

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND CORPORATE DIRECTOR FINANCE AND GOVERNANCE	
Date of Decision:	14 MARCH 2018	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – BUDGET MONITORING 2017/18 (MONTH 10)	

1. Purpose of Report:
<p>1.1 This report sets out the financial position on the Licensing and Public Protection Committee's Revenue and Capital Budgets, at the end of January 2018 (Month 10), and the forecast financial 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 2017/18.</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 financial position, at the end of January 2018 (Month 10) and forecast outturn, as detailed in Appendix 1.</p> <p>2.2 Note the financial position with regard to the Savings Programme for 2017/18 as detailed in Appendix 2.</p> <p>2.3 Note the expenditure on grant funded programmes in Appendix 3.</p> <p>2.4 Note the position on capital projects, as detailed in Appendix 4.</p> <p>2.5 Approve the net appropriations to reserves relating to Proceeds of Crime Act of £0.276m and note the closing position on reserves, as detailed in Appendix 5.</p>

Lead Contact Officer(s):	Sukvinder Kalsi, Assistant Director of Finance (Place)
Telephone No:	0121 303 3834
E-mail address:	sukvinder.kalsi@birmingham.gov.uk

<div data-bbox="102 152 399 197" data-label="Section-Header"> <h3>3. Consultation</h3> </div> <div data-bbox="102 228 309 273" data-label="Section-Header"> <h4>3.1 <u>Internal</u></h4> </div> <div data-bbox="197 300 1495 456" data-label="Text"> <p>The financial position on the revenue and capital budgets is reported on a monthly basis to the Place Senior Management Team and the Acting Service Director of Regulation and Enforcement is briefed on the major financial issues. Legal and Finance have also been consulted as required in line with the Council's framework.</p> </div> <div data-bbox="102 519 322 564" data-label="Section-Header"> <h4>3.2 <u>External</u></h4> </div> <div data-bbox="197 591 1495 680" data-label="Text"> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2017/18.</p> </div>
<div data-bbox="102 779 504 824" data-label="Section-Header"> <h3>4. Compliance Issues:</h3> </div> <div data-bbox="102 855 1350 936" data-label="Section-Header"> <h4>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></h4> </div> <div data-bbox="197 963 1495 1048" data-label="Text"> <p>The budget is integrated within the Council's Financial Plan 2017+, and resource allocation is directed towards policy priorities.</p> </div> <div data-bbox="102 1075 1331 1155" data-label="Section-Header"> <h4>4.2 <u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u></h4> </div> <div data-bbox="197 1182 1495 1267" data-label="Text"> <p>The Licensing and Public Protection Budget Monitoring 2017/18 (Month 10) report provides details of monitoring of service delivery within available resources.</p> </div> <div data-bbox="102 1294 459 1339" data-label="Section-Header"> <h4>4.3 <u>Legal Implications</u></h4> </div> <div data-bbox="197 1366 1495 1635" data-label="Text"> <p>Section 151 of the 1972 Local Government Act requires the Interim Chief Financial Officer (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> </div> <div data-bbox="102 1662 590 1706" data-label="Section-Header"> <h4>4.4 <u>Public Sector Equality Duty</u></h4> </div> <div data-bbox="197 1733 1495 1890" data-label="Text"> <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> </div>

5. Relevant Background/Chronology of Key Events:

Revenue Budget 2017/18

- 5.1 The City Council approved the overall budget on 28 February 2017. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £7.553m (as detailed in Appendix 1) on 15 March 2017.
- 5.2 There have been no changes to the Committee's net budget in the previous report at Month 8, with the net budget remaining at £7.537m.

	£'m
Original Budget 2017/18 Reported to LPPC 15 March 2017	7.553
Allocation of Trade Union Facility	(0.016)
New External Funding – Operation Beorma (Counterfeiting) (£0.023m)	-
Current Approved Net Revenue Budget for Month 10	7.537

- 5.3 The City Council has well-established arrangements for monitoring spending against the cash limited budgets allocated to Directorates and Committees.
- 5.4 Reports are presented to Cabinet regularly on the overall city-wide financial position and the Licensing and Public Protection Committee receive periodic financial performance reports during the financial year.

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

- 5.5 The total expenditure at Month 10 (end of January 2018) is £6.92m, which represents 92% of the annual net budget.
- 5.6 A year end pressure of net £0.110m is being forecast, all due to base pressures. This in an improved position of £0.350m from Month 8 report brought to your committee (improvement on Environmental Health £240k and Coroners and Mortuary's £170k, offset by pressures on Registrars £20k and reduced savings on Trading Standards £40k).
- 5.7 Budgets continue to be managed rigorously and any changes will be reported in future reports.
- 5.8 The table below sets out a high level summary of the projected year end pressures and underspend by service (full details are in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

Forecast Year End Variations – Month 10			
Budget Head	Savings Programme £'m	Base Budget (underspend) / Pressures £'m	Total (underspend) / Pressures £'m
Environmental Health	0.000	(0.600)	(0.600)
Pest Control	0.000	0.600	0.600
Registrars	0.000	0.020	0.020
Mortuary and Coroners	0.000	0.180	0.180
Trading Standards	0.000	(0.090)	(0.090)
Licensing	0.000	0.000	0.000
TOTAL	0.000	0.110	0.110

6.0 Key Components, Mitigations and Management Actions

Managers within Regulatory Services are involved in a number of actions this financial year to mitigate budget pressures for current and future financial years, as detailed below.

