

<b>Report to:</b>	<b>LICENSING AND PUBLIC PROTECTION COMMITTEE</b>	
<b>Report of:</b>	<b>ACTING SERVICE DIRECTOR REGULATION AND ENFORCEMENT AND CORPORATE DIRECTOR FINANCE AND GOVERNANCE</b>	
<b>Date of Decision:</b>	<b>13 MARCH 2019</b>	
<b>SUBJECT:</b>	<b>LICENSING AND PUBLIC PROTECTION – REVENUE BUDGET 2019/20</b>	

<b>1. Purpose of Report:</b>
<p>1.1 This report sets out the Licensing and Public Protection Committee’s Revenue and Capital Budget for the 2019/20 financial year.</p> <p>1.2 The report also details the approved savings programme for 2019/20.</p> <p>1.3 The report is in line with the current City Council established financial budgetary framework.</p>

<b>2. Decision(s) Recommended:</b>
<p>The Licensing and Public Protection Committee is requested to :</p> <p>2.1 Note the 2019/20 Revenue Budget Changes as detailed in Appendix 1.</p> <p>2.2 Note the 2019/20 Service and Subjective Budget in Appendix 2.</p> <p>2.3 Note the Budget 2019/20 to 2022/23 in Appendix 3.</p> <p>2.4 Note the 2019/20 budgeted employee establishment as detailed in Appendix 4.</p> <p>2.5 Note the latest 2019/20 Reserves position as detailed in Appendix 5.</p>

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<b>3.</b>	<b>Consultation</b>
3.1	<p><u>Internal</u></p> <p>The 2019/20 Revenue Budget has been reported to the Place Senior Management Team and the Acting Service Director of Regulation and Enforcement. Legal and Finance have also been consulted 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 Public Budget Consultation that was completed for 2019/20.</p>

<b>4.</b>	<b>Compliance Issues:</b>
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 Plan and Budget 2019+ 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>This reports sets out the revenue and capital budget available, to deliver services which are the responsibility of Licensing and Public Protection Committee, during the 2019/20 financial year.</p> <p>Budget monitoring reports, detailing financial performance against cash limits and any required actions, will be brought to Licensing and Public Protection Committee at regular intervals in 2019/20.</p>
4.3	<p><u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Corporate Director Finance and Governance (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 Leadership 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 2019/20

- 5.1 The City Council approved the overall budget on 26<sup>th</sup> February 2019. The Licensing and Public Protection Committee should note the original net revenue budget allocation of **£6.986m** (as detailed in Appendices 1, 2 and 3) and summarised below.
- 5.2 The City Council's Budget Strategy for 2019/20 is based on the following principles:
- There is no general provision for price inflation on expenditure budgets.
  - There is 2% provision for pay award from April 2019.
  - Additional resources have been allocated to services to meet the increase in the employer's pension contributions from 33.5% to 34.1%.
  - The revenue and financial implications from capital expenditure programmes and equal pay are reflected in the long term budget.
- 5.3 Changes from 2018/19 Quarter 3 to Original 2019/20 are summarised in the table below:

	£'m
<b>Revenue Budget 2018/19 (as at Quarter 3)</b>	<b>7.761</b>
<u>Changes to Existing Savings, Pressures and Use of Resources</u>	
Reversal of Resources in 2018/19 only for fly-Posting pilot scheme.	(0.155)
Reversal of Use of PoCA Reserves completed in 2018/19	0.060
<u>Savings Programme</u>	
[PL101] Increase range of services at Register Office	(0.040)
[PL111] Increase funding from PoCA for Trading Standards	(0.070)
[PL115] Reduction in Waste Enforcement	(0.300)
[PL121] Increase CSC for Externally Grant Funded Projects	(0.050)
Increase in Non-Statutory Fees & Charges at Register Office	(0.052)
WOC1 Savings Allocation across all services	(0.291)
Efficiencies and removal of Non-Essential Spend	(0.035)
<u>Budget Plan 2019+</u>	
Pay award and Price Inflation	0.100
Increases to Pension Contributions	0.038
<u>Technical Adjustments</u>	
Internal Re-alignment including Highways	0.020
<b>Approved Budget 2019/20</b>	<b>6.986</b>

- 5.4 Service implications and subjective budget details are analysed in Appendices 1 and 2.
- 5.5 The budget from 2019/20 to 2022/23 is analysed in Appendix 3.

