

Meeting of:	Shared Regulatory Services Joint Committee
Date of Meeting:	Tuesday, 21 March 2023
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Q3 2022/23 Shared Regulatory Services Revenue Monitoring Report
Purpose of Report:	To Provide the Partner Authorities with the Financial Performance of Shared Regulatory Services
Report Owner:	Miles Punter – Director of Environment and Housing
Responsible Officer:	Matt Bowmer – Head of Service / S151 Officer
Elected Member and Officer Consultation:	Head of Service for Shared Regulatory Services
Policy Framework:	This is a matter for Shared Regulatory Services

Executive Summary:

- The £8.331m 2022/23 Shared Regulatory Services (SRS) Budget was agreed by Committee on the 14th December 2021, which included an assumed 2% pay award.
- The July 2022 National Employers for Local Government Services pay offer was accepted late 2022, thus resulting in a budget shortfall of £268k - although this has been offset by vacancies in the service during 2022/23.
- The SRS Q3 forecast overspend also stands at £268k and includes an historical Cardiff Authority Specific budget shortfall of £200k relating to Taxi Licensing. The forecast outturn position is illustrated on the following table;

	Gross Budget	Forecast Outturn	Outturn Variance
Authority	£'000's	£'000's	£'000's
Bridgend	1,777	1,753	24
Cardiff	4,811	5,083	(272)
Vale	1,743	1,763	(20)
Total Gross Expenditure	8,331	8,599	(268)

- Use of the SRS reserve may be required to resolve part of the forecast overspend position.

Recommendation

1. That the position with regard to the 2022/23 forecast outturn position is noted.

Reason for Recommendation

1. That the members are aware of the position with regard to the 2022/23 forecast outturn position pertinent to the Board and relevant Scrutiny Committee.

1. Background

- 1.1 The 2022/23 Shared Regulatory Services (SRS) Gross Revenue Budget was approved on the 14th December 2021.
- 1.2 Two members of staff remain on secondments out of the Service. The associated cost of these secondments is being recovered from Welsh Government and Monmouthshire County Council. This has enabled staff to act up into more senior roles.
- 1.3 A small group of officers from across the Service continue to be seconded to support the regional Trace, Track and Process (TTP) teams to both Health Boards that cover the SRS region. From July 2022, this was reduced to supporting the Cardiff and Vale Health Board only.
- 1.4 The impact of the pandemic continues to have a visible bearing on the income generation ability of the Service.
- 1.5 The impact of cost pressures relating to cost of living price rises has intensified pressure on existing budgets.

2. Key Issues for Consideration

- 2.1 The Gross Revenue Budget and forecast outturn position for 2022/23 are shown in the tables below, with the position in respect of each of the partners detailed to include both Authority Specific and Core expenditure positions. As at Q3, the Service is forecasting a £268k overspend against a gross revenue budget of £8.331m, as illustrated in the following table:

	Gross Budget	Forecast Outturn	Outturn Variance
Authority	£'000's	£'000's	£'000's
Bridgend	1,777	1,753	24
Cardiff	4,811	5,083	(272)
Vale	1,743	1,763	(20)
Total Gross Expenditure	8,331	8,599	(268)

- 2.2 Multiple recruitment drives have been undertaken, however the Service continues to experience significant issues in attracting appropriate candidates to particular disciplines within the Service, which may also be due to a national

scarcity of resource being available. This position is then amplified further due to the cost of living price rises and the overall position of the economy.

- 2.3 The Service continues to work with local universities in the practical support of students who are enrolled on degree courses relevant to areas in the SRS such as supporting the Homes for Ukraine initiative within the Housing Team. Some of the students have now secured permanent posts within the Service as vacancies have arisen.
- 2.4 Staff have continued to work from home, with only skeleton staffing levels at the hubs.
- 2.5 A full breakdown of the forecast outturn position is shown in **Appendix 1**.

Authority Specific Services

- 2.6 The approved gross budget of £2.414m in respect of Authority Specific (AS) Services has a forecast overspend of £258k, as detailed in the following table:

	Gross	Forecast	Outturn
	Budget	Outturn	Variance
Authority	£'000's	£'000's	£'000's
Bridgend	434	412	22
Cardiff	1,468	1,727	(259)
Vale	512	533	(21)
Total AS Services	2,414	2,672	(258)

- 2.7 The £22k underspend at Bridgend, relates directly to a £17k underspend within Kennelling and Vets which is very much consistent to activity levels experienced in previous years. There is also a £5k underspend within Licensing as a result of carrying a part year vacant post.
- 2.8 The £259k overspend at Cardiff predominantly relates to a forecast £216k overspend within Taxi Licensing Section and is consistent with performance in previous years.
- 2.9 The combined £12k overspend within HMO Cathays and Plasnewydd is the result of increased salary costs resulting from the pay award, which was then partially offset by a part year vacant post.
- 2.10 Student Liaison is forecasting a balanced position.
- 2.11 The combined £31k overspend within Night Time Noise and Cardiff Port Health relates to increased staffing costs necessitated by the agreed 2022/23 pay award.
- 2.12 Overall the Vale is forecasted an aggregate £21k overspend.
- 2.13 Taxi Licensing has a forecast overspend of £26k which is as a result of increased staffing costs to enable staff to successfully navigate an increased workload.
- 2.14 Burials is forecasting a £7k overspend which is due to anticipated demand during the current economic climate. The forecast £3k overspend within Pest Control relates to the impact of the agreed pay award.
- 2.15 The forecast overspends within the Vale are then partially offset by an anticipated £15k underspend within Kennelling and Vets.

