

## SHARED REGULATORY SERVICES JOINT COMMITTEE

Minutes of a meeting held on 28<sup>th</sup> June, 2016.

Present:

Representing Bridgend County Borough Council – Councillor R. Williams;  
Representing Cardiff City and County Council – Councillors D. De'Ath and  
Ms. J. Parry;

Representing the Vale of Glamorgan County Borough Council – Councillors G. John  
and A.G. Powell.

(a) Appointment of Chairman –

RESOLVED – T H A T Councillor G. John be appointed Chairman for the current  
Municipal Year.

(b) Appointment of Vice-Chairman –

RESOLVED – T H A T Councillor C.E. Smith be appointed Vice-Chairman for the  
current Municipal year.

(c) Apologies for Absence –

This was received from Councillor C.E. Smith (Bridgend County Borough Council).

(d) Minutes –

RESOLVED – T H A T the minutes of the meeting held on 18<sup>th</sup> May, 2016 be  
approved as a correct record.

(e) Declarations of Interest –

No declarations were received.

(f) Food and Feed Law Enforcement Service Plan (DEH) –

Approval was sought for the draft Food and Feed Law Enforcement Service Plan for  
the partner Councils for the period 2016/17.

The partner Councils had a duty, which had been delegated to the Joint Committee,  
to enforce the Food Safety Act 1990; the Official Food and Feed Controls (Wales)  
regulations 2009 and a wide variety of other food / feed legislation including the Food  
Hygiene (Wales) Regulations 2006.

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In addition, and as part of the Food Standards Agency's Framework Agreement, the partner Councils were also required to produce a Food Safety Service Plan setting out the arrangements in place to discharge the above duties. The draft Plan had been produced in response to that requirement and was designed to inform residents, the business community of Bridgend, Cardiff and the Vale of Glamorgan of the arrangements the Councils had in place to regulate food safety. Details of the draft Plan were set out in Appendix 1 to the report.

In essence, the draft Plan detailed how the Shared Regulatory Service would fulfil the major purpose of ensuring the safety and quality of the food chain to minimise risk to human and animal health. To achieve this, the partner Councils would provide advice, education and guidance through the Shared Regulatory Service on what the law required, conduct inspections, investigations, undertake sampling and take enforcement action where deemed appropriate.

The draft Plan also detailed the demands placed on the service, the risk based work programme and the resources available to deliver the work required. As with many other Council services, the service faced increasing demands with reducing resources.

The draft Plan also set out the Food Standards Agency expectations of Local Authorities, some of the achievements in 2015/16 and the challenges for the year ahead. Some of the key elements of the Plan are set out below:

### **The Framework Agreement on Official Feed and Food Controls by Local Authorities**

The Framework Agreement set out what the Food Standards Agency expected from Local Authorities in their delivery of official controls on feed and food law. The Agreement set out the planning and delivery requirements of feed and food official controls, based on the existing statutory Codes of Practice.

One of the requirements within the framework was that Local Authorities carry out interventions / inspections at all food hygiene, food standards and feeding stuffs establishments in their area, at specified frequencies. The Food Standards Agency has the power to inspect Local Authorities to determine the Council's performance against the standard.

### **Performance Review 2015/16**

#### **Bridgend**

An overall high risk inspection rate of 89.94% was attained against a target of 100%.

The percentage of food establishments which were broadly compliant with hygiene standards was 95.11% against a target of 85%.

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The percentage of new food hygiene businesses identified during the year that were subject to an inspection was 85.51% against a target of 80%.

100% of high risk food standards businesses were inspected during the year.

### **Cardiff**

An overall high risk inspection rate of 82.5% was attained against a target of 100%. It was recognised at the time of Plan adoption that resources were insufficient to deliver the full requirements of the Food Law Code of Practice. In year budget management strategies compounded the resource issue. However, in light of the reduced resource available, contractors were employed between January and March to help support the delivery of the inspection programme.

The priorities set out in the 2015/16 Food Law Enforcement Plan were to complete all A, B and non-broadly compliant C premises.

The percentage of food establishments which were broadly compliant with hygiene standards was 93% against a target of 93.5%.

98.4% of premises which were unrated new businesses on 1<sup>st</sup> April, 2015 were inspected during the year against a target of 100%.

100% of high risk food standard businesses were inspected during the year.

### **Vale of Glamorgan**

88.89% of high risk food hygiene premises were inspected during the year against a target of 100%. Inspections were prioritised to ensure all A and B rated premises were completed due to the risk associated with these premises.

The percentage of food establishments which were broadly compliant with hygiene standards was 90.69% against a target of 91%.

