

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	INTERIM ASSISTANT DIRECTOR REGULATION AND ENFORCEMENT AND INTERIM DIRECTOR FINANCE	
Date of Decision:	10 MARCH 2021	
SUBJECT:	LICENSING AND PUBLIC PROTECTION BUDGET MONITORING 2020/21 - QUARTER 3	

1. Purpose of Report:
<p>1.1 This report sets out the position on the Licensing and Public Protection Committee's Revenue and Capital Budgets at the end of December 2020 (Quarter 3) and the forecast position for the year end. It highlights any issues that have arisen and informs the Licensing and Public Protection Committee of any action being taken to contain spending within the approved cash limits.</p> <p>1.2 The report also details the latest performance within the Licensing and Public Protection Committee including progress against the approved Savings Programme for 2020/21.</p> <p>1.3 The report is in line with the current City Council established financial monitoring framework to ensure that expenditure is managed within cash limits.</p>

2. Decision(s) Recommended:
<p>The Licensing and Public Protection Committee is requested to:</p> <p>2.1 Note the latest Revenue budget position at the end of December 2020 (Quarter 3) including Forecast Outturn and COVID-19 response implications as detailed in Appendix 1.</p> <p>2.2 Note the analysis of both COVID-19 and Non-COVID-19 related pressures as set out in Appendix 2</p> <p>2.3 Note the position for the Savings Programme for 2020/21 as detailed in Appendix 3.</p> <p>2.4 Note the position on Capital projects, as detailed in Appendix 4.</p> <p>2.5 Note the position on reserves and balances, as detailed in Appendix 5.</p>

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3. Consultation
<p>3.1 <u>Internal</u></p> <p>The financial position on the revenue and capital budget is reported on a monthly basis to the Management Team and the Interim Assistant Director of Regulation and Enforcement is briefed on the major financial issues, as required in line with the Council's framework.</p> <p>3.2 <u>External</u></p> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2020/21.</p>
4. Compliance Issues:
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The budget is integrated within the Council's Financial Plan 2020+, and resource allocation is directed towards policy priorities.</p> <p>4.2 <u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u></p> <p>The Licensing and Public Protection Budget Monitoring 2020/21 - Quarter 3 report provides details of monitoring of service delivery within available resources.</p> <p>4.3 <u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Interim Director of Finance (as the responsible officer) to ensure proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on directorates and members of Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>There are no additional specific Equality Duty or Equality Analysis issues beyond any already assessed and detailed in the budget setting process and monitoring issues that have arisen in the year to date. Any specific assessments will be made by the Directorates in the management of their services.</p>

5. Relevant Background/Chronology of Key Events:

Revenue Budget 2020/21

5.1 The City Council approved the overall budget on 25 February 2020. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £6.471m (as detailed in Appendix 1) on 18 November 2020.

5.2 There were two key adjustment to budgets in Quarter 2

	£m
Budget at Start of Year	6.471
Centralisation of budgets (and charges) for internally recharged services	(0.258)
Restructure of posts within Regulation and Enforcement (Assistant Director Post)	(0.046)
Budget as at 31 December 2020	6.167

5.3 The current approved budget for this Committee therefore is £6.167m.

5.4 The City Council has well-established arrangements for monitoring spending against the cash limited budgets allocated to Directorates and Committees.

5.5 Reports are presented to Cabinet on a quarterly basis on the overall city-wide financial position. The Licensing and Public Protection Committee will normally receive quarterly financial performance reports during the financial year. For the 2020/21, due to COVID-19 restrictions the Quarter 1 and Quarter 2 reports are being combined.

Revenue – Financial Review and Year End Projections (Appendix 1)

5.6 An overall year end net pressure of £1.336m is being forecast formally.

5.7 Of this forecast pressure £1.203m is directly attributable to the COVID-19 responses of these service areas. These COVID related costs re reported corporately through the response cells and the costs incurred are expected to be funded centrally using Central Government grant resources.

5.8 Mitigating action has been implemented in most service areas – including additional contract work that has been delivered by Pest Control. All COVID-19 pressures reported here are also included in the corporate reporting of the overall Council responses.

5.9 Budgets continue to be managed rigorously. Any changes will be reported in future reports.

5.10 The table below sets out a high-level summary of the projected year end overspend by service (details in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

Forecast Year End Variations – Quarter 3				
Budget Head	Savings Programme £'m	COVID-19 Related Pressures £'m	Base Budget Pressures £'m	Total Pressure £'m
Environmental Health	0.000	0.206	(0.138)	0.068
Pest Control	0.000	0.100	0.000	0.100
Register Office	0.000	0.627	0.000	0.627
Coroners	0.000	0.120	0.124	0.244
Trading Standards	0.000	0.150	0.000	0.150
Licensing	0.000	0.000	0.147	0.147
TOTAL	0.000	1.203	0.133	1.336

The key components of the projection include:

- **Environmental Health (£0.068 pressure)**

Environmental Health are under a net pressure of £0.200m due to restrictions on enforcement work with the focus on Brexit support as well as COVID-19 pandemic responsibilities. Plus, additional purchases of Personal Protective Equipment (PPE) for use by Directorate Staff. This is partly mitigated by managed savings on employees and supplies of £0.138m

- **Pest Control (£0.100m pressure)**

The Pest Control team were unable to deliver commercial contract work for most of the early part of 2020/21 and are currently expected to be without a significant source of income during that time. This is a noticeable improvement on the previous quarter forecast and similar mitigating activity continues to be progressed.

