

2.58 Two prosecutions against loan sharks concluded during the year, with each receiving prison sentences. Interestingly, both of the loan sharks prosecuted were advancing in age, the first being a 73-year-old male and the second an 83-year-old female. While neither fitted the description of a 'typical' loan shark, they nevertheless deployed classic loan shark tactics to instil fear in their victims. In the case of the 83-year-old female, dubbed by the press as the UK's oldest loan shark, she was ordered to pay back over £173,000 of her ill-gotten gains, with more than £35,000 returned to her victims in compensation.

2.59 The WIMLU works closely with other public agencies, including housing providers and third sector organisations whose position on the 'front line' means that they encounter the victims of loan sharks through their daily activities. These relationships provide the Unit with crucial intelligence of illegal lending. To exploit this and to encourage reporting, WIMLU proactively seeks opportunities to present to these organisations on the work of the team and receives frequent requests for information and training of frontline staff and community-based public facing support services. In 2023-24 training was delivered to 21 different organisations from all over Wales drawn from different aspects of local government, credit unions, and the housing, advice and charitable sectors. These training sessions were attended by colleagues from within local government and credit unions as well as from the housing, advice, and charitable sectors, and some 516 participants were reached in this way.

Supporting the Local economy

2.60 The work of SRS has a significant impact upon the local economy in a number of different ways. The provision of timely advice and guidance on regulation can enable businesses to maximise the benefit they derive from the marketplace, and the taking

of firm enforcement action against rogue traders and those undermining the *bona fide* trade maintains an environment in which legitimate businesses are able to flourish. At the same time, effective market surveillance ensures 'visibility' of trading practices that would otherwise be hidden, and this is particularly so in regard to the huge increase in online trading, including through social media, in recent years. The SRS role as regulator also extends to providing a fair trading environment for consumers, supporting them to become better informed and confident in their purchasing decisions.

- 2.61** The **Primary Authority scheme** enables a business to enter into a statutory partnership with a local authority through which it can receive assured advice. Provided this advice is followed, the Primary Authority (PA) is able to challenge intended enforcement action by other local authorities. Over the course of 2023-24, SRS increased its Primary Authority portfolio to a total of 36 partnerships with a range of local and national businesses. The Service is able to charge for work done under these arrangements on the basis of full cost recovery. In addition, arrangements with one of the Service's high-profile partners changed during the year, meaning that SRS is now responsible not just for food hygiene matters in Wales, but for the co-ordination of all referrals about that business, from other local authorities in England and Wales.
- 2.62** **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.
- 2.63** SRS officers carry out regular exercises with partner agencies and the assistance of tobacco detection dogs to locate illegal product (which will usually be concealed) whilst on site. During 2023-24, **1,078 packets of cigarettes** and **673 pouches of hand rolling tobacco** were seized during SRS operations. Supply chains for illegal tobacco are invariably linked to wider criminality, and such is their sophistication that retail premises are able to restock almost immediately after the seizure of illegal product.
- 2.64** While seizures of this kind remain a useful disruption tool, tackling the widespread availability of illegal tobacco requires a more targeted approach along the supply chain. With this alternative approach in mind, some years ago Officers began a major

investigation into the supply of illegal tobacco. While originating in Cardiff, the case also involved outlets in both the Bridgend and the Vale of Glamorgan Council areas. When the case was brought to court, its complexities, multiple defendants and sheer size meant that it had to be divided into two separate Crown Court trials. With the conclusion of the second of these trials in the last financial year, eleven defendants had either been found guilty or elected to change their pleas to guilty. Sentencing in the case is yet to take place and significant press interest is anticipated, given its status as the largest case of its kind in Wales (and quite likely in the UK). A Proceeds of Crime hearing will follow.

- 2.65** In another first, the Service was successful in its application to **close a retail outlet** under the Anti-social Behaviour, Crime and Policing Act 2014 for the harm caused in the community arising from the supply of illegal tobacco (and also nitrous oxide). The Magistrates Court hearing resulted in a 3-month closure order being imposed in March 2024, and a further application is being progressed to extend the closure of this particular outlet. Moving forward, this approach is seen as a highly compelling and impactful enforcement tool and applications are being considered in respect of a number of other problematic premises.