94.38% of premises which were unrated new businesses on 1<sup>st</sup> April, 2015 were inspected during the year. The shortfall to reach 100% was a total of nine premises.

100% of high risk food standards premises were inspected during the year.

### **Broadly Compliant Food premises**

The main indicator used to assess the Councils' performance was the proportion of food establishments in the Local Authority area which were broadly compliant with food hygiene law. The performance trend over the last five years for compliance showed an overall improvement in the Councils. The performance for the last three years was as follows:-

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|         | <b>Bridgend</b> | <b>Cardiff</b> | <b>Vale of Glamorgan</b> |
|---------|-----------------|----------------|--------------------------|
| 2012/13 | 84%             | 75.57%         | 80.04%                   |
| 2013/14 | 88%             | 87.27%         | 84.22%                   |
| 2014/15 | 93%             | 91.76%         | 90.73%                   |
| 2015/16 | 95.11%          | 93%            | 90.69%                   |

### **Challenges for 2016/17**

**Staffing** – The service currently had five Commercial Services Technical Officers undertaking the relevant (EHORB) training. This training was required by the Food Law Code of Practice before inspections could be carried out. It was estimated the aforementioned officers would require a period of 12 months to achieve the required qualification. There were also five Commercial Services Officers currently on maternity leave, arrangements had been put in place within the service to ensure the inspection programme was met by utilising contractors and commitment to overtime by staff. Successful delivery of the Service Plan was dependent on adequate staffing resources being maintained during the Plan period. To deliver the full programme in accordance with the FSA requirements would require additional resource out with the existing budget. In the absence of additional resources the service would continue to manage the programme by prioritising areas considered to be the highest risk.

**Events** – The region hosted many outdoor events across a wide range of venues. The time spent planning, organising, monitoring events and inspecting and sampling at food premises during events each year should not be underestimated. These were additional commitments above the planned inspection programme, often not experienced by other Councils in Wales.

**Collaboration** – Since 1<sup>st</sup> May, 2015 the Councils have been delivering their Regulatory Services through a collaborative arrangement involving Cardiff, Bridgend and the Vale. The Shared Service was now being delivered under a single management structure and hosted by the Vale of Glamorgan Council. There had been considerable change in-year to move to the proposed new operating model. Whilst delivering business as usual had been an important priority, the process had been characterised by significant change to structures, branding, working practices, procedures and methods.

**Financial** – The continuing financial difficulties faced by all Local Authorities had required implementation of remedial measures to offset budgetary deficits. This had had an impact on the delivery of food services in recent years. This pressure would continue in the year to come. However, the new collaborative model did provide a budgetary framework to work within for the next three years. This allowed a greater level of certainty for the service than would otherwise be possible.

The Joint Committee also received a brief presentation from the Operational Manager (Commercial Services) on the draft Plan which provided an overview of the Plan's purpose, achievements from the previous year, why Food Law Enforcement was important, how the draft Plan would be delivered over the coming year 2016/17,

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matters relating to public expectations of the level of service provided by the Shared Regulatory Service, associated risks in relation to public health and latterly, how the Shared Regulatory Service proposed to use its resources over the period 2016/17.

Discussion ensued with a number of Members seeking assurances that the 100% target figure for inspection visits for new business were undertaken within the 28 day period to meet compliance with the Food Law Code of Practice. The Operational Manager (Customer Services) indicated that in regard to the Vale of Glamorgan and Bridgend areas a 100% target would be met for these premises. However, with regard to the Cardiff area, this presented challenges given the high turnover rate of business ownerships coupled with available staffing resources to allow inspections to be undertaken.

In supporting these comments, the Head of the Service referred to previous reports to the Joint Committee regarding organisational / staffing matters for establishing the new Shared Regulatory Service and the period of time required to allow new staff arrangements to bed in. He also referred to paragraph 24 of the report and to the recently recruited staff who were qualified, but were undertaking additional in-role training. Until these staff were fully skilled, he was unable at present to give an exact quantification of the staffing resource levels required.

In addition to the above comments, the Director of Environment and Housing indicated that he had requested the Vale of Glamorgan's Internal Audit Service to undertake a health check of the Food Service to assess the level of risk and performance. The intention was to submit a further report to the Joint Committee later in the year. He indicated that the audit itself would be a full assessment of the service and reflect the entire food chain, including areas such as animal welfare.

A Member of the Committee enquired if officers had considered opportunities around raising the public's awareness of the ability to report issues encountered regarding food hygiene compliance, but also at the same time, to reassure the public of the good work already being undertaken by the Joint Service. In response, the Operational Manager (Customer Services) indicated that a number of initiatives were planned to be undertaken through Food Safety Week and to have a presence at food festivals.

