

<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>15 MARCH 2017</b>	
<b>SUBJECT:</b>	<b>LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET 2017/18</b>	

**1. Purpose of Report:**

- 1.1 This report sets out the Licensing and Public Protection Committee's Revenue Budget for the 2017/18 financial year.
- 1.2 The report also details the approved savings programme for 2017/18.
- 1.3 The report is in line with the current City Council established financial budgetary framework.

**2. Decision(s) Recommended:**

The Licensing and Public Protection Committee is requested to :

- 2.1 Note the 2017/18 Revenue Budget Changes as detailed in Appendix 1.
- 2.2 Note the 2017/18 Service and Subjective Budget in Appendix 2.
- 2.3 Note the 2017/18 Provisional Budget 2017/18 to 2020/21 in Appendix 3.
- 2.4 Note the 2017/18 budgeted employee establishment as detailed in Appendix 4.
- 2.5 Note the latest 2017/18 Balances and Reserves position as detailed in Appendix 5.

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<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>The 2017/18 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 2017/18.</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 Leadership 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 2017/18**

- 5.1 The City Council approved the overall budget on 28<sup>th</sup> February 2017. The Licensing and Public Protection Committee should note the original net revenue budget allocation of £7.553m (as detailed in Financial Plan Appendices 1, 2 and 3).
- 5.2 The City Council's Budget Strategy for 2017/18 is based on the following principles:
- There is no general provision for price inflation on expenditure budgets.
  - There is provision for a pay award from April 2017.
  - Additional resources have been allocated to services to meet the increase in the employer's pension contributions from 24.4% to 30.4%.
  - Inflationary targets have also been applied to some income budgets including the ring-fenced Licensing 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 £0.032m agreed as ongoing step-ups in the 2016/17 Budget Process. There are also additional £0.093m savings as part of the Cross-cutting workforce strategy.
- 5.4 The total savings are therefore £0.125m as detailed in Appendix 1
- 5.5 Changes from 2016/17 Month 8 to Original 2017/18 are summarised in the table below:

	£'m
<b>Revenue Budget 2016/17 (as at Month 8)</b>	<b>5.290</b>
<u>New and Existing Pressures</u>	
Reversal of Policy Contingency, offset by additional allocation for Coroners, Register Office and Licensing	1.620
<u>Savings Programme</u>	
Step-ups agreed as part of 2016/17 Budget Plan	(0.032)
Cross-Cutting workforce Savings	(0.093)
<u>Budget Plan 2017+</u>	
Re-implementation of CSC budget within Licensing Ring-Fence	0.440
Pay award and Pension	0.467
Income Inflation	(0.075)
<u>Technical Adjustments</u>	
Centralisation of IT / Service Birmingham	(0.108)
Other including IT Recharge Adjustment	0.044
<b>Approved Budget 2017/18</b>	<b>7.553</b>

- 5.6 The budget consultation identified ongoing service pressures of £1.620m.

- 5.7 The Licensing and Public Protection Committee should note that the net revenue budget allocation for 2017/18 of £7.553m.
- 5.8 The service implications, subjective budget details are analysed in Appendices 1 and 2.
- 5.9 The provisional budget from 2017/18 to 2020/21 is analysed in appendix 3.

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

- 5.10 The employee numbers for Licensing and Public Protection Committee are shown in the table below and detailed by service in Appendix 4.

	Employee FTEs 2016/17	Existing / New Pressures	Cross Cutting Savings 2017/18	Employee FTEs 2017/18
Licensing and Public Protection	320.7	12.0		332.7

- 5.11 The increase in the employee numbers relates to the additional £0.020m for Coroners and £0.400m for Environmental (in relation to developing the Waste Enforcement service).
- 5.12 The Employee Establishment for 2017/18 is 333 FTE.

### **Savings Programme 2017/18 Onwards**

- 5.13 The City Council has approved a Savings Programme from 2017/18 to 2020/21 (the cumulative implications for the Committee are set out in the table below).

Service Area	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Licensing & Enforcement	(0.010)	(0.018)	(0.024)	(0.030)
Trading Standards	(0.011)	(0.067)	(0.074)	(0.081)
Environmental Health	(0.011)	(0.017)	(0.024)	(0.031)
<b>TOTAL</b>	<b>(0.032)</b>	<b>(0.102)</b>	<b>(0.122)</b>	<b>(0.142)</b>

- 5.14 This table includes Step-Ups and New Savings, but excludes the Cross Cutting Workforce savings.
- 5.15 Most savings are for 2017/18 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.
- 5.16 The City Council Savings Programme is based on the following:
- All planned step-up savings set out in the Business Plan 2016/17+ 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 the 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 public budget consultation process.

5.17 Licensing and Public Protection Committee savings for 2017/18 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.

### **Balances and Reserves**

5.18 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 2016/17).

5.19 PoCA Income of £0.198m had been appropriated to reserves by Month 10, further potential income is also expected before the end of 2016/17 along with expenditure (use of reserves).

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

6.1 During the course of 2017/18 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

## **7. Reasons for Decision(s):**

7.1 The report informs the Licensing and Public Protection Committee of the Revenue Budget for 2017/18.

7.2 The position in respect of the Licensing and Public Protection Committee's Savings Programme and the present risks identified in its delivery.

## Signatures

Alison Harwood

Acting Service Director Regulation and Enforcement .....

Jon Warlow

Strategic Director of Finance and Legal .....

Date .....

## List of Background Documents used to Compile this Report:

Licensing & Public Protection - Revenue and Capital Budget 2016/17 – 16 March 2016  
Licensing & Public Protection - Budget Monitoring 2016/17 (Month 2) – 13 July 2016  
Licensing & Public Protection - Budget Monitoring 2016/17 (Month 4) – 14 September 2016  
Licensing & Public Protection - Budget Monitoring 2016/17 (Month 6) – 16 November 2016  
Licensing & Public Protection - Budget Monitoring 2016/17 (Month 8) – 18 January 2017  
Licensing & Public Protection - Budget Monitoring 2016/17 – Month 10 Provisional Outturn

## List of Appendices accompanying this Report (if any):

1. Appendix 1 – Analysis Revenue Budget Changes 2016/17 (Month 8) to 2017/18
2. Appendix 2 – Service and Subjective Analysis of 2017/18 Budgets
3. Appendix 3 – Provisional Budget from 2017/18 to 2020/21
4. Appendix 4 – Indicative Workforce Plan
5. Appendix 5 – Balances and Reserves

<b>Report Version</b>	5.0	<b>Dated</b>	28 February 2017
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