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| <b>Report to:</b>        | <b>LICENSING AND PUBLIC PROTECTION COMMITTEE</b>                                              |  |
| <b>Report of:</b>        | <b>ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND INTERIM CHIEF FINANCIAL OFFICER</b> |  |
| <b>Date of Decision:</b> | <b>15 NOVEMBER 2017</b>                                                                       |  |
| <b>SUBJECT:</b>          | <b>LICENSING AND PUBLIC PROTECTION – BUDGET MONITORING 2017/18 (MONTH 06)</b>                 |  |
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| <b>1. Purpose of Report:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <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 September 2017 (Month 6) 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 2017/18.</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> |

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| <b>2. Decision(s) Recommended:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>The Licensing and Public Protection Committee is requested to :</p> <p>2.1 Note the latest Revenue budget position at the end of September 2017 (Month 6) and Forecast Outturn as detailed in Appendix 1.</p> <p>2.2 Note the position with regard to the Savings Programme for 2017/18 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 Note the position on reserves and balances, as detailed in Appendix 5.</p> |

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### **3. Consultation**

#### **3.1 Internal**

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.

#### **3.2 External**

There are no additional issues beyond consultations carried out as part of the budget setting process for 2017/18.

### **4. Compliance Issues:**

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

The budget is integrated within the Council's Financial Plan 2017+, 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 Budget Monitoring 2017/18 (Month 6) report provides details of monitoring of service delivery within available resources.

#### **4.3 Legal Implications**

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.

#### **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 2017/18

- 5.1 The City Council approved the overall budget on 28 February 2017. The 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 There have been no changes to the Committee's budget since the previous report at Month 4 (the major changes are summarised in the table below).

|                                                               | £'m          |
|---------------------------------------------------------------|--------------|
| <b>Original Budget 2017/18 Reported to LPPC 15 March 2017</b> | <b>7.553</b> |
| Allocation of Trade Union Facility                            | (0.016)      |
| <b>Current Approved Net Revenue Budget for Month 6</b>        | <b>7.537</b> |

- 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 regularly on the overall city-wide financial position and the Licensing and Public Protection Committee receive periodic financial performance reports during the financial year.

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

- 5.5 The total expenditure at Month 6 (end of September 2017) is £3.868m, which represents 51% of the annual net budget.
- 5.6 A year end pressure of £0.684m is being forecast, all due to base pressures. This is unchanged from the previous report (Month 4) brought to your committee.
- 5.7 The 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.

| <b>Forecast Year End Variations – Month 6</b> |                                  |                                                         |                                                   |
|-----------------------------------------------|----------------------------------|---------------------------------------------------------|---------------------------------------------------|
| <b>Budget Head</b>                            | <b>Savings Programme<br/>£'m</b> | <b>Base Budget (underspend)<br/>/ Pressures<br/>£'m</b> | <b>Total (underspend)<br/>/ Pressures<br/>£'m</b> |
| Environmental Health                          | 0.000                            | (0.300)                                                 | (0.300)                                           |
| Pest Control                                  | 0.000                            | 0.600                                                   | 0.600                                             |
| Registrars                                    | 0.000                            | 0.000                                                   | 0.000                                             |
| Mortuary and Coroners                         | 0.000                            | 0.384                                                   | 0.384                                             |
| Trading Standards                             | 0.000                            | 0.000                                                   | 0.000                                             |
| Licensing                                     | 0.000                            | 0.000                                                   | 0.000                                             |
| <b>TOTAL</b>                                  | <b>0.000</b>                     | <b>0.684</b>                                            | <b>0.684</b>                                      |

5.9 The key components of the projection include:

- **Environmental Health (£0.3m underspend) and Pest Control (£0.6m)** – Pest Control continues to experience income related pressure from contracts on clearance and the withdrawal of the sewer baiting contract. The two services are managed jointly and savings are being managed within Environmental Health to partly fund this.
- **Mortuary & Coroners (£0.384m pressure)** – pressure from 1974 Bombings Inquest is expected to be funded through Central Government, subject to final written confirmation. However there remains an estimated pressure of £0.384m from autopsies and transport of bodies due to the increased volume of referrals and post mortems required by this service.