Brief discussion also touched upon micro biological sampling, with a Member enquiring if the grant underspend in the previous financial year received from Public Health Wales would be carried forward into the current financial year. The Head of Finance indicated that any underspent grant would be clawed back.

Having regard to the above and related issues, it was

RESOLVED –

(1) T H A T the 2016/17 Food and Feed Law Enforcement Service Plan be approved.

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(2) T H A T the Head of the Shared Regulatory Service be authorised to make any administrative amendments to the Plan should the need arise.

Reasons for decisions

- (1) To approve the Plan and to allow the discharge of its responsibilities.
- (2) To ensure the Plan remained up to date should any changes in law or best practice be introduced during the period.

SHARED REGULATORY SERVICES ANNUAL REPORT (DEH) –

Under the terms of the Joint Working Agreement between partner Authorities, the Shared Regulatory Service was required to produce an Annual Report of the Head of the Regulatory Service and the Lead Financial Officer in respect of those functions delegated to the Joint Committee relating to the 12 months ending 31<sup>st</sup> March of each year and that a copy of the Report shall be forwarded to the Chief Executive of each participant Authority. In addition, the Report should also include:

- A statement showing the performance of the Regulatory Service functions and progress in achieving the objectives and delivering the Business Plan
- A summary of the revenue account and statement of capital spending including the distribution of use of any revenue surpluses and the financing of any capital expenditure.

Consequently, this was the inaugural report of the Shared Regulatory Services for the period 1<sup>st</sup> May, 2015 to 31<sup>st</sup> March, 2016 and provided a review of operations across the service, a summary of the planned outlined performance against the 2015/16 service objectives. Subject to the views of the Joint Committee and approval of the Report, a copy would be submitted to the Head of Paid Service of each participant Authority along with the Shared Regulatory Services Business Plan for 2016/17.

A major theme of the first Annual Report was the approach undertaken to transform the traditional business models to build a new organisational structure and a new organisational culture with harmonised processes. The work to distil three services into one was well underway and continued into 2016/17.

The report in essence provided a summary of activities involved with establishing the Shared Regulatory Service, the resulting various human resource issues, reference to the implementation of agile working arrangements, operational performance of the service throughout 2015/16 which had been subject of a number of reports previously to the Joint Committee, it being noted that targets and actions identified in the 2015/16 Plan were achieved with all statutory plans being published on time, enforcement initiatives being completed and the Change Programme identified for the period which commenced on time. The Annual Report also detailed the significant service achievements during the 2015/16 period which had been attained

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through a period of significant change and details of which were set out in paragraphs 19 to 24 of the report.

The Annual Report also set out the financial performance of the Shared Regulatory Service and attached at Appendix 1 was a draft Statement of Accounts for the period 2015/16 and included an Explanatory Foreword. The Joint Committee noted that there was no capital expenditure incurred during the same period.

The 2015/16 gross budget for the service, excluding the implementation budgets, was £8.719m. The draft outturn against the 2015/16 gross budget was reported to Committee on 18<sup>th</sup> May, 2016 and was an overall underspend within the Service of £835k. There had since been a minor amendment and the underspend was now £851k. As described within the report, it was acknowledged that the Service had been in a state of transition during 2015/16, with the staffing structure being in place for only the later part of the year.

The 2015/16 gross Core budget was £6.395m and at year end showed an underspend of £869k. One of the main factors contributing to this core underspend was the reduced staffing costs due to posts remaining vacant longer than had initially been assumed in the budget. This particularly affected the Food and Communicable Disease Teams. Vacant posts also resulted in reduced transport costs. During this transition period, expenditure on supplies and services was lower and there were also underspends on management, administration and hosting costs, again due to vacant posts.

The costs relating to Authority Specific services were charged to individual Authorities. The 2015/16 Authority Specific gross budget was £2.324m and outturned at £18k over the anticipated level. This was mainly in the area of Licensing at Cardiff Council, where additional staffing was required, however, this position had been more than offset by the income received directly by Cardiff Council for this service.

There was also an implementation budget approved for the service in 2015/16 of £1.080m, which covered redundancy costs, IT set up costs and project management. The year end position for this budget was an underspend of £487k. This was in the main because of the new software solution for the Shared Service, which cost £400k, now being planned to be implemented during 2016/17. In addition, anticipated alterations to accommodation which had originally been planned to be spent during 2015/16 would now take place in 2016/17. These implementation costs were now budgeted for 2016/17 and 2017/18.

