

Report to:	LICENSING AND PUBLIC PROTECTION COMMITTEE	
Report of:	ACTING DIRECTOR REGULATION AND ENFORCEMENT AND CORPORATE DIRECTOR FINANCE AND GOVERNANCE	
Date of Decision:	13 FEBRUARY 2019	
SUBJECT:	LICENSING AND PUBLIC PROTECTION BUDGET MONITORING 2018/19 - QUARTER 3	

1. Purpose of Report:
<p>1.1 This report sets out the position on the Licensing and Public Protection Committee's Revenue and Capital Budgets at the end of December 2018 (Quarter 3) and the forecast 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 2018/19.</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 December 2018 (Quarter 3) and Forecast Outturn as detailed in Appendix 1.</p> <p>2.2 Note the position for the Savings Programme for 2018/19 as detailed in Appendix 2.</p> <p>2.3 Note the expenditure on grant funded programmes and Proceeds of Crime Act as shown in Appendix 3i and Appendix 3ii.</p> <p>2.4 Note the position on Capital projects, as detailed in Appendix 4.</p> <p>2.5 Note the position on reserves and balances, as detailed in Appendix 5.</p>

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3.	Consultation
3.1	<p><u>Internal</u></p> <p>The financial position on the revenue and capital 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>
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 2018/19.</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 within the Council's Financial Plan 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>The Licensing and Public Protection Budget Monitoring 2018/19 (Quarter 3) report provides 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 Interim Chief Financial Officer (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 2018/19

- 5.1 The City Council approved the overall budget on 27 February 2018. The Licensing and Public Protection Committee noted the original net revenue budget allocation of £7.736m (as detailed in Appendix 1) on 14 March 2018.
- 5.2 There has been one minor addition to the Committee's net budget. This returns £0.025m to the Register Office that was previously removed as part of the Professional Support Service (PSS) centralisation. The post has since been identified as out of scope and will be reinstated and kept within the Register Office Structure.

	£'m
Original Budget 2018/19 Reported to LPPC 14 March 2018	7.736
PSS – Reinstatement of Out of Scope post budget (Register Office)	0.025
Current Approved Net Revenue Budget	7.761

- 5.3 The current approved budget for this Committee is therefore £7.761m.
- 5.4 The City Council has well-established arrangements for monitoring spending against the cash limited budgets allocated to Directorates and Committees.
- 5.5 Reports are presented to Cabinet on a quarterly basis on the overall city-wide financial position and the Licensing and Public Protection Committee will also receive quarterly financial performance reports during the financial year.

Revenue – Financial Review and Year End Projections (Appendix 1)

- 5.6 The total expenditure at Quarter 3 (end of December 2018) is £7.356m. However, this includes £2.024m of costs relating to the 1974 Bombings Inquest. These costs will be funded through the Ministry of Justice. When adjusted, this leaves £5.332m net expenditure, which represents 68% of the annual net budget. This is below the net position expected for this time of year mainly due to the variation on Highways Licensing.
- 5.7 A year end net surplus of (£0.118m) is being forecast formally. Pressures identified in Pest Control are more than mitigated by efficiencies being managed in Environmental Health and Trading Standards. Pressures reported formally by Highways will be mitigated within the Highways Service.
- 5.8 Budgets continue to be managed rigorously and any changes will be reported in future reports.
- 5.9 The table below sets out a high level summary of the projected year end overspend by service (full details in Appendix 1) and how this is comprised of over the savings programme and base budget pressures.

Forecast Year End Variations – Quarter 3			
Budget Head	Savings Programme £'m	Base Budget (underspend) / Pressures £'m	Total (underspend) / Pressures £'m
Environmental Health	0.000	(0.170)	(0.170)
Pest Control	0.000	0.100	0.100
Register Office	0.000	0.000	0.000
Mortuary and Coroners	0.000	0.070	0.070
Trading Standards	0.000	(0.118)	(0.118)
Licensing and Enforcement	0.000	0.000	0.000
Public Rights of Way	0.000	0.000	0.000
Highways Licensing	0.000	0.000	0.000
NRSWA Licences (Highways)	0.000	0.000	0.000
TOTAL	0.000	(0.118)	(0.118)

The key components of the projection include:

- **Environmental Health (£0.170m underspend) and Pest Control (£0.100m pressure)**

Pest Control continues to experience income related pressure from contracts (for example: on clearance). The two services are managed jointly and savings are being managed within Environmental Health to fully fund this.

- **Mortuary and Coroners (£0.070m pressure)**

In addition to the costs for the 1974 Inquest there are also a number of operational pressures visible. These are mainly the result of changes to pay levels (including backdated adjustments), partly offset by forecast savings on autopsies and the transportation of deceased remains.

