

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND CHIEF FINANCIAL OFFICER	
Date of Decision:	12 JUNE 2019	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – OUTTURN 2018/19	

1. Purpose of Report:
<p>1.1 This report sets out the outturn income and expenditure for 2018/19 incurred on services that are the responsibility of the Licensing and Public Protection Committee.</p> <p>1.2 The Cabinet approved the City Council's Outturn Report for 2018/19 on 14 May 2019 although the figures are still subject to audit by the City Council's approved external auditors.</p>

2. Decision(s) Recommended:
The Licensing and Public Protection Committee is requested to :
<p>2.1 Note the revenue outturn underspend of £0.451m as detailed in Appendix 1.</p> <p>2.2 Note the expenditure on grant funded programmes in Appendix 2.</p> <p>2.3 Note the position on Capital projects, as detailed in Appendix 3.</p> <p>2.4 Note the position on reserves, as detailed in Appendix 4.</p>

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3. Consultation
3.1 <u>Internal</u>
The Revenue and Capital Outturn position for the City Council as a whole was considered by Cabinet on 14 May 2019. The Chair of Licensing and Public Protection Committee, the Service Director of Regulation and Enforcement and the Chief Financial Officer have been consulted in the preparation of this report.

4. Compliance Issues:
4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.
4.2 <u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u>
This Licensing and Public Protection Financial Outturn report gives details of monitoring of service delivery within available resources of the Place Directorate.
4.3 <u>Legal Implications</u>
Section 151 of the Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the City Council's financial affairs. This report forms the concluding part of the Council's budgetary control cycle for 2018/19. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Cabinet Members, Committees, and Members of Executive Team by the City Council in discharging this statutory responsibility. There are no specific implications in relation to other policies.
4.4 <u>Public Sector Equality Duty</u>
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 27 February 2018. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £7.736m (as detailed in Appendix 1) on 14 March 2018.
- 5.2 There has been two minor additions to the Committee's net budget.
- The return of £0.025m to the Register Office has been reported to LPPC during the year and represents budget for a post that was previously removed as part of the Professional Support Service (PSS) centralisation. The post was identified earlier in the financial year as out of scope and will be reinstated and kept within the Register Office Structure.
 - At the year end an additional £0.038m has been provided to LPPC to fully fund the apprenticeship levies that your committee's services have paid during the year.

	£'m
Original Budget 2018/19 Reported to LPPC 14 March 2018	7.736
PSS – Reinstatement of Out of Scope post budget (Register Office)	0.025
Funding for Apprenticeship Levy incurred during 2018/19	0.038
Current Approved Net Revenue Budget	7.799

- 5.3 The current approved budget for this Committee is therefore £7.799m.

Revenue Outturn

- 5.4 The provisional revenue outturn expenditure for the Licensing and Public Protection Committee is £7.358m, which represents an underspend of £0.441m against the annual net budget of £7.799m. This has been incorporated into the overall Place Directorate year end position.
- 5.5 The table below sets out a high level summary of the year end overspend by service (full details in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

Outturn Year End Variations				Forecast (underspend) / Pressures at Quarter3 £'m
Budget Head	Savings Programme £'m	Base Budget (underspend) / Pressures £'m	Total (underspend) / Pressures £'m	
Environmental Health	-	(0.619)	(0.619)	(0.170)
Pest Control	-	0.161	0.161	0.100
Register Office	-	(0.178)	(0.178)	0.000
Mortuary and Coroners	-	0.383	0.383	0.070
Trading Standards	-	(0.184)	(0.184)	(0.118)
Licensing	-	(0.112)	(0.112)	0.000
Highways	-	0.108	0.108	0.000
TOTAL	-	(0.441)	(0.441)	(0.118)

5.6 The key components include:

- **Environmental Health (£0.619m underspend) and Pest Control (£0.161m)** – Pest Control continued to experience income related pressure from contracts on clearance although this was partly mitigated by increased focus on income throughout the financial year.

The two services are managed jointly and savings were managed within Environmental Health to more than mitigate this.

- **Registrars (£0.178m underspend)**

Several pressures were identified during the year including premises budgets (increased costs for repairs, cleaning and utilities) and employees – these were offset by increased income generation in the final quarter of the year.

