

Meeting of:	Shared Regulatory Services Joint Committee
Date of Meeting:	Tuesday, 13 December 2022
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Shared Regulatory Services 2021-22 Budget Underspend
Purpose of Report:	This report seeks agreement for treatment of the Shared Regulatory Services 2021-22 budget underspend
Report Owner:	Director of Environment and Housing Services
Responsible Officer:	Head of Shared Regulatory Services
Elected Member and Officer Consultation:	No Elected Members have been consulted. The following officers have been consulted; Assistant Director Street Scene, Cardiff Council, Chief Officer Legal, Regulatory and Human Resources, Bridgend County Borough Council
Policy Framework:	This is a matter delegated to the Joint Committee
<p>Executive Summary:</p> <p>The report sets out the background to the Shared Regulatory Services budget underspend during 2021-22 and makes recommendations for the treatment of this underspend to enable:</p> <ul style="list-style-type: none"> • a partial return of funds to the partner authorities • a partial retention of funds in order to support the Service going into the 2023-24 financial year and the challenging level of savings that will be required, after allowing for any overspend in 2022-23. 	

Recommendation

1. The Joint Committee is asked to consider and agree the proposal set out in this report for treatment of the Shared Regulatory Services 2021-22 budget underspend.

Reason for Recommendation

1. Agreement on treatment of the 2021-22 underspend is needed, in order to enable closure of that financial year while balancing the needs of the Service and partner authorities in navigating current and future fiscal challenges.

1. Background

- 1.1 The SRS audited statement of accounts for 2021-22 confirmed that the budget underspend in that financial year amounted to £363k.
- 1.2 This underspend arose largely as a result of multiple staff being seconded into funded roles supporting the COVID effort, most notably
 - At the 'clinical lead' interface with the Test, Trace and Protect regime
 - Securing business compliance with the prevailing COVID restrictions
 - Ensuring that arriving travellers complied with legal requirements
- 1.3 While attempts were made to 'back fill' the roles of secondees, the lack of suitably qualified candidates coupled with uncertainty over the length of the Officers' secondments meant that these efforts proved to be unsuccessful.

2. Key Issues for Consideration

- 2.1 As a result of the unprecedented recruitment challenges facing the Shared Service (along with regulatory services throughout Wales), an outline business case was prepared for the respective s.151 Officers, seeking retention of £170K of the £363k underspend from the 2021-22 financial year.
- 2.2 The proposal set out indicative costings for the Service to pump prime a 'grow your own' approach to the recruitment crisis which would have seen appointments into three Regulatory Apprenticeship roles (for a duration of 18 months) as well as the development of one technical officer through a 'fast track' route to the Higher Certificate in Food Premises Inspection qualification.
- 2.3 Unfortunately, events outside of the control of the Service mean that only a matter of months later, plans are having to be drawn up to achieve significant budgetary savings going into 2023-24. This is further exacerbated by the

additional burden of the much higher than expected 2022 staff pay award, which at £1,925 plus oncosts per staff member has contributed to an unbudgeted shortfall in year.

- 2.4 The timeline for achieving the required 2023-24 savings (by 31st March 2023) provides insufficient lead time for the development and implementation of the measures outlined in the separate Joint Committee report on savings, other than the freezing of vacant posts. Over the course of 2023-24 it will be possible to implement the remainder of the proposed measures, but even then, some of the income generation plans will take time to deliver the required results.
- 2.5 There is therefore a pressing need for the requested £170k to be retained by the Shared Service, not unfortunately to support the development of qualified officers of the future, but simply to support it in transitioning over the course of 2023-24 to a model of greater income generation that will sustain it into the future.
- 2.6 As a result of the differing levels of authority specific service underspend across the partner authority contributions, retention of £170k by the Service would result in the sums set out in **Figure 1** below being returned to them, i.e.

Figure 1: Proposed treatment of the 2021-22 SRS underspend

	Bridgend	Cardiff	Vale	Total
2021-22 underspend	£142k	£146k	£75k	£363k
To be retained by Service	£ 38k	£ 96k	£ 36k	£170k
Returned to partners	£104k	£50k	£39k	£193k

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 well-being 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. Consequently, SRS seeks to work in the following ways:

- Looking to the long term
- Taking an integrated approach;
- Involving a diversity of the population in the decisions affecting them;
- Working with others in a collaborative way to find shared sustainable solutions
- Acting to prevent problems from occurring or getting worse.

3.2 The fundamental purpose of the SRS (here defined as trading standards, environmental health 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 detail and articulate how those statutory responsibilities, and subsequent activities, contribute toward wellbeing across the region. This update report reflects some of the activities undertaken in recent months to promote the sustainable development principle.

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** The participant authorities' contribution towards the Shared Regulatory Service is recharged on a quarterly basis, based upon the approved budget. Accounting for the full year is reported to the Committee at the Annual General Meeting.
- 5.2** The financial implications of this proposal for dealing with the 2021-22 underspend, both for the Service and for the partner authorities, are set out in 2.6 and **Figure 1** above.

Employment

5.3 There are no immediate employment implications associated with this report.

Legal (Including Equalities)

5.4 There are no immediate legal implications associated with this report.

6. Background Papers

None