Appendix A

Shared Regulatory Service Joint Committee

Draft Statement of Accounts 2025/26 Year Ended 31st March 2026 Published Subject to Audit

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Shared Regulatory Service Joint Committee

Statement of Accounts 2025/26 Year Ended 31st March 2026

Narrative Report

Introduction

This document presents the Statement of Accounts for the Shared Regulatory Service in respect of financial year 2025/26 and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS), and the Accounts and Audit (Wales) Regulations 2014 (as amended).

The Shared Regulatory Service (SRS) produces its Statement of Accounts to explain the SRS's finances, to give assurance that public money has been properly accounted for, and that the financial standing of the Service is on a secure basis. The Statement of Accounts must provide a "true and fair" view of the SRS's financial position as at 31st March 2026, and its income and expenditure for the 2025/26 financial year.

The SRS is a collaborative service formed between Bridgend, Cardiff and the Vale of Glamorgan Councils on 1st May 2015. The Service delivers a fully integrated service under a single management structure for Trading Standards, Environmental Health and Licensing functions with shared governance arrangements ensuring full elected member accountability and scrutiny.

The SRS is managed and administered by the Shared Regulatory Service Joint Committee, under powers conferred by the Local Government (Wales) Act 1994. The Joint Committee is made up of two elected members from each authority. The Vale of Glamorgan Council became the Host Authority upon formation of the Joint Committee. The Joint Working Agreement and subsequent updates have been signed by the three authorities.

The SRS operates under a Joint Working Arrangement (JWA) whereby the Head of the SRS reports on service provision to the Joint Committee. An officer Management Board has been tasked with the oversight of the operation and future development of the service. The detailed delegations of policy and function from partners to the Joint Committee and Head of Service are set out in the Joint Working Agreement, which includes:

- The functions to be carried out by the joint service.
- The terms of reference and constitution of the Joint Committee, the Management Board etc.
- The terms of joint service such as staffing, services to be provided by the Host and other partners, financing and other functional issues.
- The Financial Operating Model.

Consequently, the SRS works across the three Councils, supporting a range of Committees and (where required) the three Cabinets, to deliver the Regulatory functions. The workflow involves quarterly meetings with the Management Board followed by meetings of the SRS Joint Committee, details of which are then communicated to all three Cabinets. Officers meet members of the Joint Committee on a regular basis to ensure both regional and local issues are considered and managed appropriately.

All of the SRS Joint Committee meeting agendas and minutes since April 2015 are held on the websites of each constituent Council. The reports depict the genesis, development and future direction of the SRS.

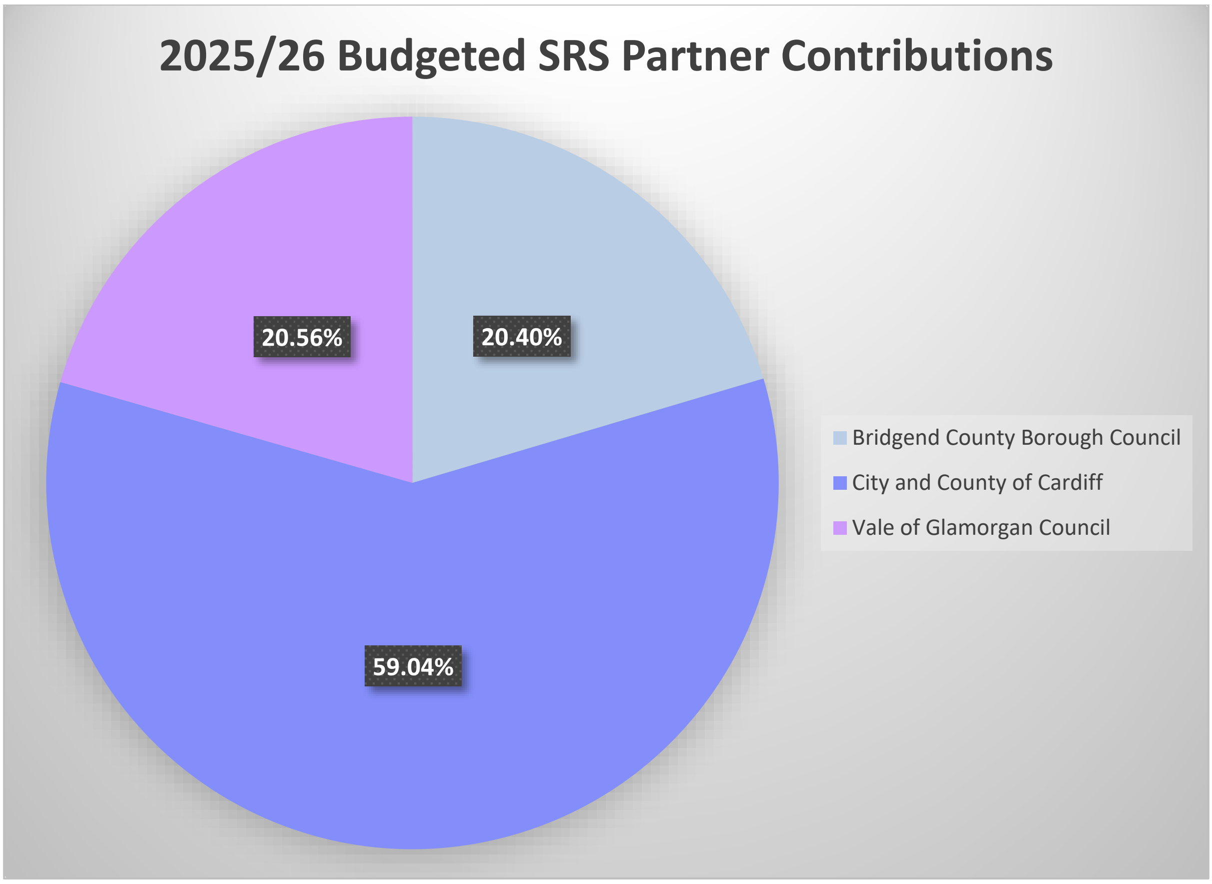
The narrative report provides insight into the funding and expenditure appertaining to the SRS in the year, the key financial issues and pressures and a look to future years.

Information contained within these accounts provides the user with clarity on the nature of transactions in respect of the financial year ended 31st March 2026, and its financial composition as at that date.

These accounts present:

- The financial statements legally required and their supporting notes; and
- The accounting policies that have been applied when preparing the accounts.

The following chart graphically represents the 2025/26 total budgeted contribution made to the SRS by the Partner Authorities, to include both Core and Authority Specific Services.



Summary of Financial Performance

The financial position of the SRS is regularly reported to the SRS Board and Joint Committee, with the same reports also being forwarded on a timely basis to the nominated senior manager of each Authority during the year.

Expenditure incurred by the SRS is predominantly split into two main elements, Core and Authority Specific Services. Core Services are those functions that are undertaken on behalf of all authorities, with the associated budgets apportioned on an annually updated pre-agreed population basis. Authority Specific Services are unique to each authority. These are Services which are not undertaken across all authorities' areas but occur within one part of the SRS area such as Night-Time Noise Pollution, which is charged directly to the relevant authority. Licensing is the exception to this rule, as it is undertaken at each authority. There is a legal requirement that the Licensing Service remain seated in the legacy authority, with each having their own assigned Licensing Committee within the said legacy authority.

The SRS 2025/26 gross expenditure budgets are shown on the following table.

Authority	Core Budget Participant Apportionment %	Core Services Budget 2025/26 £'000	Authority Specific Budget 2025/26 £'000	Agreed Budget 2025/26 £'000
Bridgend CBC	**22.07**	**1,358**	**445**	**1,803**
City and County of Cardiff	**57.67**	**3,534**	**1,684**	**5,218**
Vale of Glamorgan	**20.26**	**1,242**	**575**	**1,817**
Total	**100.00%**	**6,134**	**2,704**	**8,838**

The table below illustrates the budgeted expenditure against the actual expenditure incurred for the period 1st April 2025 to 31st March 2026.

Category	Budgeted Expenditure £'000	Actual Expenditure £'000	Variance £'000
Authority Specific	**2,704**	**2,929**	**225**
Core Services	**6,134**	**6,153**	**19**
Total	**8,838**	**9,082**	**244**

The 2025/26 revenue position of the SRS is summarised as follows:

Service	Agreed Budget £'000	Net Revenue Expenditure Chargeable to General Fund Balances £'000	Variance £'000
Authority Specific – Licensing	1,642	1,914	(272)
Authority Specific - Other	1,062	1,015	47
Core Services			
Animal Services	401	371	30
Environmental Services	242	287	(45)
Food Services	1,667	1,609	58
Health & Safety & Communicable Disease	677	668	9
Housing Services	727	765	(38)
Pollution	949	944	5
Trading Standards	1,471	1,509	(38)
	8,838	**9,082**	**(244)**
Net Recovery of 2025/26			243
Reserve Transfers in year			267
Movement in Proceeds of Criminal Activity reserve			18
Movement in General Fund Balance			**284**
General Reserve position as of 31st March 2026			**758**

The below table shows the reconciliation of the Net revenue and expenditure chargeable to general fund balances per the outturn against the EFA:

	Net Expenditure Chargeable to General Fund Balances per **Outturn**	Net Expenditure Chargeable to General Fund Balances per **EFA**	Variance	LA income	Interest	25/26 Overspend recovery Drawdown	25/26 Overspend Recovery	Final Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Authority Specific Licensing	1,914	1,914	0	0	0	0	0	0
Authority Specific - Other	1,015	1,079	64	(64)	0	0	0	0
Animal Welfare Services	371	371	0	0	0	0	0	0
Environmental Services	287	298	11	(11)	0	0	0	0
Food Services	1,609	1,609	0	0	0	0	0	0
Health & Safety and Communicable Disease	668	1,120	452	(443)	0	0	0	9
Housing Services	765	1,110	345	(355)	0	0	0	(10)
Pollution	944	944	0	0	0	0	0	0
Trading Standards	1,509	1,603	94	(64)	(29)	243	(243)	1
Total	9,082	10,048	966	(937)	(29)	243	(243)	0

The 25/26 savings target was replaced with a self-funded pay award in order to satisfy a stand still budget for the 2025/26 financial year, which equated to £245k being taken from the Core and Authority Specific budgets. The make-up of the 2025/26 budget is illustrated in the following table:

2025/26 Budget Reconciliation	Budgeted Expenditure £'000
2024/25 Agreed Revenue Budget	8,813
2024/25 Adjustment for Pay Award Shortfall (not previously funded)	39
2025/26 Self-funded pay award as saving target	(245)
2025/26 Adjustment for £1200 Anticipated Pay Award	245
2025/26 Additional Budget saving Authority Specific (Bridgend only)	(14)
Total	**8,838**

The 2025/26 budget was agreed at the Special Meeting of the Shared Regulatory Services on 19th February 2025.

2025/26

The externally funded SRS Health Protection team continues to work with Cardiff and Vale Health Board and the wider Health Protection Partnership, while staff within the Communicable Disease team continue to support care homes within the SRS region in respect of infectious diseases.