## **Employee Budget 2019/20**

- 5.6 The employee numbers for Licensing and Public Protection Committee are shown in the table below and detailed by service in Appendix 4

	<b>Employee FTEs 2018/19</b>	<b>Centralised PSS</b>	<b>WOC1 Step Up</b>	<b>New Savings</b>	<b>Place WOC (WMS)</b>	<b>Employee FTEs 2019/20</b>
Licensing and Public Protection	312.6	1.0	(4.1)	(8.0)	(5.7)	295.8

- 5.7 The re-organisation of Professional Support Services into a centralised structure moved 17.0 FTE posts away from the main LPPC structure. However during 2018/19 an adjustment was identified and 1 FTE was returned to Register Office.
- 5.8 The WOC1 and WOC(WMS) savings are part of the four year savings programme approved for 2018/19 onwards.
- 5.9 The savings proposal to reduce Waste Enforcement services from 2019/20 onwards is equivalent to a reduction in the funded establishment of 6.0 FTE. Additional to this is the proposal to fund 2.0 FTE in Trading Standards using PoCA Resources.
- 5.10 This leaves the employee establishment for 2019/20 at 295.8 FTEs.

## **Savings Programme 2019/20 Onwards**

- 5.11 The City Council has approved a Savings Programme from 2019/19 to 2022/23, based on the following principles:
- 5.12 All planned step-up savings set out in the Financial Plan 2018+ have been reviewed and amended where necessary.
- 5.13 Services have implemented further savings where necessary to compensate for local business issues.
- 5.14 The impact of grant reductions or fall-out is borne by the services concerned, either through a reduction in the expenditure previously funded through grant or by compensatory savings.
- 5.15 Further savings targets were set for all Directorates, with the proposals being presented in the context of the council's policy priorities and individual service development plans.
- 5.16 Revision of proposals by Members of the Executive in the light of policy priorities, legal requirements, equality impacts and responses to the public budget consultation process.
- 5.17 The cumulative implications for the Committee are set out in the table below.

Service Area	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Register Office	(0.092)	(0.092)	(0.092)	(0.092)
Trading Standards	(0.077)	(0.077)	(0.077)	(0.077)
Environmental Health	(0.343)	(0.343)	(0.343)	(0.343)
<b>TOTAL</b>	<b>(0.512)</b>	<b>(0.512)</b>	<b>(0.512)</b>	<b>(0.512)</b>

- 5.18 Most savings are for 2019/20 with no further step-ups planned.
- 5.19 The Savings Programme includes £0.512m agreed following consultation. £0.291m agreed as part of the Cross-cutting workforce strategy which are allocated to budgets across a range of services excluding grants and £0.035m relating to the removal of budgets for non-essential expenditure.
- 5.20 The total savings are therefore £0.838m as detailed in Appendix 1
- 5.21 Licensing and Public Protection Committee savings for 2019/20 includes a wide range of components and will include the following actions to successfully deliver these savings:
- Maintaining a freeze on current vacant posts.
  - Delivering efficiencies on non-employee expenditure
  - Maximising the opportunities to generate additional income from services (including provision to other Local Authorities).
  - Temporary use of available reserves from prior years.

### **Capital**

- 5.22 A revised business case for the Capital programme within Mortuary and Coroners is being drafted and this will detail the exact works to be undertaken, the costs and funding. It is anticipated that the works will commence in 2019/20 and the outstanding budget from previous years carried forward for this purpose.

### **Grants**

- 5.23 Within Regulatory Services, there are two grant funded programmes: Illegal Money Lending and Scam-busters. The funding, currently showing at the same level as 2018/19 will be adjusted in budgets once confirmation of 2019/20 allocations from the grant awarding bodies is received.

### **Reserves**

- 5.24 The reserves are all ring-fenced and currently total £1.686m (Quarter 3), as summarised in Appendix 5.
- 5.25 These will be reviewed and updated to reflect the outturn for 2018/19 to arrive at the 1 April 2019 position.

<b>6. Evaluation of Alternative Option(s):</b>	
6.1	During the course of 2019/20 the financial position will be closely monitored and reported, options identified to resolve budgetary pressures as necessary, and alternative savings proposals developed to meet new and emerging pressures.

<b>7. Reasons for Decision(s):</b>	
7.1	This report informs the Licensing and Public Protection Committee of the Revenue and Capital Budget for 2019/20.
7.2	The position in respect of the Licensing and Public Protection Committee's Savings Programme and the present risks identified in its delivery.

<p><b>Signatures</b></p> <p>Chris Neville Acting Service Director Regulation and Enforcement .....</p> <p>Clive Heaphy Corporate Director Finance and Governance .....</p> <p style="text-align: right;">Date .....</p>
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<b>List of Background Documents used to Compile this Report:</b>
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 Licensing & Public Protection – Budget Monitoring 2018/19 Quarter 3 – 13 February 2019

<b>List of Appendices accompanying this Report (if any):</b>			
Appendix 1 – Analysis Revenue Budget Changes 2017/18 (Month 10) to 2018/19 Appendix 2 – Service and Subjective Analysis of 2018/19 Budgets Appendix 3 – Budget 2018/19 to 2021/22 Appendix 4 – Indicative Workforce Plan Appendix 5 – Reserves			
<b>Report Version</b>	1.0	<b>Dated</b>	05 February 2019