

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING DIRECTOR REGULATION AND ENFORCEMENT AND CORPORATE DIRECTOR FINANCE AND GOVERNANCE	
Date of Decision:	19 SEPTEMBER 2018	
SUBJECT:	LICENSING AND PUBLIC PROTECTION BUDGET MONITORING 2018/19 - QUARTER 1	

1. Purpose of Report:
<p>1.1 This report sets out the position on the Licensing and Public Protection Committee's Revenue and Capital Budgets at the end of June 2018 (Quarter 1) 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 2018/19.</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 June 2018 (Quarter 1) and Forecast Outturn as detailed in Appendix 1.</p> <p>2.2 Note the position for the Savings Programme for 2018/19 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 appropriations to and from reserves relating to Proceeds of Crime Act</p> <p>2.6 Note the position on reserves and balances, as detailed in Appendix 5.</p>

Lead Contact Officer(s):	Parmjeet Jassal, Head of City Finance
Telephone No:	0121 303 4176
E-mail address:	parmjeet.jassal@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 416" data-label="Text"> <p>The financial position on the revenue and capital 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> </div> <div data-bbox="102 445 322 490" data-label="Section-Header"> <h4>3.2 <u>External</u></h4> </div> <div data-bbox="197 517 1495 602" data-label="Text"> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2018/19.</p> </div>
<div data-bbox="102 707 504 752" data-label="Section-Header"> <h3>4. Compliance Issues:</h3> </div> <div data-bbox="102 781 1350 866" 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="197 891 1495 976" data-label="Text"> <p>The budget is integrated within the Council’s Financial Plan 2018+, and resource allocation is directed towards policy priorities.</p> </div> <div data-bbox="102 1003 1331 1088" 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 1113 1495 1198" data-label="Text"> <p>The Licensing and Public Protection Budget Monitoring 2018/19 (Quarter 1) report provides details of monitoring of service delivery within available resources.</p> </div> <div data-bbox="102 1225 461 1270" data-label="Section-Header"> <h4>4.3 <u>Legal Implications</u></h4> </div> <div data-bbox="197 1294 1495 1563" 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 1590 592 1635" data-label="Section-Header"> <h4>4.4 <u>Public Sector Equality Duty</u></h4> </div> <div data-bbox="197 1659 1495 1821" 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 2018/19

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 are no changes to the Committee's net budget since the start of the financial year.

	£'m
Original Budget 2018/19 Reported to LPPC 14 March 2018	7.736
	-
Current Approved Net Revenue Budget	7.736

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 on a quarterly basis on the overall city-wide financial position and the Licensing and Public Protection Committee will also receive quarterly financial performance reports during the financial year.

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

5.5 The total expenditure at Quarter 1 (end of June 2018) is £3.359m. However, this includes £1.518m of costs relating to the 1974 Bombings Inquest. These costs will be funded through the Ministry of Justice. This leaves £1.841m net expenditure, which represents 24% of the annual net budget.

5.6 A year end net pressure of £0.077m is being forecast, mainly due to highways licensing, for which mitigations are being developed through maximisation of income.

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 overspend by service (full details in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

Forecast Year End Variations – Quarter 1			
Budget Head	Savings Programme £'m	Base Budget (underspend) / Pressures £'m	Total (underspend) / Pressures £'m
Environmental Health	0.000	(0.100)	(0.100)
Pest Control	0.000	0.100	0.100
Register Office	0.000	0.000	0.000
Mortuary and Coroners	0.000	0.000	0.000
Trading Standards	0.000	0.000	0.000
Licensing and Enforcement	0.000	0.000	0.000
Public Rights of Way	0.000	0.000	0.000
Highways Licensing	0.000	0.077	0.077
NRSWA Licences	0.000	0.000	0.000
TOTAL	0.000	0.077	0.077

The key components of the projection include:

- **Environmental Health (£0.100m underspend) and Pest Control (£0.100m pressure)**

Pest Control continues to experience income related pressure from contracts (for example: on clearance). The two services are managed jointly and savings are being managed within Environmental Health to fully fund this.

- **Highways Licensing (£0.077m pressure)**

The year-end pressure represents increased payments to an external contractor, partly offset by increased income through permits e.g. skips, cranes, scaffolding, etc. The Service continues to work to maximise all income to manage this pressure, which is dependent upon expected demand for licences throughout the year.

Savings Programme

- The Committee's Savings Programme is £0.222m for 2018/19.
- An assessment at Quarter 1 has concluded that this will be fully delivered in 2018/19 and all savings will be delivered.

Mitigations and Management Actions 2018/19

- Managers within Regulatory Services are involved in a number of actions this financial year to mitigate budget pressures for current and future financial years.
- Pest Control

Contracts continue to be sought to clear waste land and Council Housing land to make good the £0.100m forecast pressure on income. However, savings are also being managed within Environmental Health to mitigate this pressure.

- Mortuary and Coroners

Pressures relating to the 1974 Inquest (currently £1.518m) will be met by specific Government Funding. This has now been confirmed in writing by the Ministry of Justice. Although no funding to date has been received, the council is assured that this will be funded and will not cause a financial pressure. Officers are continuing to seek clarity on the reimbursement process.

Capital (Appendix 4)

- 5.9 The Capital programme for essential health and safety works in the mortuary including ventilation solutions is being reviewed and updated. A short term solution involving temporary air conditioning is in place and an extension to this is being arranged whilst permanent installations are being reviewed.

6.	Grant Funded Programmes
6.1	Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scambusters (RIT).
6.2	Expenditure and income for each of the grants is shown in Appendix 3 and summarised below.
	<u>Illegal Money Lending</u>
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 is funded through specific grant from Treasury, with the allocation of up to £3.805m in 2018/19.
6.5	The expenditure at the end of June 2018 was £0.768m (20%) and it is anticipated that the programme will fully spend the grant allocated.
	<u>Scambusters</u>
6.6	The Scambusters - Regional Investigations Team (RIT) investigates and takes action against fraudsters operating across council boundaries in the central region.
6.7	Funding has been confirmed at £0.320m (£0.335m last financial year).
6.8	The expenditure at the end of June 2018 was £0.053m (17%) and it is anticipated that the programme will fully spend the grant allocated.

7.	Proceeds of Crime Act
7.1	Regulatory Services secures funding through the Proceeds of Crime Act 2002 in response to financial investigations undertaken following sentencing by the courts.
7.2	Expenditure on PoCA items is £0.093m at the end of Quarter 1 which will be funded through a combination of reserves and income received during the year.
7.3	PoCA monies are ring-fenced for expenditure on community and crime prevention projects

8.	Balances and Reserves:
8.1	The reserves at Quarter 1 are shown in Appendix 5.
8.2	The reserves currently total £2.017m and are ringfenced. All planned expenditure on these reserves will be included in future reports to this Committee.

9. Evaluation of Alternative Option(s):
9.1 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

10. Reasons for Decision(s):
10.1 The Report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2018/19 and the forecast outturn at Quarter 1.
10.2 The latest position in respect of the Licensing and Public Protection Committee's use of reserves, Savings Programme and 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 2018/19 – 14 March 2018

List of Appendices accompanying this Report (if any):
1. Appendix 1 - Financial Performance Statement and Forecast Outturn
2. Appendix 2 - Savings Programme Performance
3. Appendix 3 - Summary of Grant and Proceeds of Crime Programmes
4. Appendix 4 - Capital Programme
5. Appendix 5 - Balances and Reserves
Report Version 3.0 Dated 6 September 2018