Impact of the Current Economic Climate

Despite real time annual budget reductions, public expectations on the SRS have increased quite significantly with an associated greater demand on service provision being sought than in previous years.

2025/26 was a challenging year in terms of the macroeconomic environment within which the Council and Shared Regulatory Services operated in. Cost of living pressures continued to put pressure not only on the service, but also on those businesses and citizens that the Service supports. The squeeze on budgets whether relating to individuals or businesses has increased the level of risk within society, and from a regulatory perspective, this manifests itself in a number of ways, notably increased rogue trader and illegal money lending activity. It is also the case that traditionally reputable businesses are being tempted to take riskier decisions across a range of sectors. The state of public finances and notably pay increases have put further pressure on the SRS budget at a time when another 3% saving was found coming into the financial year. All of this makes it more important than ever for the Shared Service to deliver value for money for the partners

Non-Financial Performance

The Service delivers a range of statutory services through a collaborative model that are critical to maintaining the health, safety and economic welfare 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:

- **Neighbourhood Services**
- **Commercial Service**
- **Enterprise & Specialist Services**

As a regional organisation providing regulatory services across the three local authority areas, the Service seeks to ensure that the corporate priorities and stated outcomes of the three Councils are at the heart of its activities. Using them as a focus, the strategic priorities of the Service are:

- Improving Health and Wellbeing
- Safeguarding the Vulnerable
- Protecting the Local Environment
- Supporting the Local Economy
- Maximising the use of the Shared Regulatory Service's Resources

These priorities have provided a robust base for achieving the outcomes identified in previous business plans and the partner Council's corporate aspirations.

Improving Health and Wellbeing

Improving Health and Wellbeing is a key priority for Shared Regulatory Services. Work is undertaken by the Service to ensure that food is safe, infectious disease outbreaks are managed, noise and air emissions are controlled, that risks in the workplace are managed properly, and people are enabled to live in healthy environments. This is in conjunction with the Service's activities to ensure the quality of private rented property, the promotion of a safe trading environment and the regulation of licensed premises to ensure they operate responsibly. It is evident that the work undertaken by the Service is hugely important to the health and wellbeing of the region.

Safeguarding the Vulnerable

The Service contributes towards the safeguarding agendas of the partner authorities 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.

Protecting the Environment

Protecting the environment is a core strategic priority of the 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 we make best use of existing resources and bringing back redundant/derelict properties into use is an important contributor to both the environment and local community development. The service has a key role to play in the wider climate change and future generations agendas through the enforcement role on energy efficiency controls on properties and products. The impact of these activities is less apparent in the short term for communities but has an important role for future generations. In the more immediate term, the Service ensures communities are protected from nuisance and are safer by investigating noise complaints and managing instances of stray dogs and horses.

Supporting the Local Economy

A strong local economy is a key component in the quality of life experienced by local people. The work of SRS has a significant, but often unseen impact upon the local economy. The provision of timely advice and guidance on regulation can benefit the economic viability of businesses resulting in improved business practice. Much of the Service's market surveillance activity focuses upon maintaining balance in the "marketplace"; the equitable enforcement of regulations enables businesses to compete on equal terms ensuring a fairer trading environment. The role of the Service as regulator also extends to providing information to support consumers to enable them to become better informed and confident. In an age where people can purchase goods and services without leaving home, the importance of the principle of "caveat emptor" – which is the principle that the buyer is responsible for checking the quality and suitability of goods before a purchase is made, has never been more relevant.

Maximising the use of Shared Regulatory Service's Resources

Maximising the use of resources was the original catalyst for creating SRS, with the work in this area continuing. By reducing "triplication" of effort, introducing better processes, making the systems work without constant intervention, improving access into the Service, the business improves resulting in an increase to customer satisfaction. Income generating activities such as marketing the metrology laboratory, offering paid-for advice services, building Primary Authority partnerships and extending the training provision to business are examples of the Service's move to becoming a more "commercial" culture. Crucial to the success of the Service are the people who work within it. Officers are fully engaged in the development of the Service, by fostering an environment where people are encouraged to think, lead and innovate.

The SRS Annual Report 2025/26 details a range of activities undertaken by the Service in its support of these priorities. During 2025/26, the Service, working with the three-partner Council Legal Servies teams, achieved 35 successful prosecutions in support of these strategic priorities.

Looking Forward

A revenue budget of £9.032m for 2026/27 was approved by the SRS Committee on 4th February 2026.

This report can be accessed on the Vale of Glamorgan Council's website,

SRS does not hold a capital budget.

Further Information

Further information regarding the accounts is available from the Section 151 Officer of the Vale of Glamorgan Council who is appointed as Treasurer of the Joint Committee and is located within the Corporate Resources Directorate, Civic Offices, Holton Road, Barry, CF63 4RU.Statement of Responsibilities for the Statement of Accounts for the Shared Regulatory Service

The Vale of Glamorgan Council (as Host) Responsibilities

The Council is required:

- To make arrangements for the proper administration of its financial affairs and secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Head of Finance; and
- To manage its affairs to ensure economic, efficient and effective use of resources and safeguard its assets.

The Joint Committee's Responsibilities

- To approve the Statement of Accounts.

Signature:

Date:

Chair of Shared Regulatory Service Joint Committee
Vale of Glamorgan Council
Civic Offices
Holton Road
Barry
CF63 4RU

Responsibilities of the Head of Finance as Treasurer of the Joint Committee

The Head of Finance is responsible for the preparation of the Statement of Accounts. In accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

1. In preparing the Statement of Accounts, the Head of Finance has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

2. The Head of Finance has also throughout the financial year:

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

3. Certificate of the Head of Finance as Treasurer of the Joint Committee

I certify the Statement of Accounts give a true and fair view of the financial position of the Joint Committee as at 31st March 2026, and its income and expenditure for the period then ended.

Signature:

Date: 30th June 2026

Matt Bowmer
Head of Finance/Section 151 Officer
Vale of Glamorgan Council
Civic Offices
Holton Road
Barry
CF63 4RU

Shared Regulatory Service Expenditure and Funding Analysis 2025/26

The objective of the Expenditure and Funding Analysis is to demonstrate to the partners how funding available to the SRS in the year and has been used on the provision of services in comparison with those resources consumed or earned by the service in accordance with generally accepted accounting practices. The detailed breakdown of the adjustments between accounting and funding are illustrated for both 2024/25 and 2025/26 in Notes 7. Further information is shown about this note on page 17.

Expenditure and Funding Analysis 2025/26	**Net Expenditure Chargeable to General Fund Balances** £'000	**Adjustments Between Accounting and Funding Basis** £'000	**Comprehensive Income and Expenditure** £'000
Authority Specific - Licensing	1,914	(74)	1,840
Authority Specific - Other	1,079	(40)	1,039
Animal Welfare Services	371	(12)	359
Environmental Services	298	(16)	282
Food Services	1,609	(87)	1,522
Health & Safety and Communicable Disease	1,120	(61)	1,059
Housing Services	1,110	(33)	1,077
Pollution	944	(46)	898
Trading Standards	1,603	(96)	1,507
Net Cost of Services	**10,048**	**(465)**	**9,583**
<u>Financing and Investment Income and Expenditure</u>			
Contribution from Other Local Authorities	(9,775)		(9,775)
Interest Receivable	(29)		(29)
Movements of General Reserves	(236)		(267)
Movement of POCA Reserve	(49)		(18)
Recovery of Prior Year Overspend	(243)		(243)
Pension Past service cost		10	10
(Surplus) or Deficit on the Provision of Services	**(284)**	**(455)**	**(739)**
Opening General Fund Balance at 31st March 2025	(474)		
Less Deficit on General Fund Balance in Year	(284)		
Closing General Fund Balance at 31st March 2026	**(758)**		

Shared Regulatory Service Expenditure and Funding Analysis 2024/25

Expenditure and Funding Analysis 2024/25	Net Expenditure Chargeable to General Fund Balances £'000	Adjustments Between Accounting and Funding Basis £'000	Comprehensive Income and Expenditure £'000
Authority Specific – Licensing	1,803	2	1,805
Authority Specific - Other	1,099	-40	1,059
Animal Welfare Services	415	6	421
Environmental Services	267	-1	266
Food Services	1,610	-2	1,608
Health & Safety and Communicable Disease	992	-1	991
Housing Services	1,035	-2	1,033
Pollution	966	-1	965
Trading Standards	1,733	-14	1,719
Net Cost of Services	**9,920**	**(53)**	**9,867**
<u>Financing and Investment Income and Expenditure</u>			
Contributions from Local Authorities	(9,641)	0	(9,641)
Interest Receivable	(36)		(36)
Recovery of Ringfenced funding	(88)	0	(88)
Recovery of Prior Year Overspend	(7)	0	(7)
Pensions Interest Payable	(104)	0	(104)
	0	10	10
(Surplus) or Deficit on the Provision of Services	**44**	**(43)**	**1**
Opening General Fund Balance as at 31st March 2024	(518)		
Less Deficit on General Fund Balance in Year	44		
Closing General Fund Balance as at 31st March 2025	**(474)**		

SRS Movement in Reserves Statement 2024/25 and 2025/26

This statement shows the movement in the year on the different reserves held by the SRS, analysed into “Usable Reserves” (i.e. those that can be applied to fund expenditure) and “Unusable Reserves”. Further information on this statement is shown on page 17.

Movement in Reserves in Reserves		**Shared Regulatory Service**							
Shared Regulatory Service	**Notes**	**SRS Reserves £’000**	**Usable Capital Receipts £’000**	**Total Usable Reserves £’000**	**Accumulated Absence Account £’000**	**Pensions Reserve £’000**	**Capital Adjustment Account £’000**	**Total Unusable Reserves £’000**	**Total Reserves £’000**
Balance at 31 March 2024 Carried Forward	**17,19**	**518**	**17**	**535**	**(153)**	**(780)**	**71**	**(862)**	**(327)**
Movement in Reserves during 2024/25									
Total Comprehensive Income & Expenditure		**(1)**	**0**	**(1)**	**0**	**30**	**0**	**30**	**29**
Adjustments between Accounting Basis & Funding Basis	**9**	**(43)**	**(0)**	**(43)**	(51)	50	44	43	0
Increase/(Decrease) in Year		**(44)**	**(0)**	**(44)**	**(51)**	**80**	**44**	**73**	**29**
Balance as at 31st March 2024/25 Carried Forward		**474**	**17**	**491**	**(204)**	**(700)**	**115**	**(789)**	**(298)**
Movement in Reserves during 2025/26									
Total Comprehensive Income & Expenditure		**739**	**0**	**739**	**0**	**260**	**0**	**260**	**999**
Adjustments between Accounting Basis & Funding Basis		**(455)**	**0**	**(455)**	46	440	(31)	455	0
Increase / (Decrease) in Year		**284**	**0**	**284**	**46**	**700**	**(31)**	**715**	**999**
Balance as at 31st March 2026 Carried Forward		**758**	**17**	**775**	**(158)**	**0**	**84**	**(74)**	**701**

SRS Comprehensive Income and Expenditure Statement 2025/26

This statement records all of the SRS income and expenditure throughout the year and consequently shows the accounting cost of providing services during the year in line with generally accepted accounting practices. The net expenditure is analysed by service group, with the income received from the local authorities shown within the Finance & Investment Income and Expenditure section. The full breakdown of the gross income and expenditure within this statement is illustrated in Note 8. Further information on this statement is shown on page 17.

