
Draft Revenue Budget 2019/20 - Summary Report

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| Committee considering report: | Joint Public Protection Committee |
| Date of Committee: | 18 th September 2018 |
| Date agreed by Joint Management Board: | 17 th August 2018 |
| Report Author: | Sean Murphy |

1. Purpose of the Report

- 1.1 To set out the draft revenue budget for 2019/20 including fees and charges.
- 1.2 To seek approval for the draft budget and draft fees and charges schedule prior to submission to the Councils in accordance with the Inter-Authority Agreement.

2. Recommendation(s)

- 2.1 That the Committee consider the draft revenue budget including fees and charges set out.
- 2.2 That the Committee agree the Joint Management Boards proposal for a contribution reduction of £145K.
- 2.3 That (subject to decision at 2.2 above) the Committee recommend to the Councils the contributions set out at Table 2 at 5.8 below along with the fees and charges set out in Appendix B.

3. Implications

- 3.1 **Financial:** The budget for the PPP service in 2017/18 was set out in the out in the Inter-Authority Agreement dated the 6th January 2017. The budget was set at £3.213M to be paid by the Councils in the following percentage shares: Bracknell Forest 26.24%, West Berkshire 39.95% and Wokingham 33.81%.

The recommendation by the Joint Management Board is to implement an overall net contribution reduction of £145K in 2019/20. Should this be agreed the contributions sought would be those set out in Table 2 at 6.4 below.

The fees and charges proposed are set out Appendix B to this report. These are either statutory fees in which case any variance will have been set by law or discretionary fees. In respect of the discretionary fees there has been a move towards the standardisation of

fees across the PPP applying the full cost recovery principle and methodology agreed previously by this Committee.

For the avoidance of doubt any money allocated from monies received under the Proceeds of Crime Asset Recovery Incentivisation Scheme **does not** form part of the PPP revenue budget. This has been agreed by the Committee previously.

3.2 Policy:

The Joint Public Protection Committee has responsibility for setting the strategic direction and policy of the PPP Service. This includes the maintenance of financial oversight to ensure sound financial management. More specifically the Committee has responsibility for recommending to the Councils a budget that meets its needs along with a proposal for fees and charges.

3.3 Personnel:

Should the recommendations be agreed as per table 2 at 5.8 then there may be personnel implications and these would be set out in the implications report to be brought back to this Committee in December. Where costs arise from any personnel implications they would be managed in accordance with the Inter-Authority Agreement (IAA). There are no personnel implications arising from the budget set out in table 1 at 5.7 below.

3.4 Legal:

The IAA that set up the Partnership effectively delegates responsibility for the strategic direction of the joint service to the Joint Committee. The responsibilities of the committee are set out in Schedule 1 to the agreement.

Included is the responsibility to propose a fee structure, annual budget to the Councils and agree any variations from the budget from the IAA. It also has the responsibility to set out a proposal for the agreed percentage figures. The agreement requires that these should be submitted by 30th November or other such date agreed. In reality work has been ongoing right up to time of submission of this report. We will need to consider the meeting cycle of the Joint Committee to meet this obligation in future years.

It remains at all times the responsibility of the partner Councils to set their own budgets including fees and

charges having received the recommendation of the Committee.

- 3.5 **Risk Management:** Any risks associated with the recommendations will be captured as part of regular Joint Management Board briefing process and will be escalated as per the IAA and Committee approved business plan. Should the Committee decide against a budget reduction the Joint Management Board will need to consider the possibility of establishing a methodology which enables individual partners altering their contribution. This has wider implications for the PPP and its currently approved business plan.
- 3.6 **Property:** None

4. Other options considered

- 4.1 The consideration of the budget reduction began with a request from West Berkshire. The Joint Management Board considered the possibility of applying that reduction only to operations directly attributable to the West Berkshire area but concluded that the damage to economies of scale and complications around separating management overhead calculations was a prohibitively complex and costly exercise. This was in addition to a generally held view amongst the PPP partners that the integrity of partnership working would be damaged if individual partners started reversing the consistent and standardisation principals laid out in the approved business plan.

