

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND STRATEGIC DIRECTOR FINANCE AND LEGAL	
Date of Decision:	14 SEPTEMBER 2016	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – BUDGET MONITORING 2016/17 (MONTH 04)	

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 July 2016 (Month 4) 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 July 2016 (Month 4) 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	<p><u>Internal</u></p> <p>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.</p>
3.2	<p><u>External</u></p> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.</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>The Licensing and Public Protection Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.</p>
4.3	<p><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 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>
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 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 4, the budget has been reduced by £0.752m. 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
Net Revenue Budget 2016/17 – Month 2 (LPPC 13 July 2016)	5.555
Cross Cutting Savings (Workforce)	(0.404)
Consolidation of Economy Surveying Services	(0.062)
Additional Resources for Coroners Service (ongoing)	0.110
Current Approved Net Revenue Budget 2016/17 – Month 4	5.199

- 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.

Revenue – Financial Review and Year End Projections

- 5.3 The total expenditure at the end of Month 4 is £1.327m (this represents 25% of the net budget).
- 5.4 A year end overspend of £0.800m is projected (this is unchanged from Month 2, although the individual service projections have been updated to reflect the rigorous review that has been completed by Service and Operational Managers).
- 5.5 The table below sets out a high level summary of the projected year end overspend by service (full details in Appendix 1).

		Forecast Year End Variations		
Budget Head		Savings Programme £'m	Base Budget Pressures £'m	Total Budget Pressures £'m
Environmental Health		0	(555)	(555)
Pest Control		0	40	40
Register Office		0	100	100
Mortuary and Coroners		95	245	340
Trading Standards		0	10	10
Licensing		339	526	865
Access & Development		0	0	0
Highways Regulatory		0	0	0
Surveying Services		0	0	0
TOTAL		434	366	800

Savings Programme

- 5.6 The Committee's Savings Programme totals £0.671m for 2016/17 (the details are shown in Appendix 2).
- 5.7 The Savings Programme includes step up savings, accelerated step ups and new savings totalling £0.332m and savings of £0.339m from 2015/16.
- 5.8 At this stage of the year £0.223m of 33% has been fully delivered, £0.014m (2%) has actions in place with some risk and the remainder of £0.434m or 65% is at risk. Mitigation actions will be developed during the year across the Directorate to try to deliver the savings (see below).
- 5.9 The savings target of £0.024m originally applied to the Animal Welfare (Dog Cruelty) will now no longer be pursued. A saving will be identified within the Place Directorate on an ongoing basis and the budget will be reinstated to Environmental Health.
- 5.10 The continued rigorous management action and financial control of officers is required to ensure that the programme will be achieved.

Mitigations and Management Actions 2016/17

Pest Control

- 5.11 Further contracts have been secured for Pest Control to clear waste land. This includes a significant contract for the City's Council Housing land.

Register Office

- 5.12 Officers within the Registration Service are completing a base budget review in order to identify any structural base budget issues relating to prior year savings and income targets for the service. This will be considered as part of the current budget planning process for 2017/18 and future years.
- 5.13 New services and a new fees structure agreed by LPPC for this financial year are providing some contribution to mitigate the pressures.
- 5.14 A review has also been completed on streamlining financial administration processes within the service relating to the receipt and accounting of income.

Licensing

- 5.15 Officers within the Licensing Service are completing a base budget review in order to identify any structural base budget issues relating to prior year savings and income targets for the service. This will be considered as part of the current budget planning process for 2017/18 and future years.

Capital

- 5.16 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

- 5.17 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.
- 5.18 The expenditure and income for each programme is shown in Appendix 3.
- 5.19 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 5 onwards.
 - The expenditure at the end of July was £0.901m.
 - This budget is strictly ring-fenced to this grant funded service.
- 5.20 Scambusters.
- This team investigates and takes action against fraudsters operating across council boundaries in the central region.
 - Overall funding available has been confirmed as increased this year from £0.261m to £0.265m. This will be reflected in budgets from Month 5 onwards.
 - The expenditure at the end of July is £0.051m.
 - This budget is strictly ring-fenced to this grant funded service.
- 5.21 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 for community and crime prevention projects.
 - Illegal Money Lending and Trading Standards have spent £0.091m (£0.047m and £0.044m respectively) on such specific PoCA projects from April to July 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

- 5.22 The balances and reserves for the Committee are shown in Appendix 4.
- 5.23 In response to a query raised at LPPC 13 July 2016 the appendix has been expanded to show the previous year Revenue outturns for Licensing, Grant and POCA accounts.
- 5.24 This table shows the net appropriations to (or from) reserves in 2015/16 – the Balances from April 2015 are then adjusted by these transactions and therefore form the Balances brought forward into the current financial year.
- 5.25 The balances 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 July 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.

<p>Signatures</p> <p>Alison Harwood Acting Service Director Regulation and Enforcement</p> <p>Jon Warlow Strategic Director of Finance and Legal</p> <p style="text-align: right;">Date</p>
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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 02) – 13 July 2016

List of Appendices accompanying this Report (if any):			
1. Appendix 1 - Financial Performance Statement Month 4 and Provisional Outturn 2. Appendix 2 - Savings Programme Performance 2016/17 Month 4 3. Appendix 3 - Summary of IMLT, Scambusters and PoCA 4. Appendix 4 - Balances and Reserves at Month 4			
Report Version	2.5	Dated	23 August 2016