Period Ended 31st March 2026				**Period Ended 31st March 2025**		
Gross Expt. £000's	**Gross Income £000's**	**Net Expt. £000's**		**Gross Expt. £000's**	**Gross Income £000's**	**Net Expt. £000's**
1,842	(2)	**1,840**	Authority Specific – Licensing	1,812	(7)	**1,805**
1,153	(113)	**1,040**	Authority Specific – Other	1,105	(46)	**1,059**
392	(34)	**358**	Animal Welfare Services	452	(31)	**421**
348	(66)	**282**	Environmental Services	309	(43)	**266**
1,567	(45)	**1,522**	Food Services	1,649	(41)	**1,608**
1,159	(82)	**1,077**	Health & Safety and Communicable Disease	1,011	(20)	**991**
1,057	2	**1,059**	Housing Services	1,037	(4)	**1,033**
895	3	**898**	Pollution	971	(6)	**965**
2,644	(1,137)	**1,507**	Trading Standards	2,756	(1,037)	**1,719**
11,057	**(1,474)**	**9,583**	**Net Cost of Services (Note 8)**	**11,102**	**(1,235)**	**9,867**
			Finance & Investment Income and Expenditure			
0	(9,775)	**(9,775)**	Contributions from Local Authorities	0	(9,641)	**(9,641)**
0	0	**0**	Profit/Loss on Disposal of Assets	0	0	**(0)**
0	(29)	**(29)**	Interest Receivable (**Note 25**)	0	(36)	**(36)**
0	(243)	**(243)**	Recovery of Prior Year Overspend	0	(104)	**(104)**
	(18)	**(18)**	Increase in POCA Reserve		(7)	**(7)**
0	(267)	**(267)**	Transfer to Reserve in year	0	(88)	**(88)**
10	0	**10**	Pension Past Service Costs **(Note 23)**			
0	0	**0**	Pension Interest Payable (**Note 23)**	10	0	**10**
10	**(10,332)**	**(10,322)**	**Financing & Investment Income & Expenditure**	**10**	**(9,876)**	**(9,866)**
11,068	**(11,807)**	**(739)**	**(Surplus) / Deficit on Provision of Services**	**11,112**	**(11,111)**	**1**
			Other Comprehensive Income & Expenditure			
		(260)	Re-measurement of Pension Liability (**Note 23**)			(30)
		(260)	**Other Comprehensive Income & Expenditure**			**(30)**
		(999)	**Total Comprehensive Income & Expenditure**			**(29)**

SRS Balance Sheet as at 31st March 2026

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the SRS (Assets less Liabilities) are matched by the reserves held by the SRS. Reserves are reported in two categories: Usable and Unusable Reserves. Further information on this statement in notes 17 and 18 of this report.

31st March 2026 £'000	Note	Balance Sheet as at 31st March 2025 Shared Regulatory Service	31st March 2025 £'000
		Long Term Non-Current Assets	
84	10	Property, Plant and Equipment	115
	11	Intangible Assets	0
84		**Total Non-Current Assets**	**115**
1,395		Short Term Debtors	997
397		Short Term Debtors Cash Owing from Host Authority	432
1,792	15	**Current Assets**	**1,429**
(441)		Short Term Creditors	(329)
(158)		Accumulated Absence Provision	(204)
0		Short Term Creditors Cash Owing to Host Authority	(0)
(599)	16	**Current Liabilities**	**(533)**
0	20	Pension Liability	(700)
(576)	18	Other Long-Term Liabilities	(609)
(576)		**Long Term Liabilities**	**(1,309)**
701		**Net Assets**	**(298)**
775	17	**Usable Reserves**	**491**
(158)	21	Accumulated Absences	(204)
84	22	Capital Adjustment Account	115
0	20	Pensions Reserve	(700)
(74)		**Unusable Reserves**	**(789)**
701		**Total Reserves**	**(298)**

SRS Cash Flow Statement 2024/25 and 2025/26

The Cash Flow Statement shows the change in cash and cash equivalents of the SRS during the reporting period. The statement shows how the SRS generates and uses cash and cash equivalents by classifying cash flows into operating and investing and financing activities. The function of this statement is detailed on page 19 of this report.

31st March 2026 £'000		31st March 2025 £'000
739	**Net Surplus/(Deficit) on the provision of service**	**(1)**
	Adjust net surplus or deficit on the provision of services for non-cash movements	
31	Depreciation	21
0	Amortisation	0
0	Carrying Value on Asset	0
33	Increase/ (Decrease) in Creditors	264
(398)	(Increase)/Decrease in Debtors	319
(440)	Movement on Pension Liability	(50)
(774)	**Total adjustments to net surplus or deficit on the provision of services for non-cash movements.**	**554**
(0)	**Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities**	**(0)**
(35)	**Net Cash-flows from operating activities**	**553**
	Investing activities	
0	Purchase of property, plant and equipment, investment property and intangible assets	(64)
	Other receipts from investing activities	0
0	**Total Investing Activities**	**(64)**
0	**Financing activities**	**0**
(35)	**Net (increase)/decrease in cash and cash Equivalents**	**489**
432	Cash and cash equivalents at the beginning of the reporting period	(57)
397	**Cash owed To /(From) Host Authority as at 31st March**	**432**

Introduction to the Financial Statements

Statement of Accounting Policies

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

Statement of Responsibilities for the Statement of Accounts

This statement sets out the responsibilities of the Council as the Administering Authority and the Head of Finance (Section 151 Officer) for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the presiding member at the Joint Committee meeting at which the accounts are approved.

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the funding partners (Bridgend County Borough Council, The City of Cardiff Council and the Vale of Glamorgan Council) how the available funding has been used in providing services in comparison with those resources consumed or earned by the authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the different elements of the SRS structure. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee and analysed into 'Usable Reserves' (i.e. those that the Joint Committee may use to provide services subject to the need to maintain a prudent level of reserves, and the statutory limitations on their use) and 'Unusable Reserves'. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's Services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount funded by budgeted contributions. The budgeted funding contributions are shown in both the Expenditure and Funding Analysis and on the Movement in Reserves Statement.

Balance Sheet

The Balance Sheet shows the assets and liabilities recognised by the Joint Committee at the Balance Sheet date. The net assets of the Joint Committee (Assets less Liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is Usable Reserves i.e. those reserves that the SRS may use to provide services, subject to the need to maintain a prudent level of reserve and any statutory limitations on their use. The second category of reserves is called Unusable

Reserves and cannot be accessed by the SRS to fund the provision of services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis and regulations”.

Cash Flow Statement

The Cash Flow Statement shows the change in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating and investing activities. The amount of net cash flows arising is a key indicator of the extent to which the operations of the Joint Committee are funded by the recipients of the services provided.

Annual Governance Statement

The statement sets out the framework within which the Vale of Glamorgan Council as the administering authority manages and reviews internal control. It outlines the components of the framework, including the arrangements for Internal Audit and how the consortium has complied with the various elements of the framework.

Notes to the Financial Statements

1. Accounting Policies

1.1 Accounting Policies

The SRS is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (Amended), which require them to be prepared in accordance with proper accounting practices. These practices under Section 21 of the Local Government Act 2003, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) supported by International Financial Reporting Standards (IFRS). Following the UK withdrawal from the remit of the EU-endorsed framework, the Code will be based on standards adopted for the UK application under the terms of the International Accounting Standards and European Public Limited Company (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/685). These accounts have been prepared on a going concern basis. The financial statements are presented in UK/GB pounds.

1.2 Revenue Income and Expenditure

The transactions of the SRS are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the SRS transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the SRS;
- Revenue from the provision of services is recognised when the SRS can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the SRS;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a change made to revenue for the income that might be collected.

There are certain exceptions to this principle. The main items are:

(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to 31st March each year. Payments in respect of a full 12 months are included; and
(b) The amount included in the accounts for the Budgeted Contributions are on the basis of cash received.

The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to the 31st March each year is not significant.

1.3 Cash and Cash Equivalents

Cash includes any cash in hand, overnight deposits and bank overdrafts. All cash transactions are administered by the Vale of Glamorgan Council as the Shared Regulatory Service does not operate its own Bank Account.

1.4 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

A change in the accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, or other events and conditions of the SRS's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.5 Charges to Revenue for Non-Current Assets

The following amounts are charged to revenue to record the cost of holding assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets chargeable to the service; and
- Amortisation of intangible non-current assets attributable to the service,

The Budgeted Contributions are not required to fund depreciation, revaluation, impairment losses or amortisations; however, an annual contribution is required from revenue.

1.6 Employee Benefits

Benefits Payable during Employment

Short term employee benefits are those due to be settled within 12 months of the year end. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year end which employees can carry forward into the next financial year. Holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the SRS to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or where applicable to non-distributed costs.

Post-Employment Benefits

Employees of the Joint Committee are members of the Local Government Pension Scheme, administered by Cardiff County Council Pension Authority. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Joint Committee.

The Local Government Pension Scheme

The Local Government Scheme is Accounted for as a Defined Benefits Scheme

- The liabilities of the Cardiff and Vale Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., plus projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the Cardiff and Vale Pension Fund attributable to the SRS are included in the Balance Sheet at their fair value.
- The actuarial valuation carried out at 31st March 2026 has been adjusted to exclude both the Vale of Glamorgan Council and the Vale and Valley's Adoption Service. The SRS's share of this fund has been consolidated back into the accounts and is set out in the net pension's liability is analysed into the following components.

Service Cost Comprising of

- **Current Service Cost** – the increase in liabilities as a result of a year of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service(s) to which the employee worked.
- **Past Service Cost** – the increase in liabilities as a result of the scheme amendment of curtailment whose effect relates to years of service earned in earlier years. Debited to the surplus or deficit of services in the Comprehensive Income and Expenditure Statement as part of the Non-Distributed Costs.
- **Net Interest** on the net defined benefit liability (asset), i.e. net increase expense for the SRS – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit (asset) during the period as a result of contribution and benefit payments.

Re-measurements Comprising of

- The return on plan assets, excluded in net interest on the net defined liability (asset), charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses, changes in the net pensions' liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  Statutory provisions require the Joint Committee Fund balance be charged with the amount payable by the SRS to the pension fund or directly to pensioners in the year in relation to retirement benefits.

Discretionary Benefits

The Shared Service also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements.

1.7 Events After the Balance Sheet Date

These are events, both favourable and unfavourable that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period, the Statement of Accounts is then adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
- There are no post-balance sheet events to report.

1.8 Government Grants and Contributions

Government Grants, Third Party Contributions and Donations are recognised as due to the SRS when there is reasonable assurance that:

- The SRS will comply with the conditions attached to the payments; and
- The grant(s) or contributions will be received.

Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grants or contributions are credited to the Comprehensive Income and Expenditure Statement.

1.9 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the SRS is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the SRS.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement.