5. Executive Summary

- 5.1 The Inter-Authority Agreement (IAA) between the Councils sets out of the functions that are delegated to the Joint Committee under the terms of the agreement. These include an array of statutory functions relating to private sector housing, nuisance, environmental protection, licensing, trading standards, food safety and standards and health and safety.
- 5.2 The IAA also identifies the key priority areas for the service which are community protection; protection and improving health; protection of the environment; supporting prosperity and economic growth and the delivery of effective and improving service.
- 5.3 In order to deliver these functions for the Councils they are requested on an annual basis to allocate a budget to the Joint Committee. That budget is proposed by the Joint Committee along with a proposed schedule of fees and charges. The total net revenue budget for the service is then divided between the Councils in the agreed percentages. The proposed net revenue budget for 2019/20 is £3.511M and the agreed percentages as set out in 5.7. The basis of the calculation is set out in Appendix A to this report.

- 5.4 The Joint Management Board discussed a proposal from West Berkshire to reduce their contribution by £58K in 2019/20 and a further £58K in 2020/21. The decision by the Board was not to agree to a single partner changing its contribution, but rather to incorporate it within a PPP wide savings target in accordance with the agreed percentages, across all three authorities. The result being a target reduction of £145K per annum. It was noted by the Joint Management Board that the partners reduced full year revenue spend from 2017/18 by £340K per annum.
- 5.5 Fees and charges have also been reviewed and in accordance with the request of Committee in December 2017 work has been carried out to review and where appropriate standardise fees in accordance with the principle of full cost recovery and the Committees approved methodology. The major implication of this review will be a significant increase in Taxi and Private Hire Vehicle fees in Wokingham / West Berkshire. Further detail on this is set out in the supporting information at Appendix A. In some cases these increases are larger because there has been no increase in previous years.
- 5.6 The standstill budget at 5.7 below is based on a number of factors including annual salary inflation, and adjustments for incremental salary rises and CPI applied to contracts. Existing discretionary fees and charges have been reviewed and some have been aligned across PPP. An inflationary rise of 2.5% has also been applied. It is important to note that this increase of £116k across the partners would have been experienced by the individual councils in any event and is not as a result of being part of the PPP.

5.7 Table 1 – Standstill Budget

| Authority | Percentage | Budget Allocation | Fees and Charges |
|------------------|------------|-------------------|-------------------|
| Bracknell Forest | 26.00 | £913.080K | As per Appendix B |
| West Berkshire | 39.87 | £1399.445K | As per Appendix B |
| Wokingham | 34.13 | £1198.425K | As per Appendix B |

5.8 Table 2 – Budget incorporating £145K reduction

| Authority | Percentage | Budget Allocation | Fees and Charges |
|------------------|------------|-------------------|-------------------|
| Bracknell Forest | 26.00 | £875.38K | As per Appendix B |
| West Berkshire | 39.87 | £1341.634K | As per Appendix B |
| Wokingham | 34.13 | £1148.937K | As per Appendix B |

6. Conclusion

- 6.1 This is a key responsibility for the Joint Committee is to recommend a revenue budget including a fees and charges structure. It also has a responsibility to

keep under review the budget and consider the outturn and any variance. A report will be brought forward in due course to report the 2018/19 outturn.

- 6.2 The Joint Management Board has considered the budget in light of a request to reduce partner contributions and a desire to align fees and charges where possible. It is their view, as the senior managers representing the interests of their respective Councils, that the integrity of the PPP is best protected by delivering a saving collectively.
- 6.3 It has been a consistent feature of conversations both at the Joint Management Board and Committee that cost recovery must be at the heart of all fees and charges decisions and this paper continues that position.
- 6.4 The recommendations aim to meet the requirements of the IAA, the approved business plan and reality that the partners find themselves in financial terms.

Appendices

Appendix A – Supporting Information

Appendix B – EIA

Appendix C – Fees and Charges 2019/20

Appendix D – Fees and Charges Benchmarking Data

Background Papers: None

PPP Strategic Aims and Priorities Supported:

The proposals will help achieve the following Public Protection Partnership aims as stated in the Inter Authority Agreement:

- ☒ **1 – Community Protection**
- ☒ **2 – Protecting and Improving Health**
- ☒ **3 – Protection of the Environment**
- ☒ **4 – Supporting Prosperity and Economic Growth**
- ☒ **5 – Effective and Improving Service Delivery**

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