- **Mortuary & Coroners (£0.383m pressure)** – pressure from 1974 Bombings Inquest is to be funded through Central Government.

The pressure from additional unbudgeted staff resources, autopsies and transport of bodies (due to the increased volume of referrals and post mortems) and increased contract costs had been highlighted throughout the year and the final outturn position is in line with those forecasts.

- **Trading Standards (£0.184m underspend)** – service received external funding to support an existing anti-counterfeiting initiative and for test purchasing in response to increased knife crime. Existing resources were focussed on these work-streams.

- **Licensing (£0.112m underspend)** – the ring fenced Hackney Carriage and Private Hire account has drawn on existing reserves in line with operational plans/expectations.

The separate Entertainment and General licensing budget has generated a surplus which will be utilised in the Directorate outturn position.

Capital

- 5.7 The Capital programme (Mortuary and Coroners) for planned essential health and safety works in the mortuary was extended to include a new roof.
- 5.8 A revised Business Case for the new project was in progress and some work did commence before the year end. The use of temporary ventilation (paid for through Revenue) has continued throughout 2018/19.

6. Grant Funded Programmes

- 6.1 There are two grant funded programmes: Illegal Money Lending and Scambusters.
- 6.2 The expenditure and income for each is shown in Appendix 2

Illegal Money Lending

- 6.3 The Illegal Money Lending Team (IMLT) England investigates and takes action against Illegal Money Lending or “Loan Shark” perpetrators across the whole of England.
- 6.4 The project in 2018/19 was funded for the first time directly from HM Treasury (previously this had been through the National Trading Standards Board (NTSB)).
- 6.5 The total funding for 2018/19 is £3.831m.
- 6.6 The revenue outturn for 2018/19 was £3.820m.

Scambusters

- 6.7 The Scambusters team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.8 Funding was initially set at £0.320m, however this was increased prior to the year end to £0.350m
- 6.9 The revenue outturn for 2018/19 was £0.351m.

7. Balances and Reserves:

- 7.1 The balances and reserves at the end of the financial year are shown in Appendix 4.
- 7.2 The balances at the start of the year (1 April 2018) totalled £2.017m and these are all specific ring-fenced resources.
- 7.3 The use of reserves of £0.169m for the Hackney Carriage and Private Hire Licensing service is in relation to licence fees for 2018/19 and this is in line with previous decisions to ensure a proportion of the Licensing reserve is fed back in to the service in both investment and maintaining low fees and charges.
- 7.4 Proceeds of Crime Act (PoCA) reserves have been utilised for both Trading Standards and for Illegal Money Lending. Both service areas have continued to receive awarded income and have delivered spend above that level. There is a net reduction in these two accounts of £0.250m.

This is a reflection of the completed successful prosecutions that both services have been involved in.

Reserves have reduced during the year by a net £0.403m resulting in a closing balance of £1.614m.

8. Evaluation of Alternative Option(s):

- 8.1 This report sets out the Outturn position for 2018/19 and all the issues, financial risks and options were reported during the financial year to the Licensing and Public Protection Committee.

9. Reasons for Decision(s):

- 9.1 The Report informs the Licensing and Public Protection Committee of the Revenue Budget for 2018/19 and the outturn position at the year end.
- 9.2 The position in respect of the Licensing and Public Protection Committee's use of reserves, the Savings Programme and the risks are also identified.

Signatures

Steve Hollingworth
Service Director Regulation and Enforcement

Clive Heaphy
Chief Financial Officer

Date

List of Background Documents used to Compile this Report:

Licensing & Public Protection - Revenue and Capital Budget 2018/19 – 14 March 2018
Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 1 – 19 September 2018
Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 2 – 21 November 2018
Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 3 – 13 February 2019

List of Appendices accompanying this Report (if any):

1. Appendix 1 - Financial Performance Statement at Outturn
2. Appendix 2 - Summary of IMLT and Scambusters
3. Appendix 3 - Capital Programme
4. Appendix 4 - Balances and Reserves

Report Version	2.0	Dated	07 May 2019
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