- **Trading Standards (£0.118m underspend)**

Trading Standards additional income through sharing costs of officers assigned to projects and securing external funding for Anti-Counterfeiting operations.

- **Highways Licensing (nil pressure)**

The service has formally reported some pressures in the first part of the year. However, any pressure that may arise relating to Highway Licences will be fully mitigated within the Highways service and will not form a pressure on this committee.

Savings Programme

- The Committee's Savings Programme is £0.222m for 2018/19.
- An assessment at Quarter 3 continues to conclude that this will be fully delivered in 2018/19 and all savings will be delivered.

Mitigations and Management Actions 2018/19

- Managers within Regulatory Services are involved in a number of actions this financial year to mitigate budget pressures for current and future financial years.
- Pest Control

Contracts continue to be sought to clear waste land and Council Housing land to make good the £0.100m forecast pressure on income. However, savings are also being managed within Environmental Health to mitigate this pressure.

- Mortuary and Coroners

Pressures relating to the 1974 Inquest (currently £2.024m) will be met by specific Government Funding. This has been confirmed in writing by the Ministry of Justice.

A formal letter from the Chair of Licensing and Public Protection Committee has now been sent to Ministry of Justice in order to establish regular liaison and enable payment to be claimed and received on an ongoing basis.

Capital (Appendix 4)

- 5.10 The Capital programme for security and essential health and safety works in the mortuary including ventilation solutions is being reviewed and updated.
- 5.11 A short term solution involving temporary air conditioning is in place and an extension to this is being arranged whilst permanent installations are being reviewed.

6. Grant Funded Programmes

- 6.1 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scambusters (RIT).
- 6.2 Expenditure and income for each of the grants is shown in Appendix 3 and summarised below.

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 the allocation of up to £3.805m in 2018/19.
- 6.5 The expenditure at the end of December 2018 was £2.725m (72%) this is a reasonable level for three quarters way through the year - and it is anticipated that the programme will fully spend the grant allocated.

Scambusters

- 6.6 The Scambusters - Regional Investigations Team (RIT) investigates and takes action against fraudsters operating across council boundaries in the central region.
- 6.7 Funding has been confirmed at £0.320m (£0.335m last financial year).
- 6.8 The expenditure at the end of December 2018 was £0.215m (67%). Again this is a reasonable level for this point in the financial year and it is anticipated that the programme will fully spend the grant allocated.

7. Proceeds of Crime Act

- 7.1 Regulatory Services secures funding through the Proceeds of Crime Act 2002 (PoCA) in response to financial investigations undertaken following sentencing by the courts.
- 7.2 PoCA monies are ring-fenced for expenditure on community and crime prevention projects
- 7.3 Expenditure specifically recorded as planned PoCA items is £0.363m at the end of Quarter 3 which will be funded routinely through a combination of appropriations from PoCA reserves and income received during the year.
- 7.4 An analysis of expenditure on the two PoCA programmes is set out in Appendix 3ii.
- 7.5 Receipts from the PoCA process, so far this financial year total £0.053m.

8. Balances and Reserves:

- 8.1 The reserves at Quarter 3 are shown in Appendix 5.
- 8.2 The reserves currently total £1.686m and are ring-fenced.
- 8.3 This follows planned use of Licensing reserve (for taxi licensing) and use of PoCA reserves for PoCA eligible expenditure as approved at LPPC in November.
- 8.4 All planned income and expenditure on reserves will be reported to this Committee.

9. Evaluation of Alternative Option(s):

- 9.1 During the year ahead the financial position will continue to be closely monitored and options identified to resolve budgetary pressures as necessary.

10. Reasons for Decision(s):

10.1 The Report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2018/19 and the forecast outturn at Quarter 3.

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

Signatures

Chris Neville Acting Service Director
Regulation and Enforcement

Clive Heaphy
Corporate Director Finance and Governance

Date

List of Background Documents used to Compile this Report:

Licensing & Public Protection - Revenue and Capital Budget 2018/19 – 14 March 2018

Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 1 – 19 September 2018

Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 2 – 21 November 2018

List of Appendices accompanying this Report (if any):

1. Appendix 1 - Financial Performance Statement and Forecast Outturn
2. Appendix 2 - Savings Programme Performance
3. Appendix 3i Summary of Grant and Proceeds of Crime Programmes
4. Appendix 3ii Analysis of PoCA expenditure for Trading Standards and IMLT
5. Appendix 4 - Capital Programme
6. Appendix 5 - Balances and Reserves

Report Version

1.0

Dated

10 January 2019