

<b>Report to:</b>	<b>LICENSING AND PUBLIC PROTECTION COMMITTEE</b>	
<b>Report of:</b>	<b>ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND STRATEGIC DIRECTOR FINANCE AND LEGAL</b>	
<b>Date of Decision:</b>	<b>16 MARCH 2016</b>	
<b>SUBJECT:</b>	<b>LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET 2016/17</b>	

<b>1. Purpose of Report:</b>
<p>1.1 This report sets out the Licensing and Public Protection Committee's Revenue Budget for the 2016/17 financial year.</p> <p>1.2 The report also details the approved savings programme for 2016/17.</p> <p>1.3 The report is in line with the current City Council established financial budgetary framework.</p>

<b>2. Decision(s) Recommended:</b>
<p>The Licensing and Public Protection Committee is requested to :</p> <p>2.1 Note the 2016/17 Revenue Budget as detailed in Appendices 1 and 2.</p> <p>2.2 Note the 2016/17 budgeted employee establishment as detailed in Appendix 3.</p> <p>2.3 Note the 2016/17 savings programme as detailed in Appendix 4.</p> <p>2.4 Note the latest 2016/17 Balances and Reserves position as detailed in Appendix 5.</p>

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<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>The 2016/17 Revenue Budget has been reported to the Management Team and the Acting Service Director of Regulation and Enforcement 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 Public Budget Consultation that was completed for 2016/17.</p>
<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The budget is integrated with the Council Business Plan, 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 Revenue Budget Monitoring document attached gives 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 Strategic Director of Finance and Legal (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 2015/16

- 5.1 The City Council approved the overall budget on 1<sup>st</sup> March 2016. The Licensing and Public Protection Committee should note the original net revenue budget allocation of £5.951m (as detailed in Appendix 1).
- 5.2 The City Council's Budget Strategy for 2016/17 is based on the following principles:
- There is no general provision for price inflation on income and expenditure budgets.
  - There is no provision for a pay award from April 2016.
  - Additional resources have been allocated to services to meet the increase in the employer's pension contributions from 22.5% to 24.4%. There are also additional resources reflecting the increase in National Insurance from 8.64% to 10.22%
  - Any pressures above those formally approved will have to be absorbed by the Service.
  - The revenue and financial implications from capital expenditure programmes and equal pay are reflected in the long term budget.
- 5.3 The Savings Programme includes two elements. During the 2015/16 Budget Process £0.187m was agreed as a step up saving for 2016/17. Also a further £0.093m was agreed for 2017/18, however, this element has been accelerated into 2016/17 making the step up total £0.280m. The New Service Review savings are £0.052m.
- 5.4 The total savings are therefore £0.332m as detailed in Appendix 1 and Appendix 3.
- 5.5 Changes from 2015/16 Month 10 to Original 2016/17 are summarised in the table below:

	£'m
<b>Revenue Budget 2015/16 (as at Month 10)</b>	<b>4.456</b>
<u>Reversal of One-off Items from 2015/16</u>	
Future Council Post - £0.082m and Voluntary Redundancies (£0.032m)	0.050
<u>Service Changes</u>	
Increase Income for Environmental Health Enforcement	(0.382)
Licensing Planned Use of Reserves	0.311
Use of increased income for Environmental Health and Licensing	0.382
<u>Budget Plan 2016+</u>	
Approved Pressures for Pest Control and Coroners	1.380
Existing and Accelerated Step-Up Savings	(0.280)
New Savings	(0.052)
<u>Technical Adjustments</u>	
Increase NI and Superannuation	0.262
Centralise Insurance	(0.133)
Other Technical and Asset Charge Adjustments	(0.043)
<b>Approved Budget 2016/17</b>	<b>5.951</b>

- 5.6 The budget consultation identified ongoing service pressures. Additional resources have

been allocated of £1.200m for Pest Control (on-going) and £0.180m for Coroners (for 2016/17 only).

5.7 The Licensing and Public Protection Committee should note that the net revenue budget allocation for 2016/17 of £5.951m.

5.8 The service details and implications are analysed in Appendix 2.

### **Employee Budget 2015/16**

5.9 The employee numbers for Licensing and Public Protection Committee are shown in the table below and detailed by service in Appendix 3.

	Employee FTEs 2015/16	Future Council Post	Approved Pressure (M&C)	New Savings (EH)	Employee FTEs 2016/17
Licensing and Public Protection	331	1	2	(1)	333

5.10 The Employee Establishment of 331 FTE for 2015/16 includes 5 additional FTE transferred from WMPolice, but excludes 1 FTE transferred from Trading Standards to the future Council Project. This post will be re-instated in Trading Standards for 2016/17.

5.11 Approved Pressures for The Coroners Service reflect the increased workload as a result of the Deprivation of Liberty Safeguards (DoLS) as reported to LPPC throughout 2015/16.

