

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	INTERIM ASSISTANT DIRECTOR REGULATION AND ENFORCEMENT AND DIRECTOR OF COUNCIL MANAGEMENT	
Date of Committee:	29 JUNE 2022	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – FINANCIAL OUTTURN 2021/22	

1. Purpose of Report:
<p>1.1 This report sets out the outturn income and expenditure for 2021/22 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 2021/22 on Tuesday 28 June 2022 although the figures are still subject to audit by the City Council's approved external auditors.</p>

2. Decision(s) Recommended:
<p>The Licensing and Public Protection Committee is requested to:</p> <p>2.1 Note the revenue outturn non-Covid related underspend of £0.483m shown in Appendix 1.</p> <p>2.2 Note the financial pressure due to Covid of £0.510m shown in Appendix 2</p> <p>2.3 Note the expenditure on ring-fenced licensing services in Appendix 3</p> <p>2.4 Note the expenditure on grant funded and PoCA programmes in Appendix 4.</p> <p>2.5 Note the position on reserves, as detailed in Appendix 5.</p>

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3. Consultation

3.1 Internal

The Revenue and Capital Outturn position for the City Council as a whole was considered by Cabinet on Tuesday 28 June. The Chair of Licensing and Public Protection Committee, the Interim Assistant Director of Regulation and Enforcement and the Director of Council Management have been consulted in the preparation of this report.

3.2 External

Not applicable.

4. Compliance Issues:

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

The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.

4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)

This Licensing and Public Protection Financial Outturn report gives details of monitoring of service delivery within available resources of the Place Directorate.

4.3 Legal Implications

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 2021/22. 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.

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 2021/22

- 5.1 The City Council approved the overall budget for 2021/22 on 23 February 2021.
- 5.2 The Licensing and Public Protection Committee noted the net revenue budget of **£6.445m** on 10 March 2021.
- 5.3 Adjustments in Quarter 3 were presented to Licensing and Public Protection Committee at their sitting on 09 March 2022.
- 5.4 There were two adjustments made corporately in the final quarter
- An allocation of £0.047m to meet the actual cost incurred by your services in relation to the Apprenticeship Levy.
 - An allocation of £0.239m for all service areas to support meeting the previously unbudgeted cost of the 1.75% pay award from April 2021 for your employees.

- as set out below

Budget Movements from April – March 2022	
Description	£'m
Budget at start of year – (LPPC 10 March 2021)	6.445
Licensing Street Trading – remaining funding transfer	0.063
Additional funding for increments (part of corporate allocation)	0.251
Approved transfer from Register Office to support the increasing Computed Tomography Post Mortem (CTPM) programme	(0.080)
Budget at Quarter 1 – (LPPC 08 September 2021)	6.679
Centralisation of postage budgets (Environmental / Coroners)	(0.006)
Budget at Quarter 2 – (LPPC 10 November 2021)	6.673
De-centralisation of ICT budgets relating to ring fenced services	0.125
Budget at Quarter 3	6.798
Additional funding to meet actual cost of Apprentice Levy	0.047
Additional funding to meet actual cost of 2021/22 Pay Award	0.239
Budget at Quarter 3	7.084

- 5.5 The approved budget for this Committee at the year-end was £7.084m.
- 5.6 The City Council has well-established arrangements for monitoring spending against the cash limited budgets allocated to Directorates and Committees.
- 5.7 Reports are presented to Cabinet on a quarterly basis on the overall city-wide financial position. The Licensing and Public Protection Committee will normally receive quarterly financial performance reports during the financial year.

Revenue Outturn

- 5.8 The provisional revenue outturn expenditure for the Licensing and Public Protection Committee is £6.601m, which represents an overall underspend of £0.483m – However, this includes a pressure of £0.510m relating to Covid response work carried out by your services. Therefore, the “business as usual” outturn is an underspend of £0.993m. This has been incorporated into the overall City Operations Directorate year end position.

5.9 The table below sets out a high-level summary of the year end overspend by service (full details in Appendix 1).

Outturn Year End Variations			
Services	Covid-19 Response Pressures £'m	Base Budget (underspend) / Pressures £'m	Total (underspend) / Pressures £'m
Environmental Health	0.010	(0.802)	(0.792)
Pest Control	-	0.170	0.170
Register Office	0.194	(0.440)	(0.246)
Coroners	0.248	0.318	0.566
Trading Standards	0.058	(0.126)	(0.068)
Licensing & Street Trading	-	(0.020)	(0.020)
Grants (IMLT and RIT)	-	(0.066)	(0.066)
Highways	-	(0.027)	(0.027)
TOTAL	0.510	(0.993)	(0.483)

5.10 The key components include:

- **Environmental Health (£0.792m surplus)**

Environmental Health surplus was generated through a combination of factors. Most of the core staff were engaged in Covid response work and as such some of their time was recharged to these projects.

The service benefitted significantly from Covid funded programme

In addition, litter patrols restarted earlier than predicted reducing expected income loss through Fixed Penalty Notices (FPN), also other income streams re-opened earlier such as export health certificates again reducing predicted income shortfalls.

