
Draft Revenue Budget 2020/21 - Summary Report

Committee considering report:	Joint Public Protection Committee
Date of Committee:	7 th November 2019
Date agreed by Joint Management Board:	28th October 2019
Report Author:	Sean Murphy

1. Purpose of the Report

- 1.1 To set out the draft revenue budget for 2020/21 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 the fees and charges set out.
- 2.2 That the Committee **recommend** to the Councils the contributions set out at 5.7 below along with the fees and charges set out in Appendix B.
- 2.3 That the Committee **approve** the outline methodology for calculating rebates in the event of one or more partner authorities seeking local service reductions as set out in Appendix E.

3. Implications

- 3.1 **Financial:** The net revenue budget for the PPP service in 2019/20 was set at £3.56M this incorporated a saving of £145K as agreed by JPPC and subsequently the Councils.

The recommendation by the Joint Management Board is for a standstill budget based on the 2019/20 revenue budget but with salary related pressures factored in. No increases in supplies and services or contractual related budgets are proposed. Such pressures will be dealt with within the revenue budget proposed.

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.

A methodology for local service disinvestment has also been developed and this is set out at Appendix E. Conversely this also gives an indication of the element of the budget available for adjustments to local service delivery without reduction i.e. it is open to one authority to indicate they would like to use a proportion of this element to meet specific local need.

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:

There are no personnel implications arising from this report.

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 Consideration of a budget reduction equating to £145K was considered by JMB. Following internal discussions within the partner authorities it is not proposed that this is taken forward at this time.

5. Executive Summary

5.1 The Inter-Authority Agreement (IAA) between the Councils sets out 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 2020/21 is £3.570M 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 2020/21. In the final instance this proposal was not taken forward as a PPP wide service reduction that would have amounted to £145K across the three partners. The Board also considered a methodology for local service reduction should any partner authority wish to propose this. The methodology proposed recognises that nature of the partnership and the need to maintain 'agreed percentages' and cover the costs of shared resource with respect to core service delivery costs. The methodology proposed can be found at Appendix E.

- 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. As identified in the 2018/19 budget proposals we have now carried out a fundamental review of animal establishment licensing fees based on the new risk based approach set out in the 2018 Regulations. These are incorporated in the fee structure. We have also reviewed Private Hire Operator Fees with an attempt to make them more equitable by basing them on actual vehicle numbers rather than bands. These have also incorporated the dispensation fee where appropriate.
- 5.6 The budget at 5.7 below is based on a number of factors including annual salary inflation, pension 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% has also been applied and then the fees rounded. It is important to note that this increase of £152.3K 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 – Proposed Budget 1920/21

Authority	Percentage	Budget Allocation	Fees and Charges
Bracknell Forest	25.76	£957.304K	As per Appendix B
West Berkshire	40.00	£1486.022K	As per Appendix B
Wokingham	34.24	£1272.454K*	As per Appendix B

* Note. Wokingham is challenging the pension deficit payment that forms part of the above and depending on the outcome, the above budget may reduce for Wokingham by approximately £50K

6. Conclusion

- 6.1 This is a key responsibility for the Joint Committee 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 2019/20 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 current indicated budget position of the partners.

Appendices

Appendix A – Supporting Information
Appendix B – Draft Fees and Charges 1920/21
Appendix C – worked Example – Private Hire Operators
Appendix D – Worked Example – Animal Establishments
Appendix E – Proposed Budget Methodology for Local Service Disinvestment

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

Officer details:

Name: Sean Murphy

Job Title: Public Protection Manager

Tel No: 01635 519930

E-mail Address: sean.murphy@westberks.gov.uk
