

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND DIRECTOR OF FINANCE	
Date of Decision:	15 JULY 2015	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET MONITORING 2015/16 (MONTH 2)	

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 May 2015 and the forecast outturn 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 2015/16.</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 May 2015 (Month 2) as detailed in Appendix 1.</p> <p>2.2 Note the position with regard to the Savings Programme for 2015/16 as detailed in Appendix 2.</p> <p>2.3 Note the position on reserves and balances, as detailed in Appendix 3.</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 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 2015/16.</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 Director of Finance (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 3rd March 2015. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £3.990m (as detailed in Appendix 1). The budget has been increased by £0.507m (as detailed in the table below).

	£'m
Original Budget 2015/16 Reported to LPPC 18 March 2015	3.990
Centralisation of Marketing and Communications Budgets	(0.007)
Repatriation of Districts SLA Budgets (Pest Control)	0.514
Current Approved Net Revenue Budget 2015/16 – Month 2	4.497

- 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

- 5.3 The Licensing and Public Protection Committee has spent £1.400m as at the end of Month 2, compared to a profiled budget of £0.841m and results in a net overspend of £0.559m.
- 5.4 The table below provides a high level summary of the Licensing and Public Protection Committee's financial performance as at the end of May 2015 and the year-end projection (the full details are set out in Appendix 1).

Budget Head	Month End Variation £'m	Year End Projection	
		Savings Programme £'m	Base Budget Pressures £'m
Employees	0.059	-	-
Premises	(0.098)	-	-
Transport	0.006	-	-
Supplies and Services	(0.017)	-	-
Third Party Payments	0.002	-	-
Asset Charges	-	-	-
Recharge Expenditure	0.005	-	-
Sub-Total	(0.043)	-	-
Income	0.602	1.300	-
Interest Received	-	-	-
Total	0.559	1.300	-

5.5 The main factors contributing to the position at the end of Month 2 are as follows :

- there is additional expenditure on Employees of £0.059m that is due to redundancy payments (mainly Registrars). This expenditure will be funded corporately at a later point in the year.
- Premises and Supplies are underspent, however a number of regular charges have not yet been made for 2015/16 – i.e. rent charges.
- As expected, there is a significant under-recovery of income (£0.602m), particularly in Pest Control. Service Review Savings for 2015/16 total £1.300m for this service and these can only realistically be achieved through a redesign of the Pest Control which is currently being consulted on.

Savings Programme

- 5.6 The Committee had a significant Savings Programme of £2.316m for 2015/16 relating to all service areas. The full details are set out in Appendix 2 and include: £0.172m for Environmental Health, £0.100m for Registrars, £0.283m for Coroners, £1.300m for Pest Control, £0.122m for Trading Standards and £0.339m for Licensing.
- 5.7 The rigorous management action and financial control of officers has ensured that 35% of the programme will be achieved through operational efficiencies and income generation.
- 5.8 Within the savings programme there has been a significant risk to delivery identified within the Coroners Service where additional pressures are being highlighted through Deprivation of Liberty Safeguard legislation. This requires all deaths reported in care and residential homes to be afforded an inquest which will increase the cost burden for administration and Coroner's time. Also, where deaths are accidental/non-natural, then this will require the added cost of a jury to be provided at each inquest. It has been forecast that the number of additional inquests per year will increase by approximately 750 with 10% of these requiring a jury.
- 5.9 There are also risks relating to Pest Control (£1.300m requiring service remodelling) and Registrars, where a review is underway.

Year End Forecast

- 5.10 An overspend of £1.300m position is forecast for the year end (this relates to the Savings Programme and will be addressed through the service remodelling being consulted on).
- 5.11 Managers in consultation with the Service Director Regulation and Enforcement will ensure that any identified pressures are minimised and are working towards achieving the cash limited budget by continuing:
- Stringent control of discretionary expenditure.
 - New areas of service provision for the generation of income.
 - Careful management of vacancies, temporary staff and redeployment.

Capital

- 5.12 Currently there are no Capital projects for 2015/16.

Illegal Money Lending Team

- 5.13 The Illegal Money Lending Team investigates and takes action against Illegal Money Lending or Loan Shark perpetrators across the whole of England.
- 5.14 This is a national project funded through specific grant jointly from National Trading Standards Board and the Financial Conduct Authority.
- 5.15 The expenditure at the end of May was £0.445m, which is in line with the profiled budget expectations for this stage in the year.
- 5.16 This budget is strictly ring-fenced to this grant funded service.

Scambusters

- 5.17 The Scambusters team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 5.18 This is a regional project funded through specific grant of £0.260m through the National Trading Standards Board.
- 5.19 The expenditure at the end of May was £0.023m, compared to a profiled budget position of £0.43m.
- 5.20 This budget is strictly ring-fenced to this grant funded service.

Proceeds of Crime Act (PoCA)

- 5.21 Regulatory Services secures funding through the Proceeds of Crime Act 2002 in response to financial investigations undertaken post sentencing by the courts.
- 5.22 This money is strictly ring-fenced and can only be utilised by the Council for community and crime prevention projects.
- 5.23 The Trading Standards Team and the Illegal Money Lending Team have so far spent £0.024m on such specific PoCA projects.

Balances and Reserves

- 5.24 The balances and reserves for the Committee are shown in Appendix 3.
- 5.25 The balances brought forward on 1st April 2015 total £1.360m and these are specific ring-fenced resources and there are no available general balances to the Committee.
- 5.26 There have been no postings to or from reserves so far this financial year, therefore the total currently held in reserves is £1.360m.

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 and Capital Budget position for 2015/16 at the end of May 2015.
7.2	The latest position in respect of the Licensing and Public Protection Committee's year-end projections, use of reserves, the Savings Programme and the present risks identified in its delivery.

Signatures

Jacqui Kennedy
Service Director Regulation and Enforcement

Jon Warlow
Director of Finance

Date

List of Background Documents used to Compile this Report:	
Licensing & Public Protection - Revenue and Capital Budget 2015/16	

List of Appendices accompanying this Report (if any):			
1.	Appendix 1 - Financial Performance Statement Month 2		
2.	Appendix 2 - Savings Programme Performance 2015/16 Month 2		
3.	Appendix 3 - Balances and Reserves at Month 2		
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