

<b>Report to:</b>	<b>LICENSING AND PUBLIC PROTECTION COMMITTEE</b>	
<b>Report of:</b>	<b>ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND CORPORATE DIRECTOR FINANCE AND GOVERNANCE</b>	
<b>Date of Decision:</b>	<b>14 MARCH 2018</b>	
<b>SUBJECT:</b>	<b>LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET 2018/19</b>	

<b>1. Purpose of Report:</b>
<p>1.1 This report sets out the Licensing and Public Protection Committee's Revenue and Capital Budget for the 2018/19 financial year.</p> <p>1.2 The report also details the approved savings programme for 2018/19.</p> <p>1.3 The report is in line with the current City Council established financial budgetary framework.</p>

<b>2. Decision(s) Recommended:</b>
<p>The Licensing and Public Protection Committee is requested to :</p> <p>2.1 Note the 2018/19 Revenue Budget Changes as detailed in Appendix 1.</p> <p>2.2 Note the 2018/19 Service and Subjective Budget in Appendix 2.</p> <p>2.3 Note the Budget 2018/19 to 2021/22 in Appendix 3.</p> <p>2.4 Note the 2018/19 budgeted employee establishment as detailed in Appendix 4.</p> <p>2.5 Note the latest 2018/19 Reserves position as detailed in Appendix 5.</p>

<b>Lead Contact Officer(s):</b>	<b>Sukvinder Kalsi, Assistant Director of Finance</b>
<b>Telephone No:</b>	(0121) 303 3834
<b>E-mail address:</b>	<a href="mailto:sukvinder.kalsi@birmingham.gov.uk">sukvinder.kalsi@birmingham.gov.uk</a>

<b>3.</b>	<b>Consultation</b>
3.1	<p><u>Internal</u></p> <p>The 2018/19 Revenue Budget has been reported to the Place Senior Management Team and the Acting Service Director of Regulation and Enforcement. Legal and Finance have also been consulted 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 Public Budget Consultation that was completed for 2018/19.</p>

<b>4.</b>	<b>Compliance Issues:</b>
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 Plan and Budget 2018+ 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 reports sets out the revenue and capital budget available, to deliver services which are the responsibility of Licensing and Public Protection Committee, during the 2018/19 financial year.</p> <p>Budget monitoring reports, detailing financial performance against cash limits and any required actions, will be brought to Licensing and Public Protection Committee at regular intervals in 2018/19.</p>
4.3	<p><u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Corporate Director Finance and Governance (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 Leadership 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 2018/19

- 5.1 The City Council approved the overall budget on 27<sup>th</sup> February 2018. The Licensing and Public Protection Committee should note the original net revenue budget allocation of £7.736m (as detailed in Appendices 1, 2 and 3) and summarised below.
- 5.2 The City Council's Budget Strategy for 2018/19 is based on the following principles:
- There is no general provision for price inflation on expenditure budgets.
  - There is 2% provision for pay award from April 2018.
  - Additional resources have been allocated to services to meet the increase in the employer's pension contributions from 30.4% to 33.5%.
  - The revenue and financial implications from capital expenditure programmes and equal pay are reflected in the long term budget.
- 5.3 Changes from 2017/18 Month 10 to Original 2018/19 are summarised in the table below:

	£'m
<b>Revenue Budget 2017/18 (as at Month 10)</b>	<b>7.537</b>
<u>Resources Provided for New and Existing Pressures</u>	
Reversal of Business Advice saving (£0.032m), additional resources for the Coroner's and Mortuary's (£0.5m) and Pest Control (£0.3m) services; pilot to address fly tipping (£0.155m)	0.987
<u>Savings Programme</u>	
Step-ups agreed as part of 2016/17 Budget Plan	(0.050)
New Savings for 2018/19 onwards for Register Office	(0.172)
Cross-Cutting workforce Savings	(0.330)
Inflation Gap	(0.096)
<u>Budget Plan 2018+</u>	
2% Pay award	0.270
Increases to Pension Contributions	0.210
<u>Technical Adjustments</u>	
Internal Re-alignment including Highways and net other / rounding	(0.022)
Fall-out of 1 year Trading Standards Policy Contingency	(0.060)
Transfer to Strategic Services for Professional Support Service	(0.523)
Pension Fund Strain	(0.015)
<b>Approved Budget 2018/19</b>	<b>7.736</b>

- 5.4 The service implications and subjective budget details are analysed in Appendices 1 and 2.
- 5.5 The budget from 2018/19 to 2021/22 is analysed in Appendix 3.