### **Savings Programme**

5.10 The Committee's Savings Programme is £0.032m for 2017/18.

5.11 In addition, unachieved savings of £0.014m have been brought forward from 2016/17 relating to the Commercial model for Business Support.

5.12 Therefore the total savings programme for 2017/18 is £0.046m, as shown in Appendix 2.

5.13 An assessment at Month 6 has concluded that this target will be fully delivered in 2017/18.

5.14 The continued rigorous management action and financial control of officers is required to ensure that the programme will be achieved.

### **Mitigations and Management Actions 2017/18**

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

5.16 Pest Control

- Contracts continue to be sought to clear waste land and Council Housing land to make good the £0.600m forecast pressure on income. However, savings are also being managed within Environmental Health to mitigate this pressure.

5.17 Mortuary and Coroners

- Pressures relating to the 1974 Inquest are expected to be met by specific Government Funding. However, other pressures remain significant (£0.384m) and will continue to cause a major ongoing pressure on Committee resources which will mean compensating reductions in other service budgets will be required.

### **Capital**

5.18 The Capital programme (Mortuary and Coroners) for essential health and safety works in the mortuary and will be funded through prudential borrowing of £0.024m per annum.

5.19 The programme was originally planned to commence in 2016/17, but has been rescheduled to start by late summer 2017/18. Details are shown on Appendix 4.

## **6. Grant Funded Programmes**

- 6.1 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scambusters.
- 6.2 Expenditure and income for each programme is shown in Appendix 3 and summarised below.

### **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 is funded through specific grant from National Trading Standards Board, with the allocation of up to £3.605m in 2017/18.
- 6.5 The expenditure at the end of September 2017 was £1.613m (45%) and it is anticipated that the programme will fully spend the grant allocated.

### **Scambusters**

- 6.6 The Scambusters team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.7 Funding has now been confirmed at £0.335m, similar to the £0.332m allocated to this project during last financial year.
- 6.8 The expenditure at the end of September 2017 was £0.120m.

## **7. Proceeds of Crime Act**

- 7.1 Regulatory Services secures funding through the Proceeds of Crime Act 2002 in response to financial investigations undertaken post sentencing by the courts.
- 7.2 Expenditure on PoCA related items is £0.322m at the end of September, whilst income has been received of £0.459m. This is strictly ring-fenced for expenditure on community and crime prevention projects

## **8. Balances and Reserves:**

- 8.1 The balances and reserves at Month 6 are shown in Appendix 5.
- 8.2 The balances at the start of the year (1 April 2017) totalled £1.837m, all of which are specific ring-fenced resources.

## **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

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| <b>10. Reasons for Decision(s):</b>                                                                                                                      |
| 10.1 The Report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2017/18 and the forecast outturn at Month 6. |
| 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. |

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|----------------------------------------------------------------------------|
| <b>Signatures</b>                                                          |
| Alison Harwood<br>Acting Service Director Regulation and Enforcement ..... |
| Michael O'Donnell<br>Interim Chief Financial Officer .....                 |
| Date .....                                                                 |

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| <b>List of Background Documents used to Compile this Report:</b>                                                                                                                                                                                                      |
| Licensing & Public Protection - Revenue and Capital Budget 2017/18 – 15 March 2017<br>Licensing & Public Protection - Budget Monitoring 2017/18 (Month 02) - 12 July 2017<br>Licensing & Public Protection - Budget Monitoring 2017/18 (Month 04) - 13 September 2017 |

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| <b>List of Appendices accompanying this Report (if any):</b>                                                                                                                                                                                                                                                        |
| 1. Appendix 1 - Financial Performance Statement Month 6 and Provisional Outturn<br>2. Appendix 2 - Savings Programme Performance 2017/18 Month 6<br>3. Appendix 3 - Summary of IMLT and Scambusters Grants<br>4. Appendix 4 - Capital Programme 2017/18 Month 6<br>5. Appendix 5 - Balances and Reserves at Month 6 |

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| <b>Report Version</b> | 5.0 | <b>Dated</b> | 17 October 2017 |
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