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| Report to: | LICENSING AND PUBLIC PROTECTION COMMITTEE | |
| Report of: | INTERIM ASSISTANT DIRECTOR REGULATION AND ENFORCEMENT AND CHIEF FINANCIAL OFFICER | |
| Date of Decision: | 18 NOVEMBER 2020 | |
| SUBJECT: | LICENSING AND PUBLIC PROTECTION – OUTTURN 2019/20 | |
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| 1. Purpose of Report: |
| <p>1.1 This report sets out the outturn income and expenditure for 2019/20 incurred on services that are the responsibility of the Licensing and Public Protection Committee.</p> <p>1.2 The Cabinet approved the City Council’s Outturn Report for 2019/20 on 23 June 2020 although the figures are still subject to audit by the City Council’s approved external auditors.</p> |

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| 2. Decision(s) Recommended: |
| <p>The Licensing and Public Protection Committee is requested to:</p> <p>2.1 Note the revenue outturn overspend of £0.272m as detailed in Appendix 1.</p> <p>2.2 Note the expenditure on grant funded programmes in Appendix 2.</p> <p>2.3 Note the position on Capital projects, as detailed in Appendix 3.</p> <p>2.4 Note the position on reserves, as detailed in Appendix 4.</p> |

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| Lead Contact Officer(s): | David Jones, Finance Manager – Services Finance |
| Telephone No: | 0121 675 0580 |
| E-mail address: | david.jones@birmingham.gov.uk |

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| 3. Consultation |
| <p>3.1 <u>Internal</u></p> <p>The Revenue and Capital Outturn position for the City Council as a whole was considered by Cabinet on 23 June 2020. The Chair of Licensing and Public Protection Committee, the Service Director of Regulation and Enforcement and the Chief Financial Officer have been consulted in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>Not applicable.</p> |

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| 4. Compliance Issues: |
| <p>4.1 <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> <p>4.2 <u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u></p> <p>This Licensing and Public Protection Financial Outturn report gives details of monitoring of service delivery within available resources of the Place Directorate.</p> <p>4.3 <u>Legal Implications</u></p> <p>Section 151 of the Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the City Council's financial affairs. This report forms the concluding part of the Council's budgetary control cycle for 2019/20. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Cabinet Members, Committees, and Members of Executive Team by the City Council in discharging this statutory responsibility. There are no specific implications in relation to other policies.</p> <p>4.4 <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 2019/20

- 5.1 The City Council approved the overall budget on 26 February 2019. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £6.986m (as detailed in Appendix 1) on 13 March 2019.
- 5.2 Adjustment in quarter 2 and quarter 3 had net reduction of £0.569m
- 5.3 For the final quarter – additional budget resources were allocated to each service area to provide funding for the Apprenticeship levy. This charge is made in direct proportion to the employee costs for each service.

| | £'m |
|---|--------------|
| Original Budget 2019/20 Reported to LPPC 13 March 2019 | 6.986 |
| Quarter 1 – <i>no changes</i> | 0.000 |
| <u>Quarter 2</u> | |
| Transfer of Environmental Waste Enforcement Budget to Street Scene | (0.472) |
| PL126 Management Restructure (phase 1 in 2019/20) | (0.124) |
| Additional Budget for Environmental Planning Officers (part year) | 0.027 |
| <u>Quarter 3</u> | |
| Net Neutral adjustment between Supplies and Income for Highways Licensing (£0.060m) | (0.000) |
| <u>Quarter 4</u> | |
| Additional allocation across all services to fund Apprenticeship levy | 0.046 |
| Additional allocation to fund Oxhill Road Emergency response (EnvH) | 0.365 |
| Approved Net Revenue Budget at 31 March 2020 | 6.828 |

- 5.4 The approved budget for this Committee at the end of the financial year was therefore £6.828m.

Revenue Outturn

- 5.5 The provisional revenue outturn expenditure for the Licensing and Public Protection Committee is £7.031m, which represents an overspend of £0.272m against the annual net budget of £6.828m. This has been incorporated into the overall Neighbourhoods Directorate year end position.

5.6 The table below sets out a high-level summary of the year end overspend by service (full details in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

| Outturn Year End Variations | | | |
|------------------------------------|--------------------------|---|---------------------------------------|
| Budget Head | Savings Programme | Base Budget (underspend) / Pressures | Total (underspend) / Pressures |
| | £'m | £'m | £'m |
| Environmental Health | - | (0.267) | (0.267) |
| Pest Control | - | 0.009 | 0.009 |
| Register Office | - | (0.331) | (0.331) |
| Mortuary and Coroners | - | 0.678 | 0.678 |
| Trading Standards | - | (0.038) | (0.038) |
| Licensing | - | 0.118 | 0.118 |
| Highways | - | 0.103 | 0.103 |
| TOTAL | - | 0.272 | 0.272 |

5.7 The key components include:

- **Environmental Health (£0.267m underspend) - and Pest Control (£0.009m overspend)**

Environmental Health had been holding vacancies as a short term measure to meet budget pressures forecast across the Division for much of 2019/20.