5.12 New Savings Proposals are the result of the proposal to reduce involvement in dog cruelty cases, reducing the Animal Welfare team by 1 FTE.

5.13 The Employee Establishment for 2016/17 is 333 FTE.

### **Savings Programme 2015/16 Onwards**

5.14 The City Council has approved a Savings Programme from 2016/17 to 2019/20 (the cumulative implications for the Committee are set out in the table below).

Service Area	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Pest Control	-	-	-	-
Mortuary & Coroners	(0.095)	(0.095)	(0.095)	(0.095)
Registrar BDM	-	-	-	-
Licensing & Enforcement	(0.193)	(0.205)	(0.211)	(0.214)
Trading Standards	(0.010)	(0.020)	(0.027)	(0.035)
Environmental Health	(0.034)	(0.044)	(0.051)	(0.060)
Other Savings	-	-	(0.050)	(0.050)
<b>TOTAL</b>	<b>(0.332)</b>	<b>(0.364)</b>	<b>(0.434)</b>	<b>(0.454)</b>

5.15 This includes Step-Ups, Accelerated Step-Ups and New Savings.

5.16 Most savings are for 2016/17 with no further step-ups planned apart from the commercial model for business support where there are incremental step-ups planned until 2019/20. This saving affects Licensing, Trading Standards and Environmental Health.

- 5.17 The City Council Savings Programme is based on the following:
- All planned step-up savings set out in the Business Plan 2015/16+ in February 2015 have been reviewed and amended where necessary
  - Services have implemented further savings where necessary to compensate for local business issues.
  - The impact of grant reductions or fall-out is borne by the services concerned, either through a reduction in the expenditure previously funded through grant or by compensatory savings.
  - Further savings targets were set for all Directorates, with proposals being presented in the context of the council's policy priorities and individual service development plans.
  - Revision of the proposals by Members of the Executive in the light of policy priorities, legal requirements, equality impacts and responses to the consultation process.
- 5.18 Licensing and Public Protection Committee savings for 2016/17 (as detailed in Appendix 4) includes a wide range of components and will include:
- Maintaining a freeze on current vacant posts.
  - Delivering efficiencies on non-employee expenditure
  - Maximising the opportunities to generate additional income from services (including provision to other Local Authorities).
  - Temporary use of available reserves and balances from prior years.
- 5.19 Further savings are to be allocated on the cross cutting workforce proposals and these will be reported in the new year.

### **Balances and Reserves**

- 5.20 The current balances and reserves for the committee are set out in Appendix 5 (these will need to be reviewed and adjusted as necessary to reflect the outturn for 2015/16).
- 5.21 PoCA Income of £0.266m had been appropriated to reserves by Month 10, further potential income of £0.113m is also expected before the end of 2015/16.
- 5.22 It is also planned for use of reserves in 2015/16 totalling £0.542 (£0.235m for Licensing, £0.197m for PoCA and £0.110m relating to a clawback by BIS of IML grants). The expected value of available balances will be £1.197m on 1 April 2016.
- 5.23 The budget plans in this report earmark £0.311m of these reserves for use in 2016/17 for the Licensing Service.

## **6. Evaluation of Alternative Option(s):**

- 6.1 During the course of the year the financial position will be closely monitored and options identified to resolve budgetary pressures as necessary, and alternative savings proposals developed to meet new and emerging pressures

<b>7. Reasons for Decision(s):</b>	
7.1	The report informs the Licensing and Public Protection Committee of the Revenue Budget for 2016/17.
7.2	The position in respect of the Licensing and Public Protection Committee's Savings Programme and the present risks identified in its delivery.

<p><b>Signatures</b></p> <p>Alison Harwood Acting Service Director Regulation and Enforcement .....</p> <p>Jon Warlow Strategic Director of Finance and Legal .....</p> <p style="text-align: right;">Date .....</p>	
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<b>List of Background Documents used to Compile this Report:</b>
Licensing & Public Protection - Revenue and Capital Budget 2015/16 – 18 March Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 2) – 15 July Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 4) – 16 September Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 6) – 18 November Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 8) – 20 January Licensing & Public Protection - Budget Monitoring 2015/16 – Month 10 Provisional Outturn

<b>List of Appendices accompanying this Report (if any):</b>			
1.	Appendix 1 – Analysis of Service Budgets 2015/17 (Month 10) to 2016/17		
2.	Appendix 2 – Service Budgets Detail 2016/17		
3.	Appendix 3 – Employee Analysis 2015/16 to 2016/17		
4.	Appendix 4 – Revenue Budget Savings Programme		
5.	Appendix 5 – Balances and Reserves		
<b>Report Version</b>	2.3	<b>Dated</b>	8 March 2015