Core Services

2.16 The approved gross Core Services Budget for 2022/23 is £5.917m, which at Q3 is forecasting an overall overspend of £10k. The Core Service's budget is allocated in line with the population split across the participating authorities, as illustrated in the following table:

		Gross	Forecast	Outturn
		Budget	Outturn	Variance
Authority	%	£'000's	£'000's	£'000's
Bridgend	22.70%	1,343	1,341	2
Cardiff	56.49%	3,343	3,356	(13)
Vale	20.81%	1,231	1,230	1
Total Core		5,917	5,927	(10)

- 2.17 The £131k overspend within Animal Services is the result of increased costs relating to an additional horse seizure undertaken on welfare grounds, which occasioned a Criminal Behaviour Order being granted. A reduction in the cost of external support was accessed by the Service in respect of the stabling and veterinary care, therefore minimising the potential overall cost of the seizure.
- 2.18 The £8k underspend within Environmental Services relates to a part year vacant post, which was partially offset by the impact of the pay award.
- 2.19 An aggregate overspend of £141k is forecast within Housing Services and the Health & Safety and Communicable Disease Services which predominantly relates to the impact of the recently agreed 2022/23 pay award, plus additional officer time being undertaken to meet increased pressures.
- 2.20 The forecast underspend of £24K within Food relates to staff being diverted to support TTP activities, with this element of the Service now achieving a full complement of staff.
- 2.21 Pollution Services is forecasting an overall underspend of £42k, which is the result of the impact of the pay award, which has been partially offset by vacant posts.
- 2.22 The £188k Trading Standards underspend relates to a small number of vacant posts together with an anticipated underspend within Supplies & Services.

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

- 3.1 The revenue budget has been set in order to support services in the delivery of the SRS Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.
- 3.2 The revenue budget has been set and is monitored to reflect the 5 ways of working.

- 3.3 **Looking to the long term** – The setting of the revenue budget requires planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services are understood.
- 3.4 **Taking an integrated approach** – The revenue budget include services which work closely with other organisations to deliver services eg Health Boards via TTP.
- 3.5 **Involving partners in decisions** – As part of the revenue budget setting process there is open engagement between the SRS partners.
- 3.6 **Working in a collaborative way** – The SRS was created as a collaborative service in 2015, with the split of funding split in line with the population data which is updated on an annual basis.
- 3.7 **Understanding the root cause of issues and preventing them** – Monitoring the revenue budget is a proactive way of understanding the financial position of services in order to tackle issues at the source as soon as they become apparent.

4. Climate Change and Nature Implications

- 4.1 The SRS Annual Business Plan details illustrates how the Service is working towards reducing the carbon footprint of the service with consideration also given to nature implications, such as investigating noise and air emissions through environmental monitoring, including regulating emissions from industrial processes.

5. Resources and Legal Considerations

Financial

- 5.1 As detailed in the body of the report.

Employment

- 5.2 There are no employment implications

Legal (Including Equalities)

- 5.3 There are no legal implications.

6. Background Papers

None

Gross Expenditure Breakdown as at 31st December 2022

Appendix 1

	Bridgend 2022/23			Cardiff 2022/23			Vale 2022/23			Total Gross Expenditure 2022/23		
	Budget £000's	Outturn £000's	Variance £000's	Budget £000's	Outturn £000's	Variance £000's	Budget £000's	Outturn £000's	Variance £000's	Budget £000's	Outturn £000's	Variance £000's
Authority Specific												
Bridgend Licensing	348	343	5							348	343	5
Bridgend Empty Homes	40	40	0							40	40	0
Kennelling & Vets Fees (Bridgend)	46	29	17							46	29	17
Cardiff Licencing				709	925	(216)				709	925	(216)
HMO Cathays				205	217	(12)				205	217	(12)
HMO Plasnewydd				278	278	0				278	278	0
Student Liaison				66	66	0				66	66	0
Night Time Noise				63	89	(26)				63	89	(26)
Cardiff Port Health				147	152	(5)				147	152	(5)
Vale Licensing							385	411	(26)	385	411	(26)
Burials (Vale)							1	8	(7)	1	8	(7)
Pest Control Service (Vale)							106	109	(3)	106	109	(3)
Vets & Kennelling Fees (Vale)							20	5	15	20	5	15
Authority Specific Sub total	434	412	22	1,468	1,727	(259)	512	533	(21)	2,414	2,672	(258)
Core Services												
Animal Services	89	119	(30)	222	296	(74)	82	109	(27)	393	524	(131)
Environmental	51	49	2	127	123	4	47	45	2	225	217	8
Food Services	340	335	5	847	833	14	312	307	5	1,499	1,475	24
Housing Services	146	143	3	363	377	(14)	134	131	3	643	651	(8)
Health & Safety & Communicable Disease	135	165	(30)	336	411	(75)	124	152	(28)	595	728	(133)
Pollution Services	200	191	9	499	474	25	183	175	8	882	840	42
Trading Standards	382	339	43	949	842	107	349	311	38	1,680	1,492	188
Core Sub total	1,343	1,341	2	3,343	3,356	(13)	1,231	1,230	1	5,917	5,927	(10)
Gross Expenditure Budget	1,777	1,753	24	4,811	5,083	(272)	1,743	1,763	(20)	8,331	8,599	(268)