Maximising the use of resources

- 2.66** Maximising the use of resources was the original catalyst for creating SRS, and work in this area continues. By reducing repetition of effort, introducing better processes, making systems work without constant intervention and improving access into the service, our business improves and customer satisfaction increases. Income generating activities like marketing our metrology laboratory, offering paid for advice services, building Primary Authority partnerships and extending our training provision to business are examples of our income generation and cost recovery culture.
- 2.67** Further improvements to the **SRS website** have taken place over the last year in order to ensure the best possible customer journey. During 2023-24, the SRS website had 61,724 users and 168,894 page views. Our noise and air pollution web pages continue to receive the most page views of all areas.
- 2.68** The SRS website is supplemented by our **social media** offerings, namely [X](#) 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.
- 2.69** 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 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.

- 2.70** In making the best use of its resources, SRS looks for opportunities to streamline how things are done in all areas of the Service. With this in mind, work continues to pilot the use of **handheld tablet devices** to replace the paper system currently being used to record the results of food inspections. It is hoped that this approach can be mainstreamed across the Food Service early in 2024-25 to bring the following benefits:
- Direct uploading of information on to the database without the need for Officer time in scanning multiple documents
 - Reduction in the consumption of paper and lower printing costs
 - Less travel time for Officers in having to pick up and drop off paperwork.
- 2.71** In March, the Service produced the latest version of its popular [Food and Safety News \(srs.wales\)](#) publication which was circulated to nearly 7000 businesses across the region. In a departure from the approach taken previously with *Food and Safety News*, the new edition has been put together in-house, meaning that its production is cost-neutral, other than Officer time and a small investment in relevant and re-usable stock images. In the case of all previous editions of the publication, costs have been occurred for Graphic Design, Welsh translation, printing, and postage.
- 2.72** Since the inception of SRS, officers have been provided with access to the systems of the 3 legacy authorities of Bridgend, Cardiff and the Vale of Glamorgan. This enables officers to access the essential IT systems they need to fulfil their duties for the relevant authorities. While this has worked well, more recent updates to systems and software have impacted on the continuity of current arrangements affecting connectivity and access. SRS maintains good relationships with the ICT departments of the legacy authorities to deal with issues as they arise in the short term. It has become apparent however, that there is a need to consolidate the long-term access requirements to ensure continued access and smooth running of systems and crucially to provide seamless delivery of essential services.
- 2.73** Looking ahead to 2024-25, there will be an expectation on the Shared Service to deliver on several new areas of regulatory law without the benefit of Welsh Government funding to provide any additional resource. Chief amongst these will be the new Special Procedures regime, changes in the law relating to vapes (including the ban on single-use products), and new food disposal requirements for businesses.
- 2.74** It is pleasing to note that income levels across our paid-for services (through training for businesses, Primary Authority / other business advice, the UKAS accredited metrology laboratory and specialist environmental monitoring services) have recovered since the dip experienced during the COVID pandemic. With the continued pressures on public sector finances, now more than ever, the establishment of new income streams and cost recovery will play a crucial role in protecting and sustaining the Service. Building on the Digital Forensics initiative of 2023-24, no stone will be left unturned in 2024-25 as we innovate to maximise income generation and cost recovery.

Financial Performance

- 2.75** The 2023/24 Shared Regulatory Services Gross Revenue Budget was approved on 9th February 2023.
- 2.76** The revenue position for 2023/24 continues to be challenging for the SRS both operationally and financially due to the ongoing implications of the Cost-of-Living Crisis. The impact of rising prices continues to intensify pressure on existing budgets.
- 2.77** The previous impact of the Covid-19 pandemic on the ability of the Service to generate income has gradually receded and the Service continues to recover and make up for this lost income.
- 2.78** Two members of staff remained on secondments out of the Service. The associated cost of these secondments has been recovered from Welsh Government and Monmouthshire County Council. This has enables staff to act up into more senior roles.
- 2.79** A small group of officers from across the Service continue to be seconded to the SRS Health Protection team supporting Cardiff and Vale Health Board and the wider Health Protection Partnership.
- 2.80** The Gross Revenue Budget and forecast outturn position for 2023/24 are shown in the tables below, with the position in respect of each of the partners detailed to include both Authority Specific (overspend £117k) and Core expenditure positions. The service achieved an unaudited £171k overspend against a gross revenue budget of £8.645m, as illustrated in the following table:

Table 1

	Gross Budget	Forecast Outturn	Outturn Variance
Authority	£'000's	£'000's	£'000's
Bridgend	1,914	1,855	59
Cardiff	5,009	5,241	(232)
Vale	1,722	1,720	2
Total Gross Expenditure	8,645	8,816	(171)

- 2.81** Over the last few quarters, the ability of the Service to recruit into key roles has improved and retention levels have been more encouraging than in recent years. Given the difficult recruitment landscapes for regulatory services across the country however, there is no room for complacency. The 'growing our own' approach is now firmly embedded with staff being developed both in their roles and in the gaining of professional qualifications, enabling them to progress within the Service as future vacancies arise.

