

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND STRATEGIC DIRECTOR FINANCE AND LEGAL	
Date of Decision:	13 JULY 2016	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – BUDGET MONITORING 2016/17 (MONTH 02)	

1. Purpose of Report:
<p>1.1 This report sets out the position on the Licensing and Public Protection Committee's Revenue Budget at the end of May 2016 (Month 2) 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 2016/17.</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 May 2016 (Month 2) and Forecast Outturn as detailed in Appendix 1.</p> <p>2.2 Note the position with regard to the Savings Programme for 2016/17 as detailed in Appendix 2.</p> <p>2.3 Note the expenditure on grant funded and Proceeds of Crime funded programmes in Appendix 3.</p> <p>2.4 Note the position on reserves and balances, as detailed in Appendix 4.</p>

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3. Consultation

3.1 Internal

The financial position on the revenue budget is reported on a monthly basis to the Management Team and the Acting Service Director of Regulation and Enforcement is briefed on the major financial issues, as required in line with the Council's framework.

3.2 External

There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.

4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)

The Licensing and Public Protection Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.

4.3 Legal Implications

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.

4.4 Public Sector Equality Duty

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.

5. Relevant Background/Chronology of Key Events:

Revenue Budget

- 5.1 The City Council approved the overall budget on 1 March 2016. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £5.951m (as detailed in Appendix 1). As at Month 2, the budget has been reduced by £0.396m. The major changes are detailed in the table below.

	£'m
Original Budget 2016/17 Reported to LPPC 16 March 2016	5.951
Planned use of Reserves – Licensing Fees and Charges	(0.311)
Depreciation Adjustments	(0.199)
Cross Cutting Savings (Energy, Printing, etc.)	(0.010)
Additional resources for staff increments	0.124
Current Approved Net Revenue Budget 2016/17 – Month 2	5.555

- 5.2 The City Council has well-established arrangements for monitoring spending against the cash limited budgets allocated to Directorates/Committees. Reports are presented to Cabinet monthly on the overall city-wide financial position and the Licensing and Public Protection Committee receive periodic reports during the financial year.
- 5.3 Additional resources of £0.110m have been approved for the Coroners service from Policy Contingency in respect for additional staffing resources. This will be reflected in the committee's budget in July and will form part of future monitoring reports.

Revenue

- 5.4 The Licensing and Public Protection Committee has spent £0.367m at Month 2.
- 5.5 This forms part of a year-end projected pressure of £0.800m (£0.391m relating to the Savings Programme and £0.409m relating to new budget pressures).
- 5.6 The table below provides a high level summary of the Licensing and Public Protection Committee's financial forecast as at the end of May 2016 (the full details are set out in Appendix 1).

Budget Head	Forecast Year End Variations	
	Savings Programme £'m	Base Budget Pressures £'m
Employees	0.024	(0.209)
Premises	-	0.040
Transport	-	(0.080)
Supplies and Services	-	(0.787)
Third Party Payments	-	-
Recharge Expenditure	-	-
Sub-Total	-	(0.955)
Income	0.367	1.445
Total	0.391	0.409

Savings Programme

- 5.7 The Committee has a significant Savings Programme for 2016/17 relating to all service areas, as shown in Appendix 2.
- 5.8 This includes step up savings, accelerated step ups and new savings totalling £0.332m.
- 5.9 In addition, there are savings from 2015/16 of £0.339m where actions and solutions still needed to be identified. The total pressure for 2016/17 therefore is £0.671m.
- 5.10 At this point in time, only £0.280m (42%) has actions in place, whilst £0.391m still requires ongoing solutions to be identified and developed in the current financial year.
- 5.11 Savings of £0.024m previously applied to the Animal Welfare service have been subject to a petition received by Full Council. Provisionally additional resources have been allocated to meet this savings target, subject to Cabinet approval in July. The outcome will be reported to LPPC in September.
- 5.12 The continued rigorous management action and financial control of officers is required to ensure that the programme will be achieved.

