

Meeting of:	Shared Regulatory Services Joint Committee
Date of Meeting:	Wednesday, 11 February 2026
Relevant Scrutiny Committee:	Live Well Scrutiny Committee
Report Title:	Shared Regulatory Services Draft Budget Proposal 2026/27
Purpose of Report:	To Provide the Partner Authorities with details of the 2026/27 Shared Regulatory Services Draft Budget Proposal
Report Owner:	Interim Director of Environment and Housing
Responsible Officer:	Matt Bowmer – Head of Service / S 151 Officer
Elected Member and Officer Consultation:	Head of Service for Shared Regulatory Services
Policy Framework:	This is a matter for the Shared Regulatory Services Joint Committee

Executive Summary:

- To gain Joint Committee’s approval of the Proposed Shared Regulatory Services (SRS) Budget in respect of financial year 2026/27.
- The Proposed SRS Budget 2026/27 is set out below:

	Current Budget 2025/26	Proposed Budget 2026/27	Increase/ (Decrease) in Contribution
Gross Expenditure Budget	£'000's	£'000's	£'000's
Bridgend	1,803	1,840	37
Cardiff	5,218	5,328	110
Vale	1,817	1,864	47
Total Budget	8,838	9,032	194

- The table below models cost pressures for the pay award shortfall in 2025/26 and the national insurance increase (which was not reflected in the 2025/26 budget due to uncertainty regarding

funding streams). There is also an adjustment reflecting the reduction in pension contributions made for all SRS employees.

2025/26 to 2026/27 Budget Reconciliation	£'000
2025/26 Agreed Budget	8,838
2025/26 Adjustment for Pay Award Shortfall	33
2025/26 National Insurance increase	161
Revised 2025/26 Budget	9,032
2026/27 3% Pay award	227
2026/27 Contribution to budget shortfall	23
2026/27 Budget with cost pressures	9,282
2026/27 Pension contribution adjustment	(250)
2026/27 Draft Proposed SRS Budget	9,032

- Authorities are requested to confirm agreement to the 2026/27 Proposed Budget by 10th March 2026.

Recommendations

1. That the Joint Committee approve the Proposed Shared Regulatory Services Budget in respect of 2026/27.
2. In accordance with the requirement of the Joint Working Agreement (JWA), individual Authorities are requested to approve in writing the Proposed Budget for 2026/27 by 10th March 2026.

Reasons for Recommendations

1. To seek the agreement of the Joint Committee in line with the Joint Working Agreement.
2. To allow the budget to be finalised prior to the start of 2026/27.

1. Background

- 1.1 The Shared Regulatory Services (SRS) Joint Working Agreement (JWA) sets out the particulars for operating the collaborative service, and for the creation of the SRS which was signed by the Partner Authorities on 10th April 2015, with the Service becoming operational on the 1st May 2015.
- 1.2 As directed by changes in legislation the JWA has been updated accordingly, thus enabling the SRS to continue to effectively deliver services.
- 1.3 The JWA states that the Joint Committee should agree the draft annual budget which is referred to as the Proposed Budget by 31st December prior to the commencement of the Financial Year to which it relates, and that the Proposed Budget should be submitted to each of the Partner Authorities for approval. When the Joint Committee met on 17th December 2025, consideration was given to a report setting out a number of options for a Shared Regulatory Services budget reduction in 2026/27.
- 1.4 As a consequence of the announcement in respect of the Welsh Government Final Settlement on 20th January 2026, after the SRS Joint Committee meeting of 17th December 2025, it was considered that it would be helpful for Partner Authorities to have clarity on their funding of the 2026/27 settlements ahead of decision making. It was therefore agreed by Committee that the 2026/27 budget decision would be deferred until the new year.
- 1.5 As set out in the JWA it is requested that each Partner Authority shall notify the Clerk to the Joint Committee no later than 10th March prior to the commencement of the financial year to which the Proposed Budget relates, as to whether the Partner Authority has approved the Proposed Budget.