2.82 The landscape in which this overspend arose includes factors such as the greater than budgeted pay award for 2023-24, costs related to animal welfare seizures and an element of contractor costs linked to very positive progress against the Food inspection programme. In addition, the adverse outturn for Authority Specific services reflects a historic budgetary issue in respect of the Cardiff Licensing service.

2.83 A full breakdown of the outturn position is shown in **Appendix 3**

Authority Specific Services

2.84 The approved gross budget of £2.567m in respect of Authority Specific (AS) Services has an unaudited overspend of £117k, as detailed in the following table:

Table 2

	Gross Budget	Forecast Outturn	Outturn Variance
Authority	£'000's	£'000's	£'000's
Bridgend	461	389	72
Cardiff	1,562	1,764	(202)
Vale	544	532	12
Total AS Services	2,567	2,685	(118)

Bridgend

2.85 The unaudited outturn position in Bridgend is a total underspend of £72k, this culminates from a closing underspend within each of Bridgend's authority specific services. The licensing function was underspent by £38k; due to movement seen within the team during the year which left some roles vacant for a period of the year. Additionally Empty Homes has an underspend of £2k and Kennelling and Vets has an underspend of £32k both of which are very much consistent with activity levels noted in previous years.

Cardiff

2.86 The £202k overspend at Cardiff predominantly relates to the £212k overspend within the Licensing Section which is consistent with performance in previous years.

2.87 The combined £16k underspend within HMO Cathays and HMO Plasnewydd teams relates to smaller variances within these teams.

2.88 The £7k overspend within Night-Time Noise relates to a marginal uplift in demand due to an increase in service usage along with the salary award being in excess of budget.

Vale

- 2.89** Overall, the Vale has an aggregate £12k underspend.
- 2.90** Taxi Licensing, Burials and Pest Control are all close to reporting an on-budget position with a total underspend of £1k.
- 2.91** Kennelling and Vets are forecasting a £11k underspend, which is consistent with performance in previous years.

Core Services

- 2.92** The approved Core Services Budget for 2023/24 is £6.078m, which as at 31st March 2024 has an outturn overspend of £54k. The Core Services budget is allocated in line with the information included in the Revenue Support grant published by Welsh Government across the participating authorities, as illustrated in the following table:

Table 3

Authority	%	Gross	Forecast	Outturn
		Budget	Outturn	Variance
		£'000's	£'000's	£'000's
Bridgend	23.90%	1,453	1,466	(13)
Cardiff	56.72%	3,447	3,477	(30)
Vale	19.38%	1,178	1,188	(10)
Total Core		6,078	6,132	(53)

- 2.93** The £21k overspend within Animal Services is due to the increased costs resulting from a number of dog seizures. Significant expenditure has been incurred in the support of these seizures. This position includes a drawdown of £83k from the SRS Trading Standards Reserve, as established in the Q2 report.
- 2.94** Environmental Services is reporting an underspend of £22k, which is made up of smaller variances forecasted within this heading.
- 2.95** The Food Services current outturn position is a £165k overspend, which is due to agency costs being incurred to enable the teams to meet the Food inspection programme and clear the backlog of outstanding food safety visits. Mindful of this overspend unfolding during the year, a drawdown of £100k was envisaged from the SRS General Reserve to reduce the overspend position in this area. At year end, given the overall performance of the Service as a whole, this proved to be unnecessary.
- 2.96** Housing Services outturn position is an overspend of £78k. This overspend has been mitigated by the usage of a historic reserve fund usage plan by the previous Head of Service which reduced the overspend from £156k to £78k. The remainder of the overspend is attributable to additional salary expenditure which is the result of the impact of the agreed 2023/24 pay award against the available budget along with additional staffing needed to meet service area demands.