Assets are maintained in the Balance Sheet at fair value.

1.10 Leases

The Shared Regulatory Service does not have any operating or finance leases in 2025/26.

1.11 Overheads and Support Costs

The cost of SRS Overheads and Support services are apportioned out within the Comprehensive Income and Expenditure Statement. These costs sit with the relevant groupings within the statements concerned.

1.12 Inventories

The Shared Regulatory Service did not hold any inventory as at 31st March 2026.

1.13 Property Plant and Equipment

Vehicles, Plant and Equipment are included at cost (less depreciation where required).

Expenditure on the acquisition or creation of Property, Plant and Equipment is capitalised on an accrual's basis, provided that the future economic benefits or service potential associated with the item will flow to the SRS and the cost of the item can be measured reliably.

A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within the capital spend. Where a group of assets exceed £10,000 these would normally be considered de-minimis for capital expenditure.

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
- When decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve, or against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Impairment

Assets are assessed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount is estimated and if this is less than the carrying amount, an impairment loss is recognised for the shortfall. This is either set against the balance of the Revaluation Reserve if there have been previous valuation gains for the asset or it is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on all Plant and Equipment assets over their useful lives which is determined as being five years.

Depreciation is calculated on the following basis:

- Vehicles, plant, furniture and equipment – over the five-year life of the asset

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made when an event has taken place that gives the SRS a legal or constructive obligation that probably requires settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and expenditure Statement in the year that the SRS becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. The Shared Regulatory Service did not hold any provisions as at 31st March 2026.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the SRS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly in the control of the SRS. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the SRS a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SRS.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.15 Specific Reserves

These reserves represent sums of money that are voluntarily set aside for specific purposes.

1.16 Value Added Tax

Income and expenditure exclude any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

2. Accounting Standards that have been issued but have yet to be adopted.

At the balance sheet date, there are some standards introduced by the 2026/27 Code that have not been adopted and these are listed below, however, they are expected to have very little impact on the Shared Regulatory Services accounts.

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the SRS would have made certain judgements about complex transactions or those involving uncertainty about future events. However, there are none known at the date of the report.

There is a high degree of uncertainty about future levels of funding for local government. However, the SRS has determined that this uncertainty is not yet sufficient to provide an indication that the Service may need to reduce levels of service provision.

4. Events after the Balance Sheet Date

The Unaudited Statement of Accounts was authorised for issue by the Head of Finance (Section 151 Officer) on 24th June 2026.

Events taking place after this date are not reflected in the financial statements or notes. There have been no post balance sheet events prior to this date that have been reflected in the Statement of Accounts. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified.

- Those that provide evidence of conditions that existed at the end of the reporting period, the Statement of Accounts is adjusted to reflect such events.

- Those that are indicative of condition that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

5. Prior Period Adjustments

A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do note give rise to a prior period adjustment but are accounted for prospectively.
Changes in accounting policies are only made when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of the transactions, other events and condition of the SRS's financial position or financial performance. When a change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

There are no prior period adjustments to report within the 2024/25 financial statements.

6. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the SRS about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Joint Committee's Balance Sheet as at 31st March 2026 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Property Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Useful lives will impact on depreciation calculations. For assets such as Vehicles and Equipment (5 years) standard asset lives are used unless evidence is available to the contrary.

The SRS holds no infrastructure assets such as operational buildings which would be directly affected by a change to the real estate market.

Debtors

There are no significant debts held by the Shared Regulatory Service in excess of a year old as at 31st March 2026. However, a provision of £33k in respect of bad and doubtful debts has been included within the 2025/26 Statements, with all other debts considered to be recoverable.

Pensions Liability

Pensions are provided under the Local Government Pension Scheme, with the Shared Regulatory Service being a member of the Cardiff and Vale Pension Fund, administered by Cardiff Council. Employees and employers contribute to the fund, along with investment income and growth generated.

A triennial valuation is caried out on the fund. The value of the pension liability as at 31st March 2026 being £nil, which represents a reduction of £0.7m from the previous year as illustrated on the balance sheet.

Estimation of the net liability to pay pensions depends on a number of complex judgements related to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Cardiff and Vale Pension Fund with expert advice about assumptions to be applied. The actuarial report is based on the newest triennial valuation carried out at 31st March 2025.

Future Period Budget Pressures

In accordance with the Joint Working Agreement, as signed by all partner authorities on the 1st May 2015, the revenue budget must be agreed by 31st December in the year preceding the year to which it relates. All amendments to the revenue budget are progressed in the following financial year.

Material Items of Income and Expenditure

The Shared Regulatory Service does not have any material items of income and expenditure to report that require any further explanation.

7. Note to the Expenditure and Funding Analysis

Notes to the Expenditure and Funding Analysis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts

	Pension Interest Adjustment £'000	Adjustments for Capital Purposes £'000	Net Change for Pensions Adjustment £'000	Accrued Annual Leave £'000	Total Adjustment £'000
Authority Specific – Licensing	(1)	0	(7)	9	**1**
Authority Specific – Other	(1)	(42)	(4)	7	**(40)**
Animal Welfare Services	(1)	7	(2)	2	**6**
Environmental Services	0	0	(1)	1	**0**
Food Services	(2)	(0)	(8)	7	**(3)**
Health & Safety and Communicable Disease	(1)	0	(5)	4	**(2)**
Housing Services	(1)	0	(6)	6	**(1)**
Pollution	(1)	0	(5)	5	**(1)**
Trading Standards	(2)	(9)	(12)	10	**(13)**
Net Cost of Services	**(10)**	**(44)**	**(50)**	**51**	**(43)**
Contributions from LAs	0	0	0	0	**0**
Profit on Disposal of Asset	0	0	0	0	**0**
Pensions Interest Payable	10	0	0	0	**(10)**
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit	**0**	**(44)**	**(50)**	**51**	**(43)**

Notes to the Expenditure and Funding Analysis 2025/26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts

	Pension Interest Adjustment £'000	Adjustments for Capital Purposes £'000	Net Change for Pensions Adjustments £,000	Accrued Annual Leave £'000	Total Adjustment £'000
Authority Specific – Licensing	(1)	0	(65)	(8)	**(74)**
Authority Specific – Other	(1)	8	(42)	(5)	**(40)**
Animal Welfare Services	0	6	(16)	(2)	**(12)**
Environmental Services	(2)	0	(13)	(1)	**(16)**
Food Services	(1)	0	(78)	(8)	**(87)**
Health & Safety and Communicable Disease	(1)	0	(56)	(4)	**(61)**
Housing Services	(1)	0	(29)	(3)	**(33)**
Pollution Services	(1)	0	(41)	(4)	**(46)**
Trading Standards	(2)	17	(100)	(11)	**(96)**
Net Cost of Services	**(10)**	**31**	**(440)**	**(46)**	**(465)**
Contributions from LAs	0	0	0	0	**0**
Interest Receivable	0	0	0	0	**0**
Past Service costs Payable	10	0	0	0	**10**
Difference between the General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or deficit	**0**	**31**	**(440)**	**(46)**	**(455)**

Adjustments for Capital Purposes

- Depreciation/ impairment and revaluation gains and losses are added in.
- Adjustments for disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Net Change for the Pensions Adjustments

This adjustment relates to the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income which means:

- The replacement of the employer pension contributions with current service costs and past service costs.
- The net interest on the defined benefit liability is charged to the Other Income and Expenditure line.

Accrued Annual Leave

- Adjustments are made for accrued staff annual leave. The balances of leave held at 31st March 2026 reflect a decrease from 2024/25 levels.

8. Note to the Comprehensive Income and Expenditure Statement

2025/26	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific – Licensing	1,549	293	0	**1,842**	0	(2)	**(2)**	**1,840**
Authority Specific – Other	1,041	104	8	**1,153**	0	(113)	**(113)**	**1,040**
Animal Welfare Services	312	74	6	**392**	0	(34)	**(34)**	**358**
Environmental Services	288	60	0	**348**	0	(66)	**(66)**	**282**
Food Services	1,477	90	0	**1,567**	0	(45)	**(45)**	**1,522**
Health & Safety and Communicable Disease	827	332	0	**1,159**	0	(82)	**(82)**	**1,077**
Housing Services	1,003	54	0	**1,057**	(7)	9	**2**	**1,059**
Pollution	834	61	0	**895**	0	3	**3**	**898**
Trading Standards	2,083	544	17	**2,644**	(923)	(214)	**(1,137)**	**1,507**
Net Cost of Services	**9,414**	**1,612**	**31**	**11,087**	**(930)**	**(544)**	**(1,474)**	**9,583**
<u>Finance & Investment Income & Expenditure</u>								
Contributions from Local Authorities				**0**			**(9,775)**	**(9,775)**
(Profit)/Loss on Disposal of Asset				**0**			**0**	**0**
Transfer to Reserves				**0**			**(267)**	**(267)**
Increase in POCA reserve							**(18)**	**(18)**
Interest Receivable (**Note 25**)				**0**			**(29)**	**(29)**
Recovery of Prior Year Overspend				**0**			**(243)**	**(243)**
Pension Past service (**Note 23**)				**10**			**0**	**10**
Financing & Investment Income & Expenditure				**10**			**(10,332)**	**(10,322)**
(Surplus)/Deficit on Provision of Services				**11,097**			**(11,806)**	**(739)**

2024/25	Employee Expenses £'000	Other Expenses £'000	Depreciation/ Amortisation £'000	Gross Expenditure £'000	Grant Income £'000	Fees & Charges £'000	Gross Income £'000	Net Expenditure £'000
Authority Specific – Licensing	1,536	276	0	**1,812**	0	(7)	**(7)**	**1,805**
Authority Specific – Other	1,008	96	1	**1,105**	0	(46)	**(46)**	**1,059**
Animal Welfare Services	369	76	7	**452**	0	(31)	**(31)**	**421**
Environmental Services	247	62	0	**309**	0	(43)	**(43)**	**266**
Food Services	1,542	107	0	**1,649**	0	(41)	**(41)**	**1,608**
Health & Safety and Communicable Disease	979	32	0	**1,011**	0	(20)	**(20)**	**991**
Housing Services	967	70	0	**1,037**	(3)	(1)	**(4)**	**1,033**
Pollution	919	52	0	**971**	0	(6)	**(6)**	**965**
Trading Standards	2,332	411	13	**2,756**	(871)	(166)	**(1,037)**	**1,719**
Net Cost of Services	**9,899**	**1,182**	**21**	**11,102**	**(874)**	**(361)**	**(1,235)**	**9,867**
Finance & Investment Income & Expenditure				**0**				**(9,641)**
Contributions from Local Authorities				**0**			**(0)**	**(0)**
(Profit)/Loss on Disposal of an Asset				**0**			**(88)**	**(88)**
Repayment of Prior Year Underspend				**0**			**(7)**	**(7)**
Interest Receivable (**Note 25)**				**0**			**(36)**	**(36)**
Recovery of Prior Year Overspend				**0**			**(104)**	**(104)**
Pension Interest Payable (**Note 23**)				**10**				**10**
Financing & Investment Income & Expenditure				**10**			**(9,876)**	**(9,866)**
(Surplus)/Deficit on Provision of Services				**11,112**			**(11,111)**	**1**

