

Meeting of:	Shared Regulatory Services Joint Committee
Date of Meeting:	Tuesday, 14 December 2021
Relevant Scrutiny Committee:	No Relevant Scrutiny Committee
Report Title:	Implementation Reserve
Purpose of Report:	For the Committee to Approve the Treatment of the Retained Implementation Reserve Balance
Report Owner:	Section 151 Officer
Responsible Officer:	Carolyn Michael Deputy Section 151 Officer
Elected Member and Officer Consultation:	Head of Service for Shared Regulatory Service
Policy Framework:	This is a matter for the Shared Regulatory Committee
<p>Executive Summary:</p> <ul style="list-style-type: none"> • At 2015/16 year end £46k was retained within the Implementation Reserve to fund the anticipated costs of establishing Shared Regulatory Services (SRS) as a separate employer under the umbrella of the Cardiff and Vale Pension Fund. • An agreement has now been reached between the SRS and the Cardiff and Vale Pension Fund, which has resulted in there no longer being a requirement to set the SRS up as a separate employer. 	

Recommendation

1. That the £46k retained within the SRS Implementation Reserve to fund the set up costs of the SRS being identified as a separate employer under the umbrella of the Cardiff and Vale Pension Fund be returned to the partner authorities in line with 2015/16 contributions rate.

Reason for Recommendation

1. As a result of additional information being included in the annual payroll return provided to the Cardiff and Vale Pension Fund, there is no longer a requirement for the SRS to be identified as a separate employer within the Fund. SRS pension Assets and Liabilities can now be accurately established with valuation costs met from within existing revenue budgets.

1. Background

- 1.1 On the 1st May 2015, Shared Regulatory Service (SRS) became operational, with the approved 2015/16 SRS Gross Revenue Budget detailed within the Joint Working Agreement.

- 1.2 The 2015/16 agreed budget was made up of three constitute parts;

- (i) Authority Specific Services

- (ii) Core Services

- (iii) Implementation

Authority Specific Services are 100% funded by the Authority that commissioned the services. Core Services and Implementation are funded by the three Partner Authorities in line with the population split of the authority as updated annually by Welsh Government's 'Green Book'. The 2015/16 Implementation budget was unique to 2015/16.

- 1.3 The 2015/16 unspent Implementation funds of £46k were transferred to an earmarked reserve at year end. The purpose of the reserve was to cover all costs of setting the SRS up as a separate employer under the umbrella of the Cardiff and Vale Pension Fund. There has been no movement on the reserve since that date.

2. Key Issues for Consideration

- 2.1 This position has since been progressed between the Vale (as Host Authority) and the Pension Fund administrators, with expert opinion being provided by the Authority's Actuary. The position has now been resolved to the satisfaction of all parties without the need for the SRS to be set up as a separate employer and thus without incurring the previously anticipated additional fund set up costs.
- 2.2 Additional information was provided to the Pension Fund and Actuary in 2020/21 by the Vale's Finance Section which triggered a revaluation of Pension Assets and Liabilities

held by SRS, plus a backdated revaluation of the SRS Pension Fund. The additional Actuarial cost of £1k was met within the SRS 2020/21 revenue budget.

- 2.3 The Vale's payroll system has been amended to incorporate an indicator that identifies SRS staff. Moving forward, this will allow an accurate valuation of the SRS's share of Assets and Liabilities held within the Cardiff and Vale Pension Fund.
- 2.4 The Joint Working Agreement details the 2015/16 Implementation Budget Partner Apportionment charged to the Partner Authorities during the first financial year. The following table details the refund due to the Partner Authorities using the original 2015/16 apportionment rates.

Authority	2015/16	Implementation
	Partner	Refund Due to
	Apportionment	Partners
	%	£'000's
Bridgend	22.56%	10
Cardiff	57.04%	26
Vale	20.40%	10
Total	100.00%	46

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

- 3.1 The SRS revenue budget has been set in order to support services in the delivery of the Vale of Glamorgan Council's Well-being objectives.

4. Resources and Legal Considerations

Financial

As detailed in the body of this report.

Employment

- 4.1 There are no employment implications.

Legal (Including Equalities)

- 4.2 There are no legal implications.

5. Background Papers

None.