

South Lakeland District Council
Licensing Committee
Licensing Regulatory Committee
Monday, 14 January 2019
2019/20 to 2023/24 Draft Budget

Portfolio:	Andrew Jarvis - Finance Portfolio Holder
Report from:	Shelagh McGregor - Assistant Director Resources (Section 151 Officer)
Report Author:	Helen Smith – Financial Services Manager
Wards:	(All Wards);
Forward Plan:	Budget and Policy Framework Decision included in the Forward Plan as published on 2 October 2018

1.0 Expected Outcome

- 1.1 It is expected that the budgets for licensing services will be approved by full Council on 26 February 2019, as part of the overall 2019/20 to 2023/24 Budget. This report gives Licensing Committee the opportunity to consider the funding available to deliver their services.

2.0 Recommendation

- 2.1 It is recommended that the Licensing Committee note the latest draft estimates.**

3.0 Background and Proposals

- 3.1 Licensing Committee and Licensing Regulatory Committee reviewed licensing fees and charges and indicative budgets for 2019/20 onwards based on the Medium Term Financial Plan on 5 November 2018. Fees were agreed to meet statutory requirements.
- 3.2 The latest draft revenue budgets for 2019/20 to 2023/24 are attached at **Appendix 1**. These will form part of the overall Draft Revenue Budget due to be presented to Council for consideration and approval on the 26 February 2019.
- 3.3 The Draft Budget Report considered by Council on the 18 December 2018 showed a balanced position corporately for 2019/20. The detailed budget relating to Licensing Committee, presented in **Appendix 1**, represents no change in the level of service provision from 2018/19. The estimates have changed year on year, the main reasons being:
- Incremental progression on salary costs and the pay award;
 - Unavoidable inflation on costs (e.g. premises costs);
 - Review of base expenditure for cost reductions;
 - Income from fees and charges in line with the fees agreed on 5 November 2018.

3.4 A significant proportion of the licences issued by the Council are based on cost recovery. Historically, some licence fees were not covering the full costs and those costs have not been fully recovered for a number of years. Currently there is a programme of ongoing review of internal recharges, review of other costs such as raw material (licence plates) as well as reviewing wider issues such as reviewing the service as part of the Customer Connect programme with a view to making the services digital by default. Such a review will incorporate the reviewing of process, a new digital platform and staff required to deliver the service. These measures have been deemed the most viable to steadily address the balance between service and expenditure. Fees have been calculated with due regards to the requirements of the Provision of Services Regulations 2009 for them to be reasonable and proportionate and not to exceed the cost of service delivery.

4.0 Consultation

4.1 The Draft Budget has been considered by Cabinet on 28 November 2018 and Council on 18 December 2018. It will also be considered by Lake Administration and Planning Committees will receive and consider the elements of the draft Budget Report which are relevant to them. The Overview and Scrutiny Committee will be asked to consider the 18 December Council first draft Budget Report at its January 2019 meeting.

5.0 Alternative Options

5.1 This overall Draft Budget presents options in relation to potential budget pressures and savings, new capital programme bids, one off revenue growth bids and fees and charges. The proposals together aim to meet the Council's statutory duty to set a balanced Budget for 2019/20. No alternative options are proposed in this report.

6.0 Links to Council Priorities

6.1 This report sets out the draft Budget to enable the consideration of how the Council's priorities will be delivered. Setting a sound framework for budget preparation assists in the delivery of all corporate outcomes. This strategy has been developed within the context of the MTFP.

7.0 Implications

Financial, Resources and Procurement

7.1 The draft Budget aims to safeguard the Council's financial position and ensure a balanced budget for 2019/20 and an improved position in the years that follow.

7.2 Licensing Committee and Licensing Regulatory Committee considered fees and charges and initial draft budget proposals at their meeting of 5 November 2018. The proposed fees reflected service demand, the need for public protection and statutory requirements.

Human Resources

7.3 This report has no direct impact on the staffing of the Council; individual savings and growth proposals may have direct staffing implications.

Legal

7.4 This report has no direct legal implications at this stage but individual proposals resulting from this report may have direct legal implications.

Health, Social, Economic and Environmental

7.5 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

- 7.6 If you have not completed an Impact Assessment, please explain your reasons: This report contains proposals to set a balanced budget for 2019/20 which will be subject to further consultation. Specific issues that require HSEEIAs will be addressed within the final budget proposals presented to Council 26 February 2019.

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 If you have not completed an Impact Assessment, please explain your reasons: This report contains proposals to set a balanced budget for 2019/20 which will be subject to further consultation. Specific issues that require EIAs will be addressed within the final budget proposals presented to Council 26 February 2019.

Risk

Risk	Consequence	Controls required
Failure to create a balanced and sustainable budget by February 2018	Includes: inability to deliver corporate priorities, inappropriate spending, and inappropriate reductions in services.	Identification of sound budget guidelines in an agreed strategy reduces the risk of an unaffordable budget and/or precipitate budget reductions. Monitoring of progress against the budget timetable reduces the need for last-minute budget adjustments.
Revenue budget and Capital Programme may not be integrated and aligned with Council Plan.	Resources not directed to achieving corporate outcomes, leading to inappropriate spending.	Both the revenue budget and the Capital Programme are now embedded in the corporate planning cycle. All revenue budgets and capital programme schemes are linked to Council plan priorities
Failure to set appropriate fees and charges for licenses	Reduced income for work undertaken and insufficient income to cover the cost of operating the licensing service. Potential legal challenge, increased costs and reputational damage.	Bring current fees in line with MTFP while ensuring they meet statutory requirements. Further controls planned to streamline administration burdens and review services to provide budgetary savings in licensing.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Draft Budgets 2019/20 – 2023/24

Background Documents Available

Name of Background document	Where it is available
Medium Term Financial Plan approved Council 24 July 2018	https://tinyurl.com/ya988w5b

Review of Licensing Fees and Charges 2019/20 and Draft Budget, Licensing Committee and Licensing Regulatory Committee 5 November 2018	https://tinyurl.com/y9jqmyuw
2019/20 to 2023/24 Draft Budget, Council 18 December 2018	https://tinyurl.com/y9uhd7j2

Tracking Information

Signed off by	Date sent
Legal Services	2/1/2019
Section 151 Officer	2/1/2019
Monitoring Officer	2/1/2019
SMT	N/A

Circulated to	Date sent
Assistant Director	2/1/2019
Human Resources Manager	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	28/11/2018
Council	18/12/2018