9. Adjustments between Accounting Basis and Funding Basis Analysis

2024/25	SRS Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000
Accrued Staff Annual Leave	(51)	0	**(51)**	**51**
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(1,350)	0	**(1,350)**	**1,350**
Employers pension contributions and direct payments to pensions payable in year	1,400	0	**1,400**	**(1,400)**
Capital Expenditure funded from Revenue Balances	65	0	**65**	**(65)**
Amounts of non-current assets written off on disposal to CIES	0	0	**(0)**	**0**
Charges for Depreciation/Amortisation of Non-Current Assets	(21)	0	**(21)**	**21**
	43	**(0)**	**43**	**(43)**

2025/26	SRS Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000
Accrued Staff Annual Leave	46	0	**46**	**46**
Reversal of Items Relating to retirement benefits debited or credited to the CIES	(990)	0	**(990)**	**(990)**
Employers pension contributions and direct payments to pensions payable in year	1,440	0	**1,440**	**1,440**
Employers pension contributions related to Past service costs	(10)	0	**(10)**	**(10)**
Capital Expenditure funded from Revenue Balances	0	0	**0**	**0**
Amounts of non-current assets written off on disposal to CIES	0	0	**0**	**0**
Charges for Depreciation/Amortisation of Non-Current Assets	(31)	0	**(31)**	**(31)**
	455	**0**	**455**	**(455)**

10. Property, Plant & Equipment

	2025/26			2024/25		
	Vehicles £'000	**Equipment £'000**	**Total £'000**	**Vehicles £'000**	**Equipment £'000**	**Total £'000**
Cost/Valuation as at 1 April	393	82	**475**	328	82	**410**
Additions	0	0	**0**	65	0	**65**
Deletions	0	0	**0**	0	0	**0**
Cost/Valuation as at 31 March	**393**	**82**	**475**	**393**	**82**	**475**
Accumulated Depreciation and impairment as at 1 April	(278)	(82)	**(360)**	(257)	(81)	**(338)**
Depreciation charge	(31)	(0)	**(391)**	(21)	(1)	**(22)**
Write out Disposal Depreciation	0	0	**0**	0	0	**0**
Accumulated Depreciation and Impairment as at 31 March	**(309)**	**(82)**	**(391)**	**(278)**	**(82)**	**(360)**

Net Book Value	**Vehicles £'000**	**Equipment £'000**	**Total £'000**	**Vehicles £'000**	**Equipment £'000**	**Total £'000**
At 31 March 2025				**115**	**0**	**115**
At 31 March 2026	**84**	**0**	**84**			

11. Intangible Assets

The SRS accounts for its software as intangible assets. Software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the SRS. The carrying amount of intangible assets is amortised on a straight-line basis. The asset was fully amortised in 2021/22, with the software license now charged on an annual basis.

	Purchased Assets 2025/26 £'000	**Purchased Assets 2024/25 £'000**
Balance at start of year		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
Net carrying amount at start of year	**0**	**0**
Additions	0	0
Purchases	0	0
Amortisation	0	0
Other Disposals	0	0
Amortisation written off on disposal	0	0
Net carrying amount at end of year	**0**	**0**
Comprising		
Gross carrying amounts	117	117
Accumulated Amortisation	(117)	(117)
Net carrying amount at end of year	**0**	**0**

12. Related Party Transactions

In accordance with IAS 24, the Joint Committee has a duty to disclose any material transactions with a related party. This is to ensure that financial statements contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them.

All cash transactions are administered by the Vale of Glamorgan Council (Host Authority) as the Shared Regulatory Service does not operate its own bank account. As at 31st March 2026, the Joint Committee was owed £397k from the Council relating to these transactions. During the year, transactions with Related Parties arose and are shown in the following table while debtor and creditor balances at year end are detailed in **Notes 15 and 16.**

2025/26 Expenditure £'000	2025/26 Income £'000		2024/25 Expenditure £'000	2024/25 Income £'000
23	(1,859)	Bridgend CBC	69	(1,937)
170	(5,779)	The City of Cardiff Council	173	(5,734)
378	(1,879)	Vale of Glamorgan Council	436	(1,769)
571	**(9,517)**	**Total**	**678**	**(9,440)**

The Shared Regulatory Service also delivers rechargeable services on behalf of other Local Authorities of £62k in 2025/26.

The SRS continues to provide support to the Cardiff and Vale health board. In the 2025/26 financial year we have delivered £519k of rechargeable services.

Welsh Government effect and influence the SRS via legislation and grant funding. As at 31st March 2026 there are no sums in respect of grants outstanding from Welsh Government.

Pension contributions are made to Cardiff and the Vale Pension Fund in respect of Joint Committee Employees. Interests of Members of the Joint Committee are maintained in a register held by their own Local Authority.

13. Audit Fees

2025/26 £'000		2024/25 £'000
19	Audit Wales Fees	28
19	**Total**	**28**

The 2024/25 fee reflects the charge by Audit Wales for the completion of the audit. Due to additional time needed to complete the audit an additional charge of £10k was included.

14. Leases

There are no long-term agreements as at the Balance Sheet date. The Joint Committee holds no leased assets.

15. Debtors

2025/26 £'000		2024/25 £'000
5	Central Government Bodies	13
31	Bridgend County Borough Council	18
589	City and County of Cardiff Council	538
56	Other Local Authorities	5
0	Vale of Glamorgan Council	0
618	NHS Bodies	393
129	Public Corporations and Trading Accounts	47
0	Other Entities and Individuals (including trade debtors)	0
1,428	**Total**	**1,014**
(33)	Provision for Bad and Doubtful Debts	**(17)**
1,395	**Balance as at 31st March**	**997**
397	Cash Owed from the host authority	**432**
1,792	**Balance as at 31st March (including cash owed from host authority)**	**1,429**

There are 92 unpaid debtor balances that are in excess of a year old, therefore, a £33k provision for Bad and Doubtful Debt has been made within the 2025/26 accounts. The SRS periodically receives a portion of any seized funds from proceeds of crime, however as these timings and values are unknown until confirmation via the home office these cannot be included as debtors at year-end.

16. Creditors

2025/26 £'000		2024/25 £'000
(20)	Central Government Bodies	(12)
(116)	Bridgend County Borough Council	(69)
(197)	City And County of Cardiff Council	(133)
0	Vale of Glamorgan (Host Authority)	(0)
0	NHS Bodies	(0)
0	Public Corporations and Trading Funds	(0)
(158)	Accumulated Absences	(204)
(53)	Receipts in Advance	(37)
(55)	Other Entities and Individuals	(78)
(599)	**Balance as at 31st March**	**(533)**
0	Cash Owed to the host authority	**0**
(599)	**Balance as at 31st March (including cash owed to the host authority)**	**(533)**

17. Movement on Usable Reserves

The General Fund balance is a distributable revenue reserve, which consists of the accumulated surpluses of the Shared Regulatory Services' operations.

	General Reserves £'000	Earmarked Reserves £'000	Other Reserves £'000	Total Usable Reserves £'000
Balance as at 1st April 2024	**(494)**	**(24)**	**(17)**	**(535)**
POCA Reserve movements	0	(8)	**0**	(8)
Recovery of 24/25 overspend	(103)	0	**0**	**(103)**
Recovery of Ringfenced income	0	(88)	**0**	**(88)**
2024/25 Overspend	243	0	**0**	**243**
Balance as at 31st March 2025	**(354)**	**(120)**	**(17)**	**(491)**
Balance as at 1st April 2025	**(354)**	**(120)**	**(17)**	**(491)**
POCA Reserve movements	0	(18)	**0**	(18)
Recovery of 24/25 overspend	(243)	0	**0**	**(243)**
Reserve movements in year	59	(327)	**0**	**(268)**
2025/26 Overspend	245	0	**0**	**245**
Balance as at 31st March 2026	**(293)**	**(465)**	**(17)**	**(775)**

18. Movement on Other Long-Term Liabilities

2025/26 £'000	Other Long-Term Liabilities	2024/25 £'000
(609)	**Balance as at the 1st April**	(490)
	Drawdown to fund Operating Activities	0
33	Increase to funds received in the year	(119)
576	**Balance as at the 31st March**	**(609)**

These funds are received from the Home Office as part of the Asset Recovery Incentivisation Scheme (ARIS), plus some funds seized as part of ongoing SRS cases that will be held until otherwise instructed by the court. The funds are generated within the Trading Standards discipline.

These funds also include the deferred element of a new SRS income source. Previously all licensing income was collected and held by the partner authorities, but a new 3-year license was required this year for some businesses. The carry value of income due to be released in later financial years is split between short-term and long-term liabilities.

19. Movement on Unusable Reserves

	Pension Reserves £'(000	Accumulated Absences £'000	Capital Adjustment £'000	Total Unusable Reserves £'000
Balance as at 1st April 2024	**(780)**	**(153)**	**71**	**(862)**
Increase/(Decrease)	80	(51)	44	73
Balance as at 31st March 2025	**(700)**	**(204)**	**115**	**(789)**
Balance as at 1st April 2025	**(700)**	**(204)**	**115**	**(789)**
Increase/(Decrease)	700	46	(31)	715
Balance as at 31st March 2026	**0**	**(158)**	**84**	**(74)**

20. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

2025/26 £'000	Pensions Reserve	2024/25 £'000
(700)	**Balance as at the 1st April**	**(780)**
260	Re-measurements of net defined liability/(asset)	30
(10)	Past service costs	0
(990)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,350)
1,440	Employers pension contribution and direct payments to pensioners payable in the year	1,400
0	**Balance as at the 31st March**	**(700)**

21. Short Term Accumulated Absence Account

The short-term accumulated absence account absorbs the differences that would otherwise arise on SRS reserves from accruing for compensated absences earned but not yet taken in the financial year i.e. annual leave carried forward at 31st March. Statutory arrangements require that the impact on the SRS Fund Balance is neutralised by transfers to/from the Account.

During 2025/26 we have seen a change in the recent trend and a return to greater utilisation of annual leave available to staff. We believe this to be as a result of the relief of some pressures within the service due to a reduction in vacant posts and have therefore noted a subsequent decrease in the accumulated absences carrying value for the period.

2025/26 £'000	Accumulated Absences Account	2024/25 £'000
(204)	**Balance as at 1st April**	**(153)**
(158)	Amounts accrued at the end of the current year	**(204)**
204	Reversal of prior year accrual	153
(158)	**Balance as at 31st March**	**(204)**

22. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption on non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

2025/26 £'000	Capital Adjustment Account	2024/25 £'000
115	**Balance as at 1st April**	**71**
(31)	Charges for depreciation of Non-Current Assets	(21)
0	Amortisation of Intangible Assets	0
	Write out vehicle net disposal costs	0
0	Capital Expenditure charged against the Joint Committee Balance (CERA)	65
84	**Balance as at 31st March**	**115**

23. Retirement Benefits Defined Benefit Schemes

Local Government Pension Scheme Funded Benefits

The disclosures below relate to the Joint Committee's share of the funded liabilities within the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31st March 2014 linked to the final salary. Benefits earned after 31st March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits to be paid over the period covered by this disclosure are set out in the 'Local Government Pension Scheme (Transitional Provision, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions is set out in the 'LGPS Regulations 2013' and the Fund's Funding Strategy Statement. The last actuarial valuation was on 31st March 2025.