- 2.97** The Health & Safety and Communicable Disease budget heading comprises three cost centres spread across two SRS teams. A £31k overspend is reported at year end, this being driven by a temporary increase in staff costs and the provision of business support within certain elements of the service.
- 2.98** Pollution Services are currently reporting a balanced budget.
- 2.99** The 'Trading Standards' budget comprises a number of cost centres spread across three different SRS teams and also includes an element of the Food service (separate to that outlined in 2.52 above). This area of the budget saw a £220k underspend overall which was partially due to a post remaining vacant for a significant part of the year. The Service has also made use of funds held on the balance sheet which were generated from successful court cases undertaken in previous periods totalling £60k. These funds have now been released in the year to offset some of the costs incurred elsewhere on the budget. In addition, £31k of external funding was received very late in the year and has contributed to the underspend.

Reserves

- 2.100** The Shared Regulatory Service has built up some reserves which can be utilised to fund planned investment in service expenditure but also emerging pressures within the service.
- 2.101** There are 2 drawdowns from Reserves referred to in this report which are further detailed in Table 4 below. In addition to the overspend detailed in the report, these drawdowns have been used to reduce the overspend from the initial figure of £332k to the overspend detailed in Table 1 of £171k.

Table 4

	Opening Balance	Drawdown in the year	Transfer from Reserves	Transfer to Reserves	Forecast Balance
	01/04/23				31/03/24
Reserve	£'000's	£'000's	£'000's	£'000's	£'000's
SRS General Fund Reserve	613	(78)	(171)	63	427
Specific Funding Reserve	71	(71)	0	0	0
POCA Reserve	83	(83)	0	24	24
Total Usable Reserves	767	(232)	(171)	87	451

Challenges moving forward

2.102 Since its inception, SRS has consolidated service delivery in accord with the agreed standards. The over-riding challenges during 2024-25 will be around recruitment and retention, tackling the remaining backlogs in programmed work, the need to address emerging global, national, regional, and local events, and all the while working within a reduced resource. Consequently, the Key Milestones for 2024-25 include:

- *Delivery of the SRS Business Plan 2024-25 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 further develop the 'growing our own' approach (including through regulatory apprenticeships when available), as part of the wider recruitment and retention strategy.*
- *In light of the continued pressures on public sector budgets, further explore, implement and maximise opportunities for income generation and cost recovery.*
- *Review the agile working arrangements for the service to ensure that technology is being exploited fully to improve service delivery.*

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1 The Annual report demonstrates the partner Councils' commitment to improving social, economic, environmental and cultural well-being and promoting sustainable development in line with the Wellbeing of Future Generations (Wales) Act 2015. Equalities, Sustainability and safeguarding issues have all been taken into account when drafting this plan. Our work with stakeholders seeking to ensure that our early intervention and prevention activities maintain wellbeing in the SRS region is a crucial element of our approach to protect local people and the environment.

3.2 The Wellbeing of Future Generations Act requires the SRS to underpin decision making by contributing to the seven well-being goals of the Act, following the five ways of

working, and consequently undertaking actions that will have a positive impact on people living in the future as well as those living today. The SRS Business Plan contains a number of initiatives that contribute to the wellbeing objectives. Section 6 of the Business Plan illustrates how the SRS priorities interface with the wellbeing goals on matters such as safeguarding the vulnerable and protecting the environment and forms the basis for the Annual report.

- 3.3** Aligning the Wellbeing Goals of the Act enables us to evidence our contribution to the National Wellbeing Goals. Promoting the five ways of working is reflected in our approach to integrated business planning. Setting consistently challenging yet realistic steps and performance improvement targets, the SRS is able to clearly demonstrate progress towards achieving the national goals by the production of the Annual report.

4. Climate Change and Nature Implications

- 4.1** One of the key strategic themes for the Shared Regulatory Service is *Protecting the Local Environment*.
- 4.2** 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.
- 4.3** In this context, the Joint Committee is regularly updated on the contribution of the Shared Service 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.

5. Resources and Legal Considerations

Financial

- 5.1** The implications are set out in the body of the report.

Employment

- 5.2** The implications are set out in the body of the report.

Legal (Including Equalities)

- 5.3** The partner Councils have a duty to improve under the Local Government (Wales) Measure 2009. The report outlines achievements in 2022-23 for the matters assigned to the Shared Regulatory Service. The Joint Working Agreement executed on 10 April 2015 and amended July 2017 sets out the obligations placed upon the partner Councils in delivery of the Shared Regulatory Service.

6. Background Papers

None

Appendices

- Appendix 1 – SRS Performance Measures 2023- 2024
- Appendix 2 – SRS Prosecution Statistics 2023-2024
- Appendix 3 – 2023-2024 SRS Provisional Outturn Position