

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND DIRECTOR OF FINANCE	
Date of Decision:	18 NOVEMBER 2015	
SUBJECT:	LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET MONITORING 2015/16 (MONTH 6)	

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 September 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 September 2015 (Month 6) as detailed in Appendix 1 (the projected overspend has been reduced from £1.780m at Month 4 to £0.580m).</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> <p>2.4 Note the additional commentary in Section 6 to respond to the outstanding minute 539(iv) from the meeting on 15th July 2015.</p>

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3. Consultation
<p data-bbox="103 190 311 235">3.1 <u>Internal</u></p> <p data-bbox="199 257 1428 380">The financial position on the revenue 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.</p> <p data-bbox="103 414 327 459">3.2 <u>External</u></p> <p data-bbox="199 481 1412 571">There are no additional issues beyond consultations carried out as part of the budget setting process for 2015/16.</p>

4. Compliance Issues:
<p data-bbox="103 739 1348 817">4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p data-bbox="199 851 1396 929">The budget is integrated with the Council Business Plan, and resource allocation is directed towards policy priorities.</p> <p data-bbox="103 963 1332 1041">4.2 <u>Financial Implications (Will decisions be carried out within existing finances and Resources?)</u></p> <p data-bbox="199 1075 1412 1153">The Licensing and Public Protection Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.</p> <p data-bbox="103 1187 462 1232">4.3 <u>Legal Implications</u></p> <p data-bbox="199 1265 1476 1512">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> <p data-bbox="103 1545 590 1590">4.4 <u>Public Sector Equality Duty</u></p> <p data-bbox="199 1624 1460 1780">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 £0.457m (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
Transfer of 1 FTE Post to Future Council Team (2 years)	(0.082)
Additional Resource for Voluntary Redundancy	0.032
Approved Net Revenue Budget 2015/16 (Reported at Month 4)	4.447
Additional Coroners Expenditure relating to Deprivation of Liberty Safeguards	0.050
Additional Government Funding for Deprivation of Liberty Safeguards	(0.050)
Current Approved Net Revenue Budget 2015/16 – Month 6	4.447

- 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 £3.708m at Month 6, compared to a profiled budget of £2.449m and results in a net overspend of £1.259m.
- 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 September 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	0.214	-	-
Premises	(0.103)	-	-
Transport	(0.022)	-	-
Supplies and Services	(0.083)	-	0.180
Third Party Payments	0.002	-	-
Asset Charges	-	-	-
Recharge Expenditure	0.032	-	-
Sub-Total	0.040	-	-
Income	1.219	0.100	0.300
Interest Received	-	-	-
Total	1.259	0.100	0.480

5.5 The main factors contributing to the position at the end of Month 6 are as follows :

- The Employees budget overspend relates primarily to pension strain costs (£0.164m) and includes additional resources of £0.040m representing the additional expenditure budget for Coroners (Deprivation of Liberty Safeguards).
- The main service area where employee budgets are overspent is Licensing. This pressure will be funded through the use of ring-fenced licensing balances.
- Premises and Supplies are underspent, however even at this late stage, a number of regular charges have still not commenced for 2015/16 – i.e. repairs, laboratory fees.
- The under-recovery of income relates to Pest Control and Register Office as identified and reported in LPPC Report 15th July 2015 (see 5.8 and 5.9 below)

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 96% of the programme will be achieved through operational efficiencies and income generation.

5.8 A significant slippage of £1.300m has been reported in previous reports relating to the Pest Control service. It is now proposed (report presented to Cabinet on 17th November) that £1.200m will be funded from corporate reserves and the remainder is expected to be delivered through new income work-streams being developed primarily clearance of empty council properties that have been vacated.

Year End Forecast

5.9 An overspend of £1.780m was previously reported as part of the Month 4 Financial Performance Report on 16th September. This projected overspend has been reduced by £1.200m at Month 6 and now includes the following services:

- Residual Pest Control pressure of £0.100m (relating to the savings programme) and likely to be delivered through development of new income work-streams.
- Although additional resources have been provided for Mortuary and Coroners (Deprivation of Liberty Safeguard legislation), the service is still expected to be under pressure. The forecast overspend of £0.180m has not been changed at Month 6.
- The Register Office income continues to be under pressure, a detailed review is continuing, however a realistic forecast pressure for the year has been calculated at £0.300m.