- **Pest Control (£0.170m overspend)**

The Pest Control team were unable to deliver commercial contract work for most of the previous financial year due to the effects of the Covid pandemic on businesses. This also affected the early part of 2021/22.

This is a noticeable improvement in the latter part of the year and mitigating activity was continued to be actively progressed alongside the easing of restrictions and opening up of businesses.

- **Registration Service (£0.246m net underspend)**

The Registration Service continues to play a key role in Covid-19 responses with death registrations continuing throughout the pandemic. Additional hours have been contracted from staff. Equipment and infrastructure have been installed to enable public access to the building.

The mainstream service has focussed on delivering a number of mitigations and in addition is seeing positive growth in income especially in the second half of the year.

Wedding ceremonies increasing after a prolonged period of lockdown and including preference for civil ceremonies where other venues have been slow to reopen at full capacity.

• **Coroners Courts (£0.566m pressure)**

The effect of the global pandemic continues to affect this service area – including changes in the latter part of the year to how deaths were to be recoded in relation to Covid. This has significantly increased workload and the service have had to contract additional staff and additional hours to ensure that there is continuous cover.

Additional venues have had to be hired to ensure that inquests can be facilitated with the correct social distancing requirements.

Non-Covid-19 pressure includes additional venue hire for two major ongoing inquests where the City Centre court venues were not suitable.

Trading Standards (£0.068m net surplus)

- The service incur expenditure in pursuing legal action through the courts and in normal circumstances would have had their costs awarded back to them as part of the successful outcome of the case. Changes to how the courts are dealing with cases during the pandemic has led to a large reduction in these awards.
- This issue is partly mitigated through the reduced use of legal services such as barrister fees that would normally be incurred for these cases.
- In addition, the team are also spearheading several investigations onto Covid-19 related financial fraud.

COVID-19 Compliance and Enforcement

- Environmental Health had continued to coordinate a city-wide compliance and enforcement programme including shopping areas, Business Improvement Districts, parks, universities and faith groups.
- The programme was originally funded through a specific grant in 2020/21 and has continued to succeed through Public Health funding in 2021/22.

6. Grant Funded Programmes

6.1 There are two grant funded programmes: Illegal Money Lending and Regional Intelligence Team (Scambusters).

6.2 The expenditure and income for each is shown in Appendix 3

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 £4.254m in 2021/22.
- 6.5 The revenue outturn for 2021/22 was £4.239m with the remaining £0.015m transferred to a ringfenced grant reserve with the permission of HM Treasury. This will be utilised in 2022/23 during which time it is expected that the teams activity will continue to increase as Covid measures and restrictions on businesses continue to be lifted.

Regional Intelligence Team

- 6.6 The Regional Intelligence Team (RIT) investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.7 Funding was confirmed at £0.464m for 2021/22 (£0.283m core RIT grant plus £0.181m specifically for Operation Beorma).
- 6.8 The expenditure at the end of 2021/22 was £0.441m with the remaining £0.023m transferred to a ringfenced grant reserve. This is likely to be reclaimed back by the funding organisation during 2022/23.
- 6.9 Please note that underspent grant totalling £0.043m from the previous two financial years was reclaimed in 2021/22 by the funding organisation. These had also been held in the same ring-fenced reserve specifically for this purpose and to avoid causing financial pressure. The net reduction in the reserve in 2021/22 was therefore £0.020m (£0.023m paid in, less £0.043m paid out).

7. Balances and Reserves:

- 7.1 The balances and reserves at the end of the financial year are shown in Appendix 5.
- 7.2 The balances at the start of the year (1 April 2021) totalled £0.476m and these are all specific ring-fenced resources.
- 7.3 For licensing there is an increased deficit balance in reserves and this will be addressed as an urgent issue in 2022/23
- 7.4 Proceeds of Crime Act (PoCA) reserves have been utilised for Trading Standards, Regional Intelligence Team and Illegal Money Lending. These service areas have continued to receive awarded income in 2021/22 however this is lower than in previous years and have delivered spend above that level. There is a **net** reduction in these reserves of £0.0.32m.

Reserves have reduced by a **net** £0.132m resulting in a closing balance of £0.344m.

8. Evaluation of Alternative Option(s):

8.1 This report sets out the Outturn position for 2021/22 and all the issues, financial risks and options were reported during the year to the Licensing and Public Protection Committee.

9. Reasons for Report:

9.1 The Report informs the Licensing and Public Protection Committee of the Revenue Budget for 2021/22 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
 Director of Council Management

Date

List of Background Documents used to Compile this Report:

Licensing & Public Protection Revenue and Capital Budget 2021/22 – 10 March 2021
 Licensing & Public Protection Financial Monitoring 2021/22 - Quarter 1 – 08 September 2021
 Licensing & Public Protection Financial Monitoring 2021/22 - Quarter 2 – 10 November 2021
 Licensing & Public Protection Financial Monitoring 2021/22 - Quarter 3 – 09 March 2022

List of Appendices accompanying this Report (if any):

1. Appendix 1 - Financial Performance Statement at Outturn
2. Appendix 2 – Covid Related Pressures
3. Appendix 3 – Licensing and Ring-Fenced Activities
4. Appendix 4 – Expenditure on Grant Funded Services
5. Appendix 5 - Balances and Reserves

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