Year End Projection

- 5.13 A significant net pressure of £0.800m is being projected at this stage due mainly to expected shortfalls in income.
- 5.14 This includes some expected savings such as employee vacancies in Environmental Health at the start of the financial year and savings are expected against transportation budgets from reduced purchasing and repairs of vehicles.
- 5.15 Supplies and Services includes major savings from Public Health, however this is partly offset by Autopsy, Laboratory Fees, etc.
- 5.16 Income is expected to be a significant pressure of £1.445m with Register Office, Pest Control and Licensing all continuing to operate at similar levels to those experienced in 2015/16.
- 5.17 Managers in consultation with the Service Director Regulation and Enforcement will ensure that any identified pressures are minimised and are working towards achieving the cash limited budget by continuing:
- Stringent control of discretionary expenditure.
 - New areas of service provision for the generation of income.
 - Careful management of vacancies, temporary staff and redeployment.

Capital

- 5.18 The City Council has now approved a Capital programme for Mortuary and Coroners to undertake essential health and safety works. The prudential borrowing will be a revenue cost to the service in future years of £0.024m per annum commencing in 2017/18 and this will be funded through service efficiencies.

Grant Funded and Proceeds of Crime Funded Programmes

- 5.19 Within Regulatory Services, there are two grant funded programmes for Illegal Money Lending England and Scambusters. There are two Proceeds of Crime Programmes funded through a proportion of the assets recovered following successful prosecutions.
- 5.20 The expenditure and income for each programme is shown in Appendix 3.
- 5.21 The Illegal Money Lending England (IMLT).
- IMLT investigates and takes action against Illegal Money Lending or “Loan Shark” perpetrators across the whole of England.
 - The project is funded through specific grant from National Trading Standards Board with additional funding from Financial Conduct Authority.
 - Overall funding available has been confirmed as reduced this year from £3.605m to £3.523m. This will be reflected in budgets from Month 4 onwards.
 - The expenditure at the end of May was £0.377m.
 - This budget is strictly ring-fenced to this grant funded service.
- 5.22 Scambusters.
- This team investigates and takes action against fraudsters operating across council boundaries in the central region.
 - This is a regional project funded through specific grant of £0.261m through the National Trading Standards Board.
 - The expenditure at the end of May £0.024m.
 - This budget is strictly ring-fenced to this grant funded service.
- 5.23 Proceeds of Crime Act 2002.
- Regulatory Services secures funding through the Proceeds of Crime Act 2002 in response to financial investigations undertaken post sentencing by the courts.
 - This money is strictly ring-fenced and can only be utilised by the Council for community and crime prevention projects.
 - Illegal Money Lending and Trading Standards have spent £0.049m (£0.023m and £0.026m respectively) on such specific PoCA projects from April to May 2016.
 - This is in line with 2015/16 spending levels, however this is expected to increase shortly to reflect the increased balances that are available for 2016/17.

Balances and Reserves

- 5.24 The balances and reserves for the Committee are shown in Appendix 4.
- 5.25 The balances brought forward on 1 April 2016 total £1.368m and these are specific ring-fenced resources.
- 5.26 The projected use of reserves in 2016/17 is £0.311m relating to Licensing as part of the Committees ongoing policy on setting licence fees.

6. Evaluation of Alternative Option(s):

- 6.1 During the year ahead the financial position will continue to 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 2016/17 and the forecast outturn at the end of May 2016.
7.2	The latest position in respect of the Licensing and Public Protection Committee's year-end projections, use of reserves, Savings Programme and risks are also identified.

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

List of Appendices accompanying this Report (if any):
<ol style="list-style-type: none"> 1. Appendix 1 - Financial Performance Statement Month 2 and Provisional Outturn 2. Appendix 2 - Savings Programme Performance 2016/17 Month 2 3. Appendix 3 - Summary of IMLT, Scambusters and PoCA 4. Appendix 4 - Balances and Reserves at Month 2

Report Version	3.1	Dated	29 June 2016
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