### **Employee Budget 2018/19**

- 5.6 The employee numbers for Licensing and Public Protection Committee are shown in the table below and detailed by service in Appendix 4

	<b>Employee FTEs 2017/18</b>	<b>Existing / New Pressures</b>	<b>Cross Cutting Savings</b>	<b>Employee FTEs 2018/19</b>
Licensing and Public Protection	321.6	0	(8.9)	312.7

- 5.7 The decrease of 8.9 FTEs is due to the workforce savings, leaving the employee establishment for 2018/19 at 312.7 FTEs.

### **Savings Programme 2018/19 Onwards**

- 5.8 The City Council has approved a Savings Programme from 2018/19 to 2021/22, based on the following principles:
- 5.9 All planned step-up savings set out in the Financial Plan 2017+ have been reviewed and amended where necessary.
- 5.10 Services have implemented further savings where necessary to compensate for local business issues.
- 5.11 The impact of grant reductions or fall-out is borne by the services concerned, either through a reduction in the expenditure previously funded through grant or by compensatory savings.
- 5.12 Further savings targets were set for all Directorates, with the proposals being presented in the context of the council's policy priorities and individual service development plans.
- 5.13 Revision of the proposals by Members of the Executive in the light of policy priorities, legal requirements, equality impacts and responses to the public budget consultation process.
- 5.14 The cumulative implications for the Committee are set out in the table below. Most savings are for 2018/19 with no further step-ups planned.

Service Area	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Register Office	(0.172)	(0.172)	(0.172)	(0.172)
Trading Standards	(0.050)	(0.050)	(0.050)	(0.050)
<b>TOTAL</b>	<b>(0.222)</b>	<b>(0.222)</b>	<b>(0.222)</b>	<b>(0.222)</b>

- 5.15 The Savings Programme includes £0.050m agreed as an ongoing step-up in the 2016/17 Budget Process, £0.172m in new savings, £0.330m agreed as part of the Cross-cutting workforce strategy which are allocated to employee budgets across a range of services excluding grants and ring-fenced services and £0.096m reflecting an inflation target to be achieved through income generation and/or reductions in expenditure.
- 5.16 The total savings are therefore £0.648m as detailed in Appendix 1

- 5.17 Licensing and Public Protection Committee savings for 2018/19 includes a wide range of components and will include the following actions to successfully deliver these savings:
- Maintaining a freeze on current vacant posts.
  - Delivering efficiencies on non-employee expenditure
  - Maximising the opportunities to generate additional income from services (including provision to other Local Authorities).
  - Temporary use of available reserves from prior years.

### **Capital**

- 5.18 A revised business case for the Capital programme within Mortuary and Coroners is being drafted and this will detail the exact works to be undertaken, the costs and funding. It is anticipated that the works will commence in 2018/19 and the outstanding budget from 2017/18 carried forward for this purpose.

### **Grants**

- 5.19 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scam-busters. The funding, currently showing as nil, will be built into budgets once confirmation of 2018/19 allocations from the grant awarding bodies is received.

### **Reserves**

- 5.20 The reserves are all ring-fenced and currently total £2.113m (Month 10), as summarised in Appendix 5. These will be reviewed and updated to reflect the outturn for 2017/18 to arrive at the 1 April 2018 position. It is estimated that £0.202m reserves will be required in 2018/19 (£142k towards licensing fees, £60k POCA monies towards Community schemes).

<b>6. Evaluation of Alternative Option(s):</b>	
6.1	During the course of 2018/19 the financial position will be closely monitored and reported, options identified to resolve budgetary pressures as necessary, and alternative savings proposals developed to meet new and emerging pressures.

<b>7. Reasons for Decision(s):</b>	
7.1	This report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2018/19.
7.2	The position in respect of the Licensing and Public Protection Committee's Savings Programme and the present risks identified in its delivery.

<b>Signatures</b>	
Chris Neville Acting Service Director Regulation and Enforcement .....	
Clive Heaphy Corporate Director Finance and Governance .....	
Date .....	

<b>List of Background Documents used to Compile this Report:</b>
Licensing & Public Protection - Revenue and Capital Budget 2017/18 – 15 March 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

<b>List of Appendices accompanying this Report (if any):</b>	
1.	Appendix 1 – Analysis Revenue Budget Changes 2017/18 (Month 10) to 2018/19
2.	Appendix 2 – Service and Subjective Analysis of 2018/19 Budgets
3.	Appendix 3 – Budget 2018/19 to 2021/22
4.	Appendix 4 – Indicative Workforce Plan
5.	Appendix 5 – Reserves
<b>Report Version</b>	3.0
<b>Dated</b>	27 February 2018