The Joint Working Agreement stated that the treatment of any surplus or deficit balance held by the Joint Service required agreement by the Joint Committee following completion of the audit of the annual accounts. Discussions were currently ongoing with Authorities as to the proposed use and / or distribution of the surplus and final proposals would be brought to this Committee for approval during September 2016.

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The Shared Regulatory Service continued to develop its understanding of operational costs and in 2016/17 the Service would develop a matrix to show partners, in detail, where their money was spent.

In addition to the above matters, the Head of Service indicated that the Shared Regulatory Services had made a successful start and that the Service had been delivered with no discernible difference in quality, new ways of working had been developed and embedded into the day to day routine and the requisite financial savings had been achieved in Year 1.

He also indicated that in 2016/17 the Service's principal challenge was to implement fully the target-operating model to deliver high quality services and meet all partner differing financial pressures. The key milestones for 2016/17 included:

- Delivery of the Shared Regulatory Services Business Plan 2016-2017
- Implementation of the Shared Regulatory Services Workforce Plan
- A review of the partnership, governance and scrutiny arrangements and organisational structure for the Shared Regulatory Services
- Delivery of the identified budget contribution reductions for partners
- Refinement of the fee-earning activities approach to understanding Shared Regulatory Services cost base
- Exploration of new ways of generating income for the service and future savings
- Continue the process of channel shift by increasing the customer's ability to use self-help and undertake transactions on-line.
- Continue to harmonise working practices across the region, ensuring an effective, improved delivery and achievement of key performance indicators.

Having regard to the above and related issues it was

RESOLVED – T H A T the inaugural Shared Regulatory Services Annual Report for 2015/16 be endorsed and copies of the same to be forwarded to the Head of Paid Service for each partner Council.

#### Reason for decision

To meet the requirement of Clause 5.1 of the Joint Working Agreement.

#### SHARED REGULATORY SERVICES GOVERNANCE ARRANGEMENTS (DEH) –

The report set out proposals to address specific governance concerns relating to the role of the respective partner Authorities Executives in the business of the Shared Regulatory Service functions and the future role of Scrutiny Committees within the partner Councils who had the responsibility for the overview of the work of the Joint Committee and those senior officers employed within the Service.

No.

The Director of Environment and Housing's proposals included the submission of the minutes of the Joint Committee to the partner Authorities respective Executives for consideration. In the event of any of the three partner Authorities raising their concerns on a matter, a specific report seeking to address those concerns could be requested from the Chairman of the Joint Committee. This proposal would be a matter for each participant Authority to consider and it was further proposed that the Managing Director of the Vale of Glamorgan Council advises the Chief Executives of Bridgend and Cardiff Councils of its intention and suggesting that they give consideration to doing likewise.

In regard to current Scrutiny arrangements, it was considered that the potential requirements for the Services Officers to attend the current four Scrutiny Committees across the partner Authorities in any one month required significant staff resources. In addition, there was no single Scrutiny Work Programme for the Shared Regulatory Service allowing for the prioritisation of topics for Scrutiny nor any specific oversight arrangements for service performance or financial management.

The Joint Committee noted that discussions were ongoing between senior Democratic and Scrutiny Service Officers of the partner Authorities on potential options for joint scrutiny arrangements but these had not yet been concluded. The Director of Environment and Housing's preferred option was to establish a Joint Scrutiny Committee constituted from Elected Members of the partner Authorities. He also suggested that having regard to the Vale of Glamorgan Council's existing responsibilities as Host Authority and also supporting the Executive arrangements under the auspices of the Joint Committee, the Scrutiny function could rest with either Cardiff or Bridgend Councils. He recognised that it was inappropriate to seek to impose such arrangements on partner Authorities and to this end he proposed to establish a Working Group chaired by himself involving the relevant Democratic and Scrutiny Services Officers from the partner Authorities to progress the matter. A further report would be subsequently submitted to the Joint Committee by the end of the calendar year to obtain the views of the Joint Committee on his proposals prior to any final proposals being passed back to partner Authorities for progression through their Scrutiny and Cabinet arrangements, before being submitted to the respective Authorities' Full Councils for approval and to enable the Joint Working Agreement to be amended accordingly. It was anticipated that any new Scrutiny arrangements agreed would be implemented from the commencement of the next Municipal Year.

Having regard to the above it was

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T any future "Scrutiny Committee" proposals be subject to consultation with the Joint Committee prior to these being passed through the relevant participating Authorities' Scrutiny / Executives for endorsement and Full Council meetings for ratification.

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Reasons for decisions

- (1) In acknowledgement of ongoing work aimed at improving the engagement of Elected Members on decisions associated with the Shared Service.
- (2) To ensure that the Committee was appropriately engaged with the outcome of the Shared Regulatory Service Scrutiny Working Group.