The Fund Administering Authority, City and County of Cardiff is responsible for the governance of the Fund. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the fund over the next accounting period.

Liabilities have been estimated by an independent qualified actuary on an actuarial basis using the projected unit credit method.

2025 Actuarial Valuation

These results allow for the 2025 Actuarial Valuation of the Fund. The effect of allowing for this is shown in the Actuarial (gains)/losses due to the liability experience and the Return on plan assets (in excess of)/below that recognised in net interest and is reflected in the balance sheet position. The Current Service Cost has been updated to reflect the employer's membership data at the 2025 valuation.

Roll Forward Approach

The roll forward approach is a method of approximately calculating pension scheme assets and liabilities by adjusting the results of the last full actuarial valuation exercise.

Assets Returns

Asset Returns over the accounting period have been higher than expected. This has led to an increase on assets over the accounting period and an improvement on the balance sheet position before allowance for the 2025 valuation.

Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.40%, the CPI inflation assumption has increased by 0.30%, and the salary increase assumption has reduced by 0.30%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

Demographic Assumptions

There has been a change to the demographic assumptions at this accounting date. The impact of this change has been recognised in Other Comprehensive Income.

All mortality assumptions are based on an analysis of the Fund's recent mortality experience that was carried out in advance of the 2025 Valuation of the Fund using

Aon's Demographic Horizons longevity model. Different rates may apply in respect of those that have retired or are assumed to retire due to ill health retirement.

At this accounting date we propose to adopt the CMI_2025 mortality projection model with core parameters with the exception of the A parameter (initial addition to mortality improvements) which we recommend is set at 0.5% to recognise that members of defined benefit schemes generally experience faster rates of longevity improvement relative to the UK population this is consistent with the approach last year.

We also recommend a long-term improvement rate of 1.25% per annum which is consistent with last year.

The other demographic assumptions are the rates of withdrawal and ill health retirement (for active members) the allowances made for cash commutation on retirement the proportion of members whose death gives rise to a dependents pension and the assumed levels of promotional salary increases.

Key Assumptions

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS purposes were:

	31st March 2026 % per annum	**31st March 2025 % per annum**
Discount Rate	6.20%	5.80%
CPI Inflation	2.80%	2.50%
Rate of Increase to Pensions in Payment	2.80%	2.50%
Pension Accounts Revaluations Rate	2.80%	2.50%
Rate of Increase in Salaries	3.80%	3.50%

- The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated based on the output of the most recent valuation exercise of the Employer's funded liabilities.
- Employers may also prepare a separate disclosure note for their unfunded benefit schemes' which pay pensions awarded at retirement on a discretionary basis. The duration of the unfunded liabilities will usually be shorter than the duration of the LGPS benefits. In the interest of pragmatism and practicality it is recommended that the financial assumptions used to report the unfunded scheme liabilities are the same as those used for valuing funded benefits.
- Pension increases on pension in excess of the Guaranteed Minimum Pension in payment where appropriate.
- It is recommended that the assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases.

- The defined benefit obligation has been adjusted to allow for salary increases. This impacts the value of active members' liabilities that remain linked to final salary.
- The mortality tables shown apply to normal health retirements. Different rates may apply to retirements in ill health.

Post Retirement Mortality (Retirement in Normal Health)

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2025 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectations at age 65 in normal health resulting from these mortality assumptions are shown below.

Post Retirement Mortality	31st March 2026	31st March 2025
Males		
Pensioner Member Aged 65 at Accounting Date	22.3	21.9
Active Member Aged 45 at Accounting Date	22.6	22.2
Females		
Pensioner Member Aged 65 at Accounting Date	24.6	24.2
Active Member Aged 45 at Accounting Date	25.3	25.0

The majority of the Fund's obligations are to provide benefits for the life of a member following retirement, so increases in life expectancy will result in an increase in liabilities.

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to these notional assets. The Fund is sizeable and largely liquid, and as a consequence there will be no significant restriction on realising assets if the situation arises. The assets are invested in a diversified spread of investments and the approximate split for the Fund as a whole is included in the disclosures.

The Administering Authority does not invest in property or assets related to itself. It is possible, however, that assets may be invested in shares relating to some of the private sector employers participating in the Fund if it forms part of their balanced investment strategy.

Asset Allocation

	Asset Split as at 31st March 2026	Asset Split as at 31st March 2025
Quoted Equities	68.10%	67.60%
Property	5.20%	5.80%
Government Bonds	7.20%	7.50%
Corporate Bonds	4.40%	5.10%
Multi Asset Credit	5.10%	5.20%
Cash	0.50%	0.50%
Other	9.50%	8.30%
Total	**100.00%**	**100.00%**

Reconciliation of Funded Status to Balance Sheet

	Value at 31st March 2026 £M	Value at 31st March 2025 £M
Fair Value of Assets	49.060	44.350
Present Value of Funded Defined Benefit Obligation	(37.050)	(35.070)
Funded Status	**12.010**	**9.280**
Unrecognised Asset	(12.010)	(9.280)
Additional liability due to minimum funding requirement	0	(0.700)
(Liability) Recognised on the Balance Sheet	**0.00**	**(0.700)**

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active Members	62%
Deferred Pensioners	14%
Pensioners	24%

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Furthermore, the assets at exit in respect of ‘Orphan Liabilities’ may in retrospect not be sufficient to meet the liabilities. The risk may fall on other employers. ‘Orphan Liabilities’ are currently a small proportion of the overall liabilities in the Fund.

Duration of Liabilities

The Employer's regular contribution to the Fund for accounting period ended 31st March 2026 are estimated to be £1.16m, with the duration of liabilities being 17.9 years.

Breakdown of Amounts Recognised in Surplus/Deficit on the Provision of Services and Other Comprehensive Income

	Period Ending 31st March 2026	Period Ending 31st March 2025
Operating Cost	**£M**	**£M**
Current Service Cost	0.99	1.34
Past Service Cost (including curtailments)	0.01	0.00
Settlement Cost	0.00	0.00
Financing Cost		
Interest on Net Defined Benefit Liability/(Asset) before asset restriction	(0.58)	(0.01)
Interest on unrecognised asset	0.54	0.00
Interest on additional liability due to minimum funding requirement	0.04	0.02
Pension Expense Recognised in Surplus or Deficit	**1.00**	**1.35**
Re-measurements in Other Comprehensive Income		
Return on Plan Assets (in excess of)/below that recognised in Net Interest	(0.62)	0.46
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.61)	(9.75)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0.30	(0.35)
Actuarial (gains) losses due to liability experience	(0.78)	0.05
Actuarial loss/ (Gain) due to restriction surplus	2.19	9.28
Actuarial (Gains)/Losses due to minimum funding requirement	(0.74)	0.28
Total Amount Recognised in Other Comprehensive Income	**(0.26)**	**(0.03)**
Total Amount Recognised in Comprehensive Income & Expenditure	**0.74**	**1.32**

The current service costs included an allowance for the administration expenses of £0.04M at 31st March 2026.

Changes to the Present Value of the Defined Obligation During the Period

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Opening Defined Benefit Obligation	**35.07**	**41.88**
Current Service Cost	0.99	1.34
Interest Expense on Defined Benefit Obligation	2.04	1.97
Contribution by Participants	0.50	0.49
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(0.61)	(9.75)
Actuarial (Gains)/Losses due to Changes in Demographic Assumptions	0.30	(0.35)
Actuarial (Gains)/Losses due to Liability Experience	(0.78)	0.05
Net Benefits Paid Out	(0.47)	(0.56)
Past Service Cost Including Curtailments	0.01	0.00
Net Increase in Liabilities from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing Defined Benefit Obligation	**37.05**	**35.07**

Changes to the Fair Value of Assets during the Accounting Period

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Opening Fair Value of Assets	**44.35**	**41.50**
Interest Income on Assets	2.62	1.98
Re-measurements Gains/(Losses) on Assets	0.62	(0.46)
Contributions by the Employer	1.44	1.40
Contribution by the Participant	0.50	0.49
Net Benefits Paid out	(0.47)	(0.56)
Net increase in Assets from Disposals/Acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing Fair Value of Assets	**49.06**	**44.35**

Actual Return on Assets

	Period Ending 31st March 2026 £M	Period Ending 31st March 2025 £M
Interest Income on Assets	2.62	1.98
Re-measurements Gains/(Losses) on Assets	0.62	(0.46)
Actual Return on Assets	**3.24**	**1.52**

Estimated Pension Expense in Future Periods

Detailed below in an estimate of the charges to the profit and loss account in future periods, based on the actuarial assumptions as at 31st March 2026.

Funded Benefits	Period Ending 31st March 2028 £M	Period Ending 31st March 2027 £M
Interest on net defined benefit liability	(0.04)	(0.04)
Current Service cost	1.10	1.01
Actual Return on Assets	**1.06**	**0.97**
Allowance for administration expenses included in Current Service Cost (£M)	**0.05**	**0.05**
Estimated pensionable payroll over the period (£M)	**8.02**	7.73

Sensitivity Analysis of Projected Service Costs 2025/26

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be inter-related. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those in the previous period. Projected service cost in the sensitivity analysis below is the projected service cost for the period ending 31st March 2026.

Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Obligation (£M)	36.38	37.05	37.72
% Change in Present Value of Total Obligation	(1.8%)		1.8%
Projected Service Cost (£M)	0.97	1.01	1.05
Approximate % Change in Projected Service Cost	(4.1%)		4.2%

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	37.16	37.05	36.94
% Change in Present Value of Total Obligation	0.3%		(0.3%)
Projected Service Cost (£M)	1.01	1.01	1.01
Approximate % Change in Projected Service Cost	0.0%		0.0%

Rate of Increase to Pensions and Rate of Revaluation of Pension Accounts

Adjustment to Pension Increase Rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present Value of Total Obligation (£M)	37.61	37.05	36.49
% Change in Present Value of Total Obligation	1.5%		(1.5%)
Projected Service Cost (£M)	1.05	1.01	0.97
Approximate % Change in Projected Service Cost	4.2%		(4.1%)

Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption	- 1 year	Base Figure	+ 1 year
Present Value of Total Obligation (£M)	37.90	37.05	36.20
% Change in Present Value of Total Obligation	2.3%		(2.3%)
Projected Service Cost (£M)	1.05	1.01	0.97
Approximate % Change in Projected Service Cost	3.5%		(3.5%)

- A rating of +1 year means that members are assumed to follow the mortality pattern for the base table for an individual that is 1 year older than them.

24. Employee Emoluments

Officers Remunerated in Excess of £60,000

The number of employees whose remuneration, excluding employer's pension contributions but including redundancy costs, were over £60,000 or more in bands of £5,000 are shown below. This includes the members of senior leadership within the service.