- **Registration Service (£0.627m pressure)**

The Registration Service has played a key role in COVID responses with death registrations continuing throughout the pandemic. Additional hours have had to be contracted from staff. Equipment and infrastructure have been installed to enable public access to the building.

In addition, the service has suffered a reduction in income from cancelled and re-configured weddings that would have been a major income source over the summer.

However, results in the last six months have led to an improved forecast position with higher than anticipated income being drawn through the Search Room service and from most statutory services being reinstated after the first lockdown period.

- **Licensing and Street Trading (£0.147m pressure)**

Licensing and Street Trading services operate as ring fenced accounts where actual income generated is only used to cover the reasonable costs of providing that specific service.

There are some minor structural budget issues that whilst not compromising the operation of the ring fence, would cause a reported variation against budget at year end and so this is being addressed as part of the budget process.

Savings Programme

5.11 The Committees Savings Programme is £0.202m for 2020/21

- The savings targets have already been achieved at this point in the year.

Mitigations and Management Actions 2020/21

- Managers of services reporting to this committee are involved in a number of actions this financial year to mitigate budget pressures for current and future financial years.
- Coroners - pressures relating to need to provide additional courtrooms has been mitigated following the conversion of council premises at Margaret Street.
- The service continues to progress with longer term property options seeking to accommodate the whole service in one location.

COVID-19 Compliance and Enforcement

- Environmental Health are coordinating a council-wide compliance and enforcement programme including Business Improvement Districts, Parks, Universities and faith groups.
- The programme is funded through a specific ring-fenced grant of £0.889m which has been received in advance by the City council.

Capital (Appendix 4)

5.12 The Capital programme for security and essential health and safety works in the mortuary including ventilation solutions is being reviewed and updated.

5.13 A short-term solution involving temporary air conditioning is in place and has been further extended whilst the longer-term structure and location of the Mortuary service is being reviewed.

6. Grant Funded Programmes

6.1 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Regional Intelligence Team.

Illegal Money Lending

- 6.2 The Illegal Money Lending Team (IMLT) England investigates and takes action against Illegal Money Lending or “Loan Shark” perpetrators across the whole of England.
- 6.3 The project is funded through specific grant from HM Treasury, with resources of up to £4.150m in 2020/21.
- 6.4 The expenditure at the end of December 2021 was £2.661m (64%) this is a reasonable level for half-way through the year - and it is anticipated that the programme will fully spend the grant allocated and has a good track record of achieving this.

Regional Intelligence Team

- 6.5 The Regional Intelligence Team (Scambusters) investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.6 Funding has been confirmed at £0.485m for 2020/21. This includes three elements: Main Regional Intelligence Team Grant £0.303m, one-off £0.020m for 2020/21 only to fund the purchase of vehicles, and also £0.162m in relation to the separate Operation Beorma counterfeiting operations.
- 6.7 The expenditure at the end of December 2020 was £0.250m (53%). It is anticipated that the programme will fully spend the grant allocated and has a good track record of achieving this.

7. Proceeds of Crime Act

- 7.1 Regulatory Services secures funding through the Proceeds of Crime Act 2002 (PoCA) in response to financial investigations undertaken following sentencing by the courts.
- 7.2 PoCA monies are held by the Local Authority and ring-fenced for expenditure on community and crime prevention projects
- 7.3 Expenditure specifically recorded as planned PoCA items will be funded routinely through a combination of appropriations from PoCA reserves and income received during the year.
- 7.4 For Birmingham Trading Standards the balances brought forward were £0.470m. Expenditure at Quarter 3 is £0.127m, income received in year totals £0.038m. The current balance remaining is £0.381m
- 7.5 For England Illegal Money Lending the balances brought forward were £0.830m. Expenditure at Quarter 3 is £0.153m, income received in year totals £0.092m. The current balance remaining is £0.769m.

8. Balances and Reserves:

- 8.1 The reserves at Quarter 3 are shown in Appendix 5. These currently total £1.140m and are ring-fenced.
- 8.2 All planned income and expenditure on reserves will be reported to this Committee.

Licensing Ring Fenced Reserves:

- 8.3 The current balance for Hackney Carriage and Private Hire is deficit £0.317m and it is anticipated that at least 1/3rd of this value will be incorporated into the fee calculations for 2021/22

9. Evaluation of Alternative Option(s):

- 9.1 During the year ahead the financial position will continue to be closely monitored and options identified to resolve budgetary pressures as necessary.

10. Reasons for Decision(s):

- 10.1 The Report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2020/21, and the forecast outturn, including COVID-19 response financial implications for Quarter 3.
- 10.2 The latest position in respect of the Licensing and Public Protection Committee's use of reserves, Savings Programme and risks are also identified.

Signatures

Paul Lankester
Interim Assistant Director Regulation and Enforcement

Rebecca Hellard
Interim Director of Finance

Date

List of Background Documents used to Compile this Report:

Licensing & Public Protection - Revenue and Capital Budget 2020/21 – 18 November 2020
Licensing & Public Protection – Budget Monitoring 2020/21 – Quarter 2 – 13 January 2021

List of Appendices accompanying this Report (if any):

Appendix 1 - Financial Performance, Forecast Outturn and comparison of Quarter 2 and 3
Appendix 2 - Details of COVID-19 and non-COVID-19 Financial pressures
Appendix 3 - Savings Programme 2020/21
Appendix 4 - Capital Programme 2020/21
Appendix 5 - Ring-Fenced Balances and Reserves

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