5.10 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

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

Illegal Money Lending Team

- 5.12 The Illegal Money Lending Team investigates and takes action against Illegal Money Lending or Loan Shark perpetrators across the whole of England.
- 5.13 This is a national project funded through specific grant jointly from National Trading Standards Board and the Financial Conduct Authority.
- 5.14 The expenditure at the end of September was £1.434m, which is in line with the profiled budget expectations for this stage in the year.
- 5.15 This budget is strictly ring-fenced to this grant funded service.

Scambusters

- 5.16 The Scambusters team investigates and takes action against fraudsters operating across council boundaries in the central region.
- 5.17 This is a regional project funded through specific grant of £0.260m through the National Trading Standards Board.
- 5.18 The expenditure at the end of September was £0.099m, compared to a profiled budget position of £0.130m.
- 5.19 This budget is strictly ring-fenced to this grant funded service.

Proceeds of Crime Act (PoCA)

- 5.20 Regulatory Services secures funding through the Proceeds of Crime Act 2002 in response to financial investigations undertaken post sentencing by the courts.
- 5.21 This money is strictly ring-fenced and can only be utilised by the Council for community and crime prevention projects.
- 5.22 The Trading Standards Team and the Illegal Money Lending Team have so far spent £0.072m on such specific PoCA projects.

Balances and Reserves

- 5.23 The balances and reserves for the Committee are shown in Appendix 3.
- 5.24 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.
- 5.25 Income of £0.206m from Home Office for PoCA has been received and paid into the appropriate balances, therefore the total currently held in reserves is £1.566m.

6. Budget Monitoring and budget Pressures 2015/16 (Outstanding Minute 539(iv))

- 6.1 The Original Budgets of the committee (as approved by City Council) were reported and detailed in a report to the Committee on 18th March 2015. This explained the key changes from 2014/15, the Approved Savings Programme for 2015/16 and the position on balances/reserves.
- 6.2 The report that was presented to the Committee on the 15th July (for Month 2) explained the financial position and in particular highlighted the following:
- there was additional expenditure of £0.559m compared to the expected position (this position was not adversely distorted by the expected profile of budgets at Month 2). The additional expenditure related principally to the under-recovery of income on a number of services including Pest Control, Registrars and Licensing.
 - the under-recovery of income on Registrars and Licensing was expected to improve during the year as a number of management actions were being implemented including charges for new services particularly in Registrars.
 - The slippage on the savings programme for Pest Control services has been under corporate consideration. In response to the slippage in the delivery of this saving, additional corporate resources of £1.2m have now been allocated to this service and this will reduce the projected pressure from £1.3m to £0.1m.
- 6.3 A number of options for the potential generation of additional income have been evaluated following the report.

Pest Control

The projected overspend that was reported at Month 2 of £1.3m has now been reduced to £0.1m (see 5.8 and 5.9 above). The remainder of the pressure may be mitigated through the following actions:

- Charges for fumigation of empty Council properties.
- Charges to developers for unutilised land
- Charges to tenants renting properties from social housing landlords (Registered Providers).

Register Office

- Change to income collection in advance (i.e. at time of booking) – this will generate an additional £0.040m in 2015/16
- Change of Name Ceremonies – expected to generate £0.020m
- Additional Commemorative Certificates (e.g. registering a birth) – expected to generate £0.020m

Mortuary and Coroners

The service has now received additional grant funding for DoLS of £0.050m. However work will continue to seek efficiencies in running costs such as autopsy fees, witness and jurors expenses. The Coroners service is expected to overspend this financial year by £0.180m

Trading Standards

The focus will continue to be on proactive / preventative work to ensure, as far as possible that the Trading Standards service achieves a balanced budget position at the financial year end.

Environmental Health

Increase efficiencies and continue to increase volume of Fixed Penalty Notices

7. Evaluation of Alternative Option(s):

- 7.1 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

8. Reasons for Decision(s):

- 8.1 The Report informs the Licensing and Public Protection Committee of the Revenue Budget position for 2015/16 at the end of September 2015.
- 8.2 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

Alison Harwood
Acting 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
Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 2) – 15th July
Licensing & Public Protection - Revenue Budget Monitoring 2015/16 (Month 4) – 16th September

List of Appendices accompanying this Report (if any):

1. Appendix 1 - Financial Performance Statement Month 6
2. Appendix 2 - Savings Programme Performance 2015/16 Month 6
3. Appendix 3 - Balances and Reserves at Month 6

Report Version	3.2	Dated	10 November 2015
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