Remuneration Band	2025/26 No of Employees	2024/25 No of Employees
£60,000 - £64,999	2	1
£65,000 - £69,999	3	3
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	1
£100,000 - £104,499	0	0
£105,000 - £109,999	1	0
£110,000 - £114,999	0	0

Senior Management

Four senior officers within Shared Regulatory Services breached the £60,000 salary threshold in both 2024/25 and 2025/26. As shown in the tables below:

Senior Officer Emoluments 2025/26	Salary £	Pension Contributions £	Total Remuneration £
SRS Head of Service	106,158	19,814	**125,972**
Commercial Services OM	67,087	12,948	**80,035**
Neighbourhood Services OM	67,087	12,948	**80,035**
Enterprise & Specialist Services OM	67,087	12,948	**80,035**
Total	**307,419**	**58,658**	**366,077**

Senior Officer Emoluments 2024/25	Salary £	Pension Contributions £	Total Remuneration £
SRS Head of Service	97,319	18,783	**116,102**
Neighbourhood Services OM	65,006	12,546	**77,552**
Enterprise & Specialist Services OM	65,006	12,546	**77,552**
Commercial Services OM	65,006	12,546	**77,552**
Total	**292,337**	**56,421**	**348,758**

The Management Committee members of the Shared Regulatory Services Joint Committee are employed directly by the partner authorities, and their remuneration is not reflected in the accounts or the remuneration disclosures.

The Pension Contribution shown above includes the deficit recovery element of the contributions made to Cardiff and Vale Pension Fund.

The designated Section 151 Officer for the Joint Committee is the Section 151 Officer for the Vale of Glamorgan Council as host authority. No remuneration for this post has been charged to the accounts or is included in the disclosure notes.

Exit Packages

There were no exit packages paid in either 2025/26 or 2024/25.

25. Interest

Interest is paid based on monthly average cash balances due to/from the Vale of Glamorgan Council. The decrease in the 2025/26 average interest earned is the direct result of an increase on asset balances held by the SRS.

	2025/26 £	**%**	**2024/25 £**	**%**
Interest (Charged)/Received on the SRS Account Balances	29,090	4.01	£36,180	4.8%

26. Contingent Liability

Virgin Media Ruling and Pension Liability

There are potential financial impacts associated with a recent Virgin Media ruling in respect of Pension Funds. The Council's Actuary have advised that there is no consideration of any potential impact as part of the review reflected in the 2025/26 accounts. The Government is proposing to legislate to allow retrospective validation of certain scheme changes through the 2024 Pension Schemes Bill which is expected to be a significant step forward in addressing potential issues arising from the ruling.

Comprehensive Glossary

Accounting Period

The period of time covered by the accounts, typically a period of 12 months commencing on 1st April. The end of the accounting period is the balance sheet date.

Accounting Policies

The specific principles, bases, conventions, rules and practices applied by the Council on behalf on the Joint Committee in preparing and presenting its financial statements.

Accruals

Amounts included in the final accounts to recognise revenue and capital income and expenditures earned of incurred in the financial year, but for which actual payment had not been received or made as at 31st March.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because of events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses); or the actuarial assumptions have varied.

Amortisation

The gradual elimination of a liability, such as a loan, funded in regular payments over a specified period of time. Such payments must be sufficient to cover both principal and interest.

Asset

An item having value to the authority in monetary terms. Assets are classed as either current or non-current;

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a building or vehicle, or intangible e.g. computer software licenses.

Balance Sheet

A statement in the recorded assets, liabilities and reserves at the end of the accounting period.

Capital Financing

Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Comprehensive Income and Expenditure Account

The revenue account of the Shared Regulatory Service (SRS) that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from budgeted contributions, grants and other income.

Creditor

Amount owed by the SRS for works done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current period.

Debtor

Amount owed to the SRS for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Depreciation

The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the SRS's non-current assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.

Discretionary Benefits (Pensions)

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's (Vale of Glamorgan Council as Host) discretionary powers such as the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.

Effective Interest Rate

This is the rate of interest needed to discount the estimated stream of principal and interest cash flows through the expected life of a financial instrument to equal the amount at initial recognition.

Employee Benefits

All forms of consideration given by the SRS in exchange for services rendered by its employees.

Events After the Balance Sheet Date

Events after the balance sheet date are those events, favourable or unfavourable, that arise between the balance sheet and the date when the Statement of Accounts is authorised for issue.

Exceptional Items

Material items which derive from affairs or transactions that fall within the ordinary activities of the SRS and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected Return on Pension Assets

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

Extraordinary Items

Material items, having a high degree of abnormality, which drive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

Fair Value

The fair value of an asset is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's-length transaction.

Financial Instruments

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

Going Concern

The concept that the Statement of Accounts are prepared on the assumption that the SRS will continue in operational existence for the foreseeable future.

Impairment

A reduction in the value of a non-current asset to below its carrying amount on the balance sheet. Impairment may be caused by a consumption of economic benefit (economic benefit impairment) of a general fall in prices.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are most frequently found in local authority computer software.

Liability

A liability is where the SRS owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an accrual sum over a period of time.

Materiality

The concept that the Statement of Accounts should contain all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead the user of the accounts.

Net Book Value

The amount at which non-current assets are included in the balance sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation and impairment.

Past Service Cost (Pensions)

For a defined pension scheme, the increase in the present value of the scheme's liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

Pension Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Prior Year Adjustment

Material adjustments relating to prior years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring correction or adjustments of accounting estimates made in prior years.

Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur, but the amounts or dates of when they will arise are uncertain.

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Re-measurement of Pension Liability

Changes to the pension liability made to reflect the return on plan assets and because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions.

Reserves

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available can be spent or earmarked at the discretion of the SRS.

Residual Value

The net realisable value of an asset at the end of its useful life.

Useful Economic Life (UEL)

The period over which the SRS will derive benefits form the use of a non-current asset.

Annual Governance Statement 2025/26

About Shared Regulatory Services

Shared Regulatory Services (SRS) came into being on 1st May 2015, having been commissioned by the three Local Authorities of:

- The City of Cardiff County Council
- Bridgend County Borough Council, and
- The Vale of Glamorgan Council.

SRS provides the Environmental Health, Trading Standards and Licensing functions across the three-Council region and in so doing serves just over a fifth of the population of Wales. Within this wide remit, many of the services delivered are statutory while others are non-statutory.

Scope of Responsibility

Shared Regulatory Services is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that financial contributions allocated by the partner Authorities are safeguarded, properly accounted for and used economically, efficiently and effectively. The SRS sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong transparent and responsive governance enables the SRS to put the residents of the SRS region first by pursing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain residents' confidence these mechanisms must be sound and seen to be sound.

The scope of the Service is captured in the Joint Working Agreement (JWA). Some of the functions provided are legally mandated, statutory requirements, including the role of the Weights and Measures authority and the duties under the Health and Safety at Work Act etc. Others are non-statutory but have been adopted to support the core Regulatory function and to support the corporate objectives of each partner Council. Examples include consumer advice and accreditation of landlords.

All of the Regulatory functions provided are underpinned by the following principles:

- This is a strategically led service with a clear focus upon the relevant corporate priorities of the partner authorities, i.e. safeguarding the vulnerable and promoting economic development.
- The use of a risk-based approach to all activities.
- The service meets standards set out in the Regulators Compliance Code and maximisation of resources through income generation and partnership working to promote public health and wellbeing.

The Shared Regulatory Service is *not* responsible for:

- Determination of licensing applications in relation to the Licensing Act 2003, the Gambling Act 2005, the Local Government Act 1976, the Town and Police Clauses Act 1847 or any licensing legislation where objections have been raised and an elected member decision is required;
- The decision to declare an air Quality Management area;
- Instituting legal proceedings in respect of prosecution, forfeiture or other Court process;
- House to Homes funding; or
- Anything that requires a council decision, e.g. Declaration of Additional Licensing area.

The participants have agreed and have formed a Joint Committee to provide the Shared Regulatory Service and have delegated to the Joint Committee the Regulatory Services Functions as set in in Schedule 1 Part 1 of the JWA.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which an organisation is directed and controlled, and activities through which it accounts to, engages with and leads the community. It enables an organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of aims and objectives. It also evaluates the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically. The following paragraphs summarise the overall governance framework and the system of internal control, which has been in place for the Shared Regulatory Services for the period covering 1st April 2025 to 31st March 2026.

The Governance Framework

The CIPFA/Solace governance framework “Delivering Good Governance in Local Government 2016” sets out the seven core fundamental principles of good governance as follows:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.

- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

This Governance Statement has used these principles to demonstrate how the overall governance arrangements for the Shared Regulatory Service for the period covering 1st April 2025 to 31st March 2026 are deemed to be satisfactory. The Governance Statement does not document policies, procedures and working practices under each of these principles, but instead provides an overview of the governance and internal control processes and systems.

Joint Working Agreement (Legal Agreement)

On 10th April 2015, all parties formally signed the Joint Working Agreement with an agreed commencement date of 1st May 2015. The Joint Working Agreement provides the governance framework within which the Service operates and allocates responsibility and accountability, as follows:

- The Host Authority
- The Joint Committee
- Management Board
- Head of Regulatory Services; and
- Financial Management.

The Joint Working Agreement is a detailed document which sets out the criteria and expectations for matters which include, but are not limited to:

- The role of the Joint Committee and Management Board including Terms of Reference;
- The role of the Head of Regulatory Services;
- Financial matters and Lead Finance Officer role;
- Levels of service to be provided;
- Employees;
- Records and access to information including Data Protection and information governance;
- Termination and rights to withdraw; and
- Governing law and jurisdiction.

The Joint Working Agreement is kept under review and was last updated in 2017 to take account of data governance considerations. This revision was agreed by the three partner Councils and formally reported to them.

The Host Authority

The Joint Working Agreement formally assigns the Vale of Glamorgan Council as the Host Authority for the Shared Regulatory Service. The Vale of Glamorgan Council provides all support services for all those services within scope (save for the day-to-day administration undertaken by staff in accordance with their duties), required, including but not limited to:

- Financial (Section 151 Officer as defined by section 151 of the Local Government Act 1972, Accounts, Payroll, Creditors etc.)
- Human Resources
- Health & Safety
- Legal and
- Internal Audit

The Management Board

Sitting beneath the Joint Committee on the governance structure is an officer Management Board (MB). The composition, operation and Terms of Reference of the MB are set out in the Joint Working Agreement at Schedule 3. The MB is described as a high-level project/sounding board which operates from a strategic and operational level. The MB comprises of "one officer representative from and nominated by each of the Participants and the Head of Regulatory Services". Therefore, the membership of the MB is as follows:

- Chief Officer Legal, HR and Regulatory Services (BCBC)
- Assistant Director Street Scene (CCC)
- Director of Environment and Housing (VoGC)
- Head of Shared Regulatory Services (VoGC)

Financial Management

Section 11 of the Joint Working Agreement provides the framework within which the finances of the Shared Regulatory Services operate. The Joint Committee has adopted the Financial Regulations and Standing Orders for Contracts (however expressed) of the Host Authority. In accordance with the requirements of the Joint Working Agreement, the Joint Committee considered SRS annual budget for 2026/27 at its December 2025 meeting, and by agreement deferred confirmation of the draft budget until an extraordinary meeting of the Joint Committee in January 2026.