- 1.6** Following consideration of the budget saving options outlined in the report to the December 2025 Joint Committee meeting, the Partner Authorities have explored an approach that would see the budget savings be made up of the reduction in employer pension contributions. This reduction follows the actuarial valuation for the Cardiff and Vale Pension Fund.
- 1.7** Following modelling carried out by the Vale of Glamorgan as Host Authority, consideration for an assumed 3% pay award has been incorporated into the 2026/27 budget proposal. The proposal also includes the costs associated with correcting the base budget for the differential in the 2025/26 pay award within the 2026/27 budget which is approximately £33k.
- 1.8** For the financial year 2025/26 the increase in Employer National insurance contributions was funded via WG grant to each partner authority. However, for the 2026/27 financial year this funding is now included within each local authority's Welsh Government settlement.
- 1.9** The Service is split into Core and Authority Specific Services. The Core Services are operated on behalf of all authorities; the JWA outlines the methodology to determine the percentage contribution to be made by each Partner Authority, which is based on the population data taken from the settlement.
- 1.10** Authority Specific Services are paid for by individual authorities and include Public Health Burial (Vale), Pest Control (Vale), Kennelling and Vets (Vale & Bridgend), Licensing (All), HMO Cathays and Plasnewydd (Cardiff).
- 1.11** This report outlines the proposed 2026/27 budget position.

2. Key Issues for Consideration

- 2.1** The table below models cost pressures for the pay award shortfall in 2025/26 and the national insurance increase (which was not reflected in the 2025/26 budget due to uncertainty regarding funding streams). There is also an adjustment reflecting the reduction in pension contributions made for all SRS employees.

2025/26 to 2026/27 Budget Reconciliation	£'000
2025/26 Agreed Budget	8,838
2025/26 Adjustment for Pay Award Shortfall	33
2025/26 National Insurance increase	161
Revised 2025/26 Budget	9,032
2026/27 3% Pay award	227
2026/27 Budget Shortfall	23
2026/27 Budget with cost pressures	9,282
2026/27 Employer Pension contribution adjustment	(250)
2026/27 Draft Proposed SRS Budget	9,032

- 2.2 The adjustment to the Employer pension contributions is a one-off reduction following the triennial actuarial valuation of the Cardiff and Vale Pension Fund. This reduction in employee expenditure is able to fully fund this year's forecasted pay award in addition to covering the existing budget shortfall. However, it is noted that the pension adjustment is a one-off instance and does not set precedent for the pay award to be fully funded by savings in further financial years.

Population Table per Authority 2026/27

	Population figures by Local Authority 2026/27	Percentage of Population 2026/27
Bridgend	147,530	22.11%
Cardiff	383,919	57.54%
Vale	135,743	20.35%
Total Budget	667,192	100.00%

- 2.3 Authorities were advised of their Provisional Settlement in late 2025, with the 2026/27 Final Settlement announced on 20th January 2026.
- 2.4 Management Overheads are reallocated based on information provided by the senior management team, which considers the historic level of management support consumed across the spectrum of SRS disciplines. Where consumption cannot be individually identified, the overheads are recharged based on the value of budget held.

Proposed Financial Contributions

- 2.5 The following table summarises the 2026/27 Proposed Gross Expenditure Budget as detailed below:

	Current Budget 2025/26	Proposed Budget 2026/27	Increase/ Decrease in Contribution
Gross Expenditure Budget	£'000's	£'000's	£'000's
Bridgend	1,803	1,840	37
Cardiff	5,218	5,328	110
Vale	1,817	1,864	47
Total Budget	8,838	9,032	194

Breakdown of Proposed 2026/27 SRS Partner Budgets

	Proposed Core Budget 2026/27	Proposed Authority Specific Budget 2026/27	Proposed Partner Contribution 2026/27
Gross Expenditure Budget	£'000's	£'000's	£'000's
Bridgend	1,387	453	1,840
Cardiff	3,611	1,717	5,328
Vale	1,277	587	1,864
Total Budget	6,275	2,757	9,032

Core Budget

- 2.6 The 2025/26 Gross Core Budget of £6.134m has been used as a base for the Proposed 2026/27 Budget of £6.251m, which is made up of:

2025/26 to 2026/27 Core Budget Reconciliation	£'000
2025/26 Agreed Budget	6,134
2025/26 Adjustment for Pay Award Shortfall	22
2025/26 Adjustment for Employer NIC	119
2025/26 Revised Budget	6,275
2026/27 3% Pay award	161
2026/27 Budget shortfall	23
2026/27 Budget with cost pressures	6,459
2026/27 Employer Pension contribution adjustment	(184)
2026/27 Draft Proposed SRS Core Budget	6,275

- 2.7 The budget reflects an amendment made to the underlying 2025/26 budget accounting for the inclusion of the increased Employer National Insurance contributions as well as the pay award shortfall for 25/26. After adjusting for the reduction in pension contributions and the pay award, the Core Expenditure budget for 2026/27 is £6.275m. The resulting 2026/27 Core contributions due from the Partner Authorities are analysed in the following table:

		Current Budget 2025/26	Proposed Budget 2026/27	Increase/ (Decrease) in Contribution
Authority	2026/27	£'000's	£'000's	£'000's
Bridgend	22.11%	1,358	1,387	29
Cardiff	57.54%	3,534	3,611	77
Vale	20.35%	1,242	1,277	35
Total Core		6,134	6,275	141

Authority Specific Budget

- 2.8 The 2025/26 Gross Authority Specific Budget of £2.704m has been used as a base for the Proposed 2026/27 Authority Specific Budget of £2.757m, which is made up of:

2025/26 to 2026/27 Budget Reconciliation	£'000
2025/26 Agreed Budget	2,704
2025/26 Adjustment for Employer NIC	42
2025/26 Adjustment for Pay Award Shortfall	11
2025/26 Revised Budget	2,757
2026/27 3% Pay award	66
2026/27 Budget with cost pressures	2,823
2026/27 Employer pension contribution adjustment	(66)
2026/27 Draft Proposed SRS Authority Specific Budget	2,757

- 2.9 The split of the authority specific gross expenditure is split over the authorities as shown in the table below:

		Current Budget 2025/26	Proposed Contribution 2026/27	Increase/ (Decrease) in Contribution
Authority Specific Services		£'000's	£'000's	£'000's
Bridgend		445	453	8
Cardiff		1,684	1,717	33
Vale		575	587	12
Total AS Budget		2,704	2,757	53

- 2.10 The 2026/27 increase in Partner Contributions due relates to the 2025/26 pay award shortfall and the inclusion of the prior year increase in Employer National insurance contributions. The reduction in employer pension contributions mitigates the pay award for 2026/27.

Next Steps

- 2.11 Following a decision by this Committee to approve the Proposed Budget, the next stage is for each of the Partner Authority to approve their 2026/27 contribution.

- 2.12 The JWA states that each Authority shall notify the Clerk to the Joint Committee no later than 10th March prior to the commencement of the Financial Year to which it relates, to confirm their approval of the Proposed Budget.
- 2.13 In the event that the Proposed Budget is not approved by any of the Partner Authorities by 31st March 2026, the Authority/Authorities who do not approve the revised budget will be treated as if they have given notice of intention to withdraw from the Agreement.
- 2.14 Local Authorities were advised of their provisional 2026/27 Revenue Support Grant in late 2025, with the final settlement papers available on 20th January. Therefore, it is considered that Authorities should be in a position to confirm agreement to the 2026/27 Proposed Budget by 10th March 2026.
- 2.15 At such time the Proposed Budget is approved by each authority in writing, it will then become the approved Budget for the financial year to which it relates.

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

- 3.1 The Wellbeing of Future Generations Act requires the SRS to underpin decision making by contributing to the seven wellbeing goals of the Act, following the five ways of working, and consequently undertaking actions that will have a positive impact on people living in the future as well as those living today.
- 3.2 The fundamental purpose of the SRS (here defined as Environmental Health, Trading Standards, and Licensing) is to protect residents, consumers, businesses and communities. The broad range of responsibilities can make it difficult to demonstrate succinctly their impact and value in terms of wellbeing; the SRS Business Plans provide members with greater detail and articulate how those statutory responsibilities, and subsequent activities, contribute toward wellbeing across the region. This Business Plan highlights the activities undertaken last year to promote the sustainable development principle and the proposed forthcoming programmes of action.
- 3.3 Aligning the Wellbeing Goals of the Act enables us to evidence our contribution to the National Wellbeing Goals. Promoting the five ways of working is reflected in our approach to integrated business planning. Setting consistently challenging yet realistic steps and performance improvement targets, the SRS can clearly demonstrate progress towards achieving the national goals. Importantly we seek to connect everything we do to the work of our partners. SRS cannot deliver its priorities alone, so we take a joined-up approach to policy, strategy and delivery.

4. Climate Change and Nature Implications

- 4.1** One of the key strategic themes for the Shared Regulatory Service is *Protecting the Local Environment*.
- 4.2** The SRS Business Plan articulates the work carried out under this theme to deliver on the corporate priorities for the participant Councils, including their ambitions to minimise climate change and impacts on the natural environment.
- 4.3** In this context, the Joint Committee is regularly updated on the contribution of the Shared Service to this agenda, for example through its work in the areas of animal health and welfare, air quality, contaminated land, energy efficiency in the private rented sector and investigating greenwashing claims or environmental fraud.

5. Resources and Legal Considerations

Financial

- 5.1** As detailed in the body of this report.

Employment

- 5.2** There are no employment implications.

Legal (Including Equalities)

- 5.3** There are no legal implications.

6. Background Papers

None