

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND CHIEF FINANCIAL OFFICER	
Date of Decision:	20 JUNE 2018	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – OUTTURN 2017/18	

1. Purpose of Report:
<p>1.1 This report sets out the outturn income and expenditure for 2017/18 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 2017/18 on 24 May 2018 although the figures are still subject to audit by the City Council's approved external auditors.</p>

2. Decision(s) Recommended:
<p>The Licensing and Public Protection Committee is requested to :</p> <p>2.1 Note the revenue outturn underspend of £0.309m 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	<p><u>Internal</u></p> <p>The Revenue and Capital Outturn position for the City Council as a whole was considered by Cabinet on 24 May 2018. The Chair of Licensing and Public Protection Committee, the Acting Service Director of Regulation and Enforcement and the Chief Financial Officer have been consulted in the preparation of this report.</p>
3.2	<p><u>External</u></p> <p>Not applicable.</p>

4. Compliance Issues:	
4.1	<p><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>
4.2	<p><u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u></p> <p>This Licensing and Public Protection Financial Outturn report gives details of monitoring of service delivery within available resources of the Place Directorate.</p>
4.3	<p><u>Legal Implications</u></p> <p>Section 151 of the Local Government Act requires the Interim 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 2017/18. 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.</p>
4.4	<p><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

- 5.1 The City Council approved the overall budget for 2017/18 on 28 February 2017. 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 The budget was increased by a net £0.024m during the financial year. The major changes are summarised in the table below.

	£'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)	-
Adjustment for Apprenticeship Levy	0.040
Approved Net Revenue Budget at Year End	7.577

Revenue Outturn

- 5.3 The provisional revenue outturn expenditure for the Licensing and Public Protection Committee is £7.268m, which represents an underspend of £0.309m against the annual net budget of £7.577m. This has been incorporated into the overall Place Directorate year end position.
- 5.4 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				
Budget Head	Savings Programme	Base Budget (underspend) / Pressures	Total (underspend) / Pressures	Forecast (underspend) / Pressures at Month 10
	£'m	£'m	£'m	£'m
Environmental Health	-	(0.707)	(0.707)	(0.600)
Pest Control	-	0.440	0.440	0.600
Register Office	-	(0.010)	(0.010)	0.020
Mortuary and Coroners	-	0.234	0.234	0.180
Trading Standards	-	(0.197)	(0.197)	(0.090)
Licensing	-	(0.172)	(0.172)	0.000
Highways	-	0.102	0.102	0.000
TOTAL	-	(0.309)	(0.309)	0.110

5.5 The key components include:

- **Environmental Health (£0.707m underspend) and Pest Control (£0.440m)** – Pest Control continued to experience income related pressure from contracts on clearance although this was partly mitigated by increased focus on income toward the year end.

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

- **Registrars (£0.010m underspend)**

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

- **Mortuary & Coroners (£0.234m pressure)** – pressure from 1974 Bombings Inquest is expected to be funded through Central Government, subject to final written confirmation of which an adjustment of £0.170m relating to 2016/17 to be included.

The pressure from 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 (£0.197m underspend)** – service received external funding for tobacco licensing and also to support an existing anti-counterfeiting initiative. Existing resources were focussed on these work-streams.
- **Licensing (£0.172m 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

5.6 The Capital programme (Mortuary and Coroners) for planned essential health and safety works in the mortuary was extended to include a new roof.

5.7 A revised Business Case for the new project was in progress and some work did commence before the year end. However the majority of the project – including temporary ventilation and asbestos removal will be completed in 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 2017/18 was to be funded through a single grant specific grant from National Trading Standards Board (NTSB) (in 2016/17 there was additional funding from Financial Conduct Authority).
- 6.5 The total funding for 2017/18 is £3.605m.
- 6.6 The revenue outturn for 2017/18 was £3.604m.

Scambusters

- 6.7 The Scambusters team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.8 Funding has been confirmed at £0.335m, similar to the amount allocated to this project during last financial year.
- 6.9 The revenue outturn for 2017/18 was £0.328m.

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 2017) totalled £1.837m and these are all specific ring-fenced resources.
- 7.3 The use of reserves of £0.233m for the Hackney Carriage and Private Hire Licensing service is in relation to licence fees for 2017/18 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. At the same time, both areas have increased the amount of income they receive through the Home Office PoCA system – an additional £0.935m in 2017/18.

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

Reserves have increased during the year by a net £0.180m resulting in a closing balance of £2.017m.

8. Evaluation of Alternative Option(s):
8.1 This report sets out the Outturn position for 2017/18 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 2017/18 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	
Chris Neville Interim Service Director Regulation and Enforcement
Clive Heaphy Interim Chief Financial Officer
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 Licensing & Public Protection - Budget Monitoring 2017/18 (Month 10) - 14 March 2018

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				
<table border="1"> <tr> <td>Report Version</td> <td>3.0</td> <td>Dated</td> <td>24 May 2018</td> </tr> </table>	Report Version	3.0	Dated	24 May 2018
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