Service Structure

At the commencement of the Shared Regulatory Service on 1st May 2015, some 170 "in- scope" employees had successfully transferred from BCBC and CC to the host employer (VoGC). The new structure for the Shared Regulatory Service was fully completed by 1st December 2015. The Service has approximately 178 Full Time

Equivalent (FTE) employees in total and is currently accessed and delivered through delivery hubs across the Bridgend, Cardiff and Vale boundaries.

Review of Effectiveness

Detailed within Schedule 5, of the JWA it states that the Host's external auditor (Auditor General for Wales) will be the external auditor of the Shared Regulatory Service. It also states that, following each year-end, the Host is required to prepare the annual accounts for the Joint Committee and Management Board and ensure that all relevant information is available for external inspection.

The Shared Regulatory Service also has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed, in part, by the work of Internal Audit but also by the work undertaken by the overall Shared Regulatory Service's Structure of which there are nine tiers, these being:

- Joint Committee
- Management Board
- Head of Shared Regulatory Services
- Operational Managers
- Team Managers
- Professional
- Senior Technical
- Technical and
- Business Support

During 2025/26 the Joint Committee received regular reports as set out in their "Dates and Deadlines" timetable which shows the meetings scheduled quarterly for a period up to twelve months. In addition, the Joint Committee's Terms of Reference are clearly set out in the JWA.

Service delivery

The continued squeeze on public sector finances, and the resultant need to make additional savings continues to be a significant challenge for the Service. This at a time of new areas of Government legislation and enforcement expectation which comes with no dedicated funding associated with it.

SRS continue to adopt a 'growing our own' approach in response to wider recruitment and retention pressures. This is already delivering positive outcomes.

Service challenges

The focus for 2026/27 will be on the following challenges:

- Recruitment and retention;
- The cost-of-living crisis;
- Climate change agenda and related enforcement

- The enactment of new areas of public protection law and government expectations around their enforcement without dedicated funding being made available to support this work; and
- Managing complex financial processes

Internal Audit

During 2025/26, Internal Audit undertook a review of the Shared Regulatory Services governance framework. The purpose of the audit is to provide assurance to the SRS Joint Committee, at its Annual General Meeting, on the adequacy and effectiveness of internal control, governance, and risk management arrangements. This includes assurance that financial controls and governance processes are operating effectively and in compliance with the Council's policies and procedures, including Financial Procedure Rules and Contract Procedure Rules.

The objectives of the review were to assess whether risks relating to internal control, governance and financial management have been appropriately identified and managed, and to evaluate the design and effectiveness of controls within systems and processes to mitigate those risks, ensuring they have operated consistently and in accordance with the Council's policies and procedures throughout the period under review.

Through testing, the auditor was able to determine that the control environment in relation to the governance arrangements over financial and other related controls including budget monitoring/reporting and procurement processes across the Shared Regulatory Services was deemed to have "Reasonable Assurance".

The Audit identified a number of strengths that are set out below -

- A Joint Working Agreement (JWA) is in place between the three local authorities in the Shared Regulatory Service (SRS). Additionally, a term of reference (TOR), clearly stating the delegated functions of Joint Committee & Management Board, is set out within the JWA.
- Joint Committee has held quarterly meetings during the 2025/26 financial year, as well as an extraordinary meeting held in December 2025 & February 2026. All agendas, minutes and reports pertaining to these meetings are publicly available on the Council's external website.
- As required in the JWA, the first meeting held after 31st May was the Annual Meeting on 25th June 2025.
- All Joint Committee meetings held in 2025/26 were quorate with at least one member present from each of the Partner Authorities.
- A Management Board, comprising of one Officer representative nominated by each Partner Authority along with the Head of SRS, is in place to support the Joint Committee.
- The 2025/26 SRS fees & charges were agreed by the Joint Committee on 18th December 2024, as evidenced in meeting minutes.

The Internal Audit was very comprehensive, and ten issues were identified and associated recommendations were made by internal audit.

- A review of all Partner Authorities respective Cabinet meeting minutes noted that the respective Cabinets of Bridgend County Borough Council and Vale of Glamorgan Council did not receive a report on the content of the Joint Committee Annual Meeting covering the 12-month period ending 31/03/2025.

- A review of all Partner Authorities respective scrutiny committee meeting minutes noted that the scrutiny committees of Bridgend County Borough Council and Vale of Glamorgan Council did not receive any reports (such as the SRS Business Plan) during the 2025/26 financial year.

- The Management Board meeting held on the 6th June 2025 was not quorate as a representative from one Partner Authority was not present. In line with the Management Board Terms of Reference, if the quorum necessary for a meeting is not reached the meeting should be re-convened.

- Sample testing of purchasing card spend identified that £50 (1 transaction) of gift vouchers had been purchased to reward volunteers for participating in underage test purchase operations. Evidence of approval from the S151 Officer to purchase the gift vouchers was provided however, this authorisation was not obtained prior to the purchase of the gift cards.

- No balance sheet, providing an up-to-date balance of transactions, is maintained for the cash float held in respect of the Cardiff Taxi Unit Imprest Account. Additionally, no access was available to the balance sheet retained in respect of the Wales Illegal Money Lending Unit Imprest Account due to the Account Holder being on maternity leave.

- Examination of petty cash expenditure identified 5 payments totalling £225.66 for fuel receipts. Whilst the records retained provided clarity that the fuel was for pool cars vehicles, Council guidance and the SRS Financial Control Briefing Note states that pool cars should be refuelled using either a Council fuel pump, assigned fuel card or, in emergency situations only, fuel expenses can be reclaimed through the iExpense system.

- Where petty cash is not accepted by external businesses subject to sample test purchases, staff will use their personal credit / debit cards and reclaim the costs back via Fusion’s iExpense Self Service.

- Sample testing of non-mileage staff expense claims identified 10 claims totalling £206.36 including 3 death certificates for Public Health Funerals, postage and printing costs, and USB sticks which are general business not staff expenses.

- Sample testing on non-mileage expense claims identified one expense claim charged to the SRS cost centre for an Officer that is not in a role within the SRS service area. A wider review of the SRS cost centres noted that the above Officer’s payroll costs

(£16,191.99 during 2025/26) have been incorrectly charged to an SRS cost centre since the Officer commenced employment with the Council in September 2025.

- Sample testing of 17 mileage claims totalling £1,556.35 (3,459 miles) in respect of 10 SRS Officers was undertaken. The re-calculation of the journey mileage claimed, based on the start / end journey narrative supporting the claims, identified 360 miles (£162.01 in respect of 8 Officers) which could not be verified.

The recommendations following the audit are set out below and a Management Action Plan will be completed in response to these recommendations.

1. The report presented at the Joint Committee annual meeting, outlining the functions delegated to Joint Committee for the 12-months ending 31st March of that year, should be presented to the Cabinet of each Participant as per the Joint Working Arrangement.

2. To strengthen current oversight arrangements, the SRS should ensure that it participates in scrutiny exercises for all Partner Authorities.

3. All Management Board meetings held should be quorate with a representative from all three Participant Authorities present and, where this is not met, the meeting should be re-convened.

4. The SRS should ensure prior approval for the purchase of gift vouchers should be obtained from the S151 Officer or Deputy S151 Officer in each instance and evidence retained.

5. In line with Financial Procedure Notes, a balance sheet, providing an up-to-date balance of transactions, should be maintained for the cash float held in respect of all Imprest Accounts and retained within a shared file.

6. In line with the SRS Financial Controls Briefing Note and Council guidance, the Imprest / Petty Cash Account(s) should not be used to reimburse staff for fuel expenses.

7. As recommended in the previous audit, the SRS should explore the use of corporate purchasing card(s) as a payment method for test purchases and establish with the Procurement Section if the appearance of such charge card has the potential to meet the requirements of covert test purchases.

8. The SRS should ensure that all general business expenditure is made within existing controls (i.e., Corporate Purchasing Cards) as opposed to being reclaimed through the iExpense system.

9. To facilitate accurate monitoring of expenditure, current arrangements should be strengthened by ensuring that expenditure charged to the SRS cost centres are periodically checked to confirm that all spend is relevant to the SRS service area.

10. All Officers & Expense Approvers should be reminded that mileage claims must be supported by full details of the visit undertaken, including all addresses / locations visited and whether the visit relates to overtime, as per Financial Procedure Rules.

Steps will now be taken through the Management Action Plan to address the areas identified with recommendations for improvement as part of the audit and steps taken to review processes and procedures.

Internal Audit has also completed a review of the Illegal Money Lending Unit. The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Illegal Money Lending Grant 2025/26. This review has determined substantial assurance in respect of the controls in this area, meaning that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied.

The 2025/26 Statement of Accounts will be audited by the Vale of Glamorgan's External Auditors – Auditor General for Wales and reported to the Joint Committee in accordance with the Joint Working Agreement.

Shared Regulatory Service Joint Committee

The Joint Working Agreement (signed and sealed by all the relevant participants) together with the participant Councils' Constitutions clearly demonstrate that officers are delegated to execute the Joint Working Agreement. The Joint Working Agreement has been reviewed to ensure it remains effective.

The Management Board has been set up in accordance with the Joint Working Agreement, and a schedule of meeting dates has been set for the year in accordance with the requirements of the Joint Committee. The Management Board continues to operate effectively and in accordance with its terms of reference.

In accordance with clause 5.1 of the Joint Working Agreement, the Head of Shared Regulatory Services and the Section 151 Officer are to prepare the Annual Report for the period 2025/26, which is to be presented to the Joint Committee in June 2025. Following the completion of the audit, the final Statement of Accounts will be presented to Committee to be approved and signed by the Committee Chair.

Significant Governance Issues

There were no significant governance issues to raise during 2025/26.

Definitions

Definition of Governance: A series of policies, roles, responsibilities and processes that set the way an organisation is directed, administrated and controlled.

Definition of a Significant Governance Issue: A specific area of the Organisation's work that requires Senior Management attention to ensure that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner, to support improved outcomes for local people.

Areas Identified for Improvement in 2026/27 (as per the 2025/26 AGS)

- Recruitment and retention building on successful growth your own strategy;
- Focus on new and emerging work streams such as;
  - The cost-of-living crisis;
  - Climate change agenda and related enforcement
  - The enactment of new areas of public protection law and government expectations around their enforcement without dedicated funding being made available to support this work; and
- Managing complex financial processes – develop new payment routes and income streams to support the sustainability of the service
- Improve reporting of SRS position to partner authority scrutiny committees.
- Improve adherence to Financial Procedure Notes for areas such as petty cash and expense claims.
- Utilise purchase cards for ad hoc low value expenditure
- Improve the quality and frequency of monitoring information for budget holders.

Certification of Annual Governance Statement

We can confirm, to the best of our knowledge and belief, this statement provides an accurate and fair view of the overall governance arrangements for the Shared Regulatory Services.

Signed:

Chair of the Shared Regulatory Services Joint Committee

Signed:
Matt Bowmer – Section 151 Officer