

SHARED REGULATORY SERVICES JOINT COMMITTEE

Minutes of an Extraordinary Remote Meeting held on 19th February, 2025.

The Committee agenda is available [here](#).

The recording of the meeting is available [here](#).

Representing Bridgend County Borough Council – Councillors M. Lewis and H. Williams.

Representing Cardiff City and County Council – Councillor N. Mackie (Chair).

Representing the Vale of Glamorgan Council – Councillors P. Drake and R. Sivagnanam (Vice-Chair).

(a) Announcement –

Prior to the commencement of the business of the Committee, the Democratic and Scrutiny Services Officer read the following statement: “May I remind everyone present that the meeting will be recorded via the internet and this recording archived for future viewing”.

(b) Apology for Absence –

This was received from Councillor M. Michael (Cardiff City and County Council).

(c) Minutes –

RESOLVED – T H A T the minutes of the meeting held on 18th December, 2024 be approved as a correct record,

(d) Declarations of Interest –

No declarations of interest were received.

(e) Shared Regulatory Services Draft Budget Proposal 2025/26 (HOF/S1510) –

The purpose of the report was to gain the Joint Committee’s approval of the Proposed Shared Regulatory Services (SRS) Budget in respect of financial year 2025/26. This was presented to the Committee by the Operational Manager –

Accountancy in conjunction with the Head of Shared Regulatory Services. A presentation was also shared to accompany the report.

The Committee was informed that the provisional settlement had been received from Welsh Government in December 2024 for local Authorities and the finalised version would be provided shortly, these settlements following the report shared with committee in December setting out budgetary options and outlining cost pressures for the service and the partner Authorities involved. Whilst still challenging, the provisional settlement was slightly more favourable than anticipated for local Authorities and there were good prospects for a slightly improved position particularly for the Vale of Glamorgan Council and Bridgend County Borough Council from the final settlement.

The challenges in relation to the savings proposals and their impact on service delivery were outlined, and how these had been considered by the partner Authorities as part of the budget setting process and proposals.

The proposed SRS budget in respect of financial year 2025/26 followed discussions with the partner Authorities' Section 151 Officers predicated on essentially a standstill budget after taking account for the difference in the pay award for 2024/25.

The Proposed SRS Budget 2025/26 was £8.838m which was a net increase of £25k. This was split between the core budget for 2025/26 and the Authority specific element of that budget. This included various reallocations and adjustments, including reverting to population apportionment for the 2025/26 SRS Budget. The small adjustment for the 2024/25 pay award was also outlined and the savings needed to offset the estimated 2025/26 pay award. Authority specific savings were also outlined to the Committee, such as those agreed directly by Bridgend.

A summary of the Core Budget, split by Authority, was given, with a reduction for Bridgend Council but increases for Cardiff and the Vale of Glamorgan Councils.

The Authority specific budget summary was set out, which included the review of staffing allocations, resulting in some movements within the authority specific budgets for each partner Authority and additional savings from Bridgend.

The employer's National Insurance contribution increase was also discussed in the context of this budget. The expectation was that the costs for these contributions would be matched by central government. It was unclear at this time what the basis for this matched funding would be for distribution to Welsh Authorities. Provisionally the increased cost of the employers' National Insurance contributions had not been included in the base contributions. It was currently proposed that these costs would be apportioned and added to the current draft budget quarterly contributions in accordance with the Joint Working Agreement. When clarification on the funding arrangements had been provided by Welsh Government, it was proposed that these contributions should be agreed based on the apportionment methodology used by Welsh Government and a further update report would be brought to Committee potentially as part of the Q1 position.

Although this would be a 'standstill' budget, as proposed in the report, this would still require savings to be made from within SRS. This would be achieved through proposed savings, such as from vacant posts, and ramping up sources of income generation and cost recovery as well.

Following the presentation, the Vice Chair asked how SRS staff were feeling and how was their morale, in light of the budget proposals and its impact going forward. It was explained that staff morale was the number one priority for SRS as the next round of savings came through. Team managers and others would be keeping a close eye on staff and any pressures they would be facing due to these savings on their workloads, etc.

The Chair asked about what ideas there had been about further income generation. It was explained this would be a twofold approach, with the current approach, i.e. working primarily with businesses delivering training and then looking to also establish a newer approach, i.e. new ways of delivering discrete services to other Authorities. The Chair followed this up by commenting that the dual approach to boosting income for SRS would require additional staff in the future, due to current capacity eventually facing a 'tipping point' in handling both its regular workstreams and additional workloads due to income generation. The Chair wanted to thank SRS on behalf of the Committee for all its hard work in challenging circumstances and for the challenges ahead, despite a better budget settlement than was expected.

The Operational Manager – Accountancy suggested that, going forward, the budget cycle and process for SRS could be started earlier in order to look at and reflect on, at an earlier stage, the cost pressures SRS would be exposed to and the delivery of some of those saving proposals, as well as looking to negotiate with partner Authorities around a potential medium – to long – term financial plan for SRS that would give the service more surety in terms of budget planning and to be less 'reactive' in terms of its approach to savings, etc.

There being no further comments or questions, and after considering the report, the Committee subsequently

RESOLVED –

- (1) T H A T the Proposed Shared Regulatory Services Budget in respect of 2025/26 be approved.
- (2) T H A T, in accordance with the requirement of the Joint Working Agreement (JWA), individual Authorities be requested to approve in writing the Proposed Budget for 2025/26 by 10th March, 2025.

Reasons for decisions

- (1) Having regard to the contents of the report, discussions at the meeting and following the report's consideration by the Joint Committee, in line with the Joint Working Agreement.
- (2) In order to allow the budget to be finalised prior to the start of 2025/26.