6.1 Pest Control net £0.600m pressure

- Pest Control continues to experience income related pressure especially from contracts on clearance work which has ceased this year. Every effort is being made to seek new opportunities for income generation and there has been an increase in one off contracts which has assisted meeting the budget. There has also been some large scale industrial clear ups undertaken which have assisted in recovery of more monies than were expected in the last quarter of the 2017/18 financial year.

6.2 Environmental Health £0.600m underspend

- The Environmental Health Service is generating increased savings by keeping open employee vacancies, achieving a greater than expected recovery of officer costs and imposing a spending freeze on non-employee expenditure, which will help mitigate the pressure on Pest control through jointly managed services.

6.3 Registrars net £0.020m pressure

- An overspend on premises is projected due to increased costs for cleaning and utilities, whilst the overspend on employees is managed through increased income generation.

6.4 Mortuary and Coroners net £0.180m pressure

- The Service is experiencing significant pressures of £0.350m arising from autopsies and transport of bodies, due to the increased volume of referrals and post mortems required by this service.
- Expenditure relating to the 1974 Bombings Inquest is expected to be met by specific Government Funding and latest projections are that the inquest could cost up to £2.3m.
- Expenditure incurred to date totals in excess of £1m, including £0.170m from 2016/17 and is not currently being highlighted as a pressure. The Chief Executive and the Chair of LPPC have written to the Ministry of Justice for details and a response is awaited.

6.5 Trading Standards net £0.090m underspend

- Managers have had in place the temporary secondment of one officer to another local authority (although this has now ended) and they have secured external funding from National Trading Standards Board to support their existing anti-counterfeiting initiative along with Public Health money for specific project work.

Savings Programme

- 6.6 The Committee's Savings Programme is £0.032m for 2017/18. In addition, unachieved one-off savings of £0.014m have been brought forward from 2016/17 relating to the Commercial model for Business Support. An assessment at Month 10 has concluded that the total £0.046m will be fully delivered in 2017/18.

Capital

- 6.7 The Capital programme (Mortuary and Coroners) for planned essential health and safety works in the mortuary is being updated. A revised business case for the new project will be drafted, detailing the exact works to be undertaken, the costs and funding. It is anticipated that the works will commence in the new financial year.

7. Grant Funded Programmes

- 7.1 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scam-busters.
- 7.2 Expenditure and income for each of the grants is shown in Appendix 3 and summarised below.

Illegal Money Lending

- 7.3 The Illegal Money Lending Team (IMLT) England investigates and takes action against Illegal Money Lending or “Loan Shark” perpetrators across the whole of England.
- 7.4 The project is funded through specific grant from National Trading Standards Board, with the allocation of up to £3.605m in 2017/18.
- 7.5 The expenditure at the end of January 2018 was £2.958m (82%) and it is anticipated that the grant will be fully utilised.

Scam-busters

- 7.6 The Scam-busters (Regional Investigations) Team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 7.7 Funding has been confirmed at £0.335m, similar to the amount allocated to this project during the last financial year.
- 7.8 The expenditure at the end of January 2018 was £0.254m (76%) and it is anticipated that the grant will be fully utilised.

8. Proceeds of Crime Act
8.1 Regulatory Services secures funding through the Proceeds of Crime Act (PoCA) 2002 in response to financial investigations undertaken following sentencing by the courts.
8.2 PoCA monies are ring-fenced for expenditure on community and crime prevention projects
8.3 Expenditure on PoCA items is £0.479m at the end of January and fully funded through transfers from reserves (IMLT £0.317m, Trading Standards £0.162m).
8.4 Income has been received through the courts of £0.755m which has transferred to reserves for use in future years. (IMLT £0.552m, Trading Standards £0.203m).

9. Reserves:
9.1 The reserves at Month 10 are shown in Appendix 5.
9.2 The reserves at the start of the year (1 April 2017) totalled £1.837m and are all ring-fenced.
9.3 With planned appropriations / transfers to PoCA reserves of net £0.276m, the reserve balance will increase to £2.113m.

10. Evaluation of Alternative Option(s):
10.1 During the year ahead the financial position will continue to be closely monitored and options identified to resolve budgetary pressures as necessary, and to meet new and emerging pressures.

11. Reasons for Decision(s):
11.1 The Report informs the Licensing and Public Protection Committee of the financial position on the Revenue and Capital Budget for 2017/18 at Month 10 and the forecast outturn.
11.2 The latest position in respect of the Licensing and Public Protection Committee's use of reserves, delivery of the savings programme and any perceived risks are also identified.

Signatures
Chris Neville Acting Service Director Regulation and Enforcement
Clive Heaphy Corporate Director Finance and Governance
Date

List of Background Documents used to Compile this Report:
Licensing & Public Protection - Revenue and Capital Budget 2017/18 – 15 March 2017
Licensing & Public Protection - Budget Monitoring 2017/18 (Month 02) - 12 July 2017
Licensing & Public Protection - Budget Monitoring 2017/18 (Month 04) - 13 September 2017
Licensing & Public Protection - Budget Monitoring 2017/18 (Month 06) - 15 November 2017
Licensing & Public Protection - Budget Monitoring 2017/18 (Month 08) - 17 January 2018

List of Appendices accompanying this Report (if any):			
<div>1. Appendix 1 - Financial Performance Statement Month 10 and Forecast Outturn</div> <div>2. Appendix 2 - Savings Programme Performance</div> <div>3. Appendix 3 - Grant Funded Programmes (IMLT and Scam-busters)</div> <div>4. Appendix 4 - Capital Programme</div> <div>5. Appendix 5 - Reserves</div>			
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