Pressure caused by the emergency response required at Oxhill Road have now been funded with additional budget resources of £0.365m.

The Pest Control Service had been expected to overachieve its 2019/20 income target through additional short-term contract work.

However, income derived from cleaning and remediation works at unauthorised encampment sites was no longer being generated due to the opening of the Proctor Street Travellers Transit site, as reported at Licensing and Public Protection committee in the latter part of the financial year.

- **Mortuary and Coroners (£0.678m pressure)**

The Coroners service has a number of pressures this year, which is mainly the cost of additional coronial staff (£0.216m), a reduction of £0.084m in the funding from West Midlands Police for Coroner Investigators.

The remaining £0.052m pressure is a combination of unplanned property repairs needed to the Mortuary and to the main building such as roof repairs, significant repairs to the floor of the main room used for filing purposes and repairs to rectify general wear and tear on the whole building.

The cost from the need for additional courtrooms had been mitigated during the year through the use of Council premises at Margaret Street.

Larger building accommodation for the service has been pursued in 2020/21.

- **Trading Standards (£0.038m saving)**

Trading Standards continued to utilise additional income sharing costs of officers assigned to projects and secured external funding for anti-counterfeiting operations.

- **COVID-19 Response Costs**

Services linked to this committee have been significantly involved in the Council's response to the pandemic. However, this will financially impact in 2020/21. Set up costs for the Regional Mortuary (in March 2020) were initially met at a Corporate level and are not included in the figures in this report.

Capital

5.8 The Capital programme for security and essential health and safety works in the mortuary including ventilation solutions will continue to be reviewed and updated.

5.9 A short term solution for 2019/20 involving the extension of temporary air conditioning was in place at the year end.

5.10 Additional allocation was made to fund a new vehicle fore Animal Welfare.

6. Grant Funded Programmes

6.1 There are two grant funded programmes: Illegal Money Lending and Scambusters.

6.2 The expenditure and income for each is shown in Appendix 2

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 HM Treasury, with resources of up to £3.961m in 2019/20.
- 6.5 The revenue outturn for 2019/20 was £3.972m with the additional £0.011m funded from reserves ring fenced for this purpose.

Regional Intelligence Team

- 6.6 The Regional Intelligence Team (Scambusters) investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.7 Funding was initially confirmed at £0.320m (the same level as in 2018/19). However additional funding was also approved up to a maximum of £0.098m (total potential £0.418m).
- 6.8 The expenditure at the end of 2019/20 was £0.403m

7. Balances and Reserves:

- 7.1 The balances and reserves at the end of the financial year are shown in Appendix 4.
- 7.2 The balances at the start of the year (1 April 2019) totalled £1.614m and these are all specific ring-fenced resources.
- 7.3 Proceeds of Crime Act (PoCA) reserves have been utilised for both Trading Standards and for Illegal Money Lending. For 2019/20 an additional reserve has been set up for PoCA awarded to the Regional Intelligence Team. All three service areas have continued to receive awarded income and have delivered spend above that level. There is a **net** increase in these three accounts of £0.219m.

This is a reflection of the completed successful prosecutions that these services have been involved in.

Reserves have reduced during the year by a **net** £0.324m resulting in a closing balance of £1.290m.

8. Evaluation of Alternative Option(s):

8.1 This report sets out the Outturn position for 2019/20 and all the issues, financial risks and options were reported during the financial year to the Licensing and Public Protection Committee.

9. Reasons for Decision(s):

9.1 The Report informs the Licensing and Public Protection Committee of the Revenue Budget for 2019/20 and the outturn position at the year end.

9.2 The position in respect of the Licensing and Public Protection Committee’s use of reserves, the Savings Programme and the risks are also identified.

Signatures

Paul Lankester
Interim Assistant Director Regulation and Enforcement

Rebecca Hellard
Chief Financial Officer

Date

List of Background Documents used to Compile this Report:

Licensing & Public Protection - Revenue and Capital Budget 2019/20 – 13 March 2019
Licensing & Public Protection – Budget Monitoring 2019/20 – Quarter 1 – 13 September 2019
Licensing & Public Protection – Budget Monitoring 2019/20 – Quarter 2 – 18 December 2019
Licensing & Public Protection – Budget Monitoring 2019/20 – Quarter 3 – 12 February 2020

List of Appendices accompanying this Report (if any):

1. Appendix 1 - Financial Performance Statement at Outturn
2. Appendix 2 - Summary of Illegal Money Lending and Regional Intelligence Team.
3. Appendix 3 - Capital Programme
4. Appendix 4 - Balances and Reserves

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| Report Version | 3.0 | Dated | 05 Nov 2020 |
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