

## **URGENT OTHER BUSINESS**

**Committee**                      **Licensing Committee**

**Date**                              **12 January 2005**

**Agenda Item No:**        **7**

**Title:**                            **Service Plans, Budget and Council Priorities 2005/06**

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### **Summary**

- 1        This report provides the basis for finalisation of the Committee's General Fund budget for 2005/06 subject to final considerations by the Resources Committee and Full Council. It contains full details of the base budget, prepared on the basis of current levels of service provision, the one new spending pressure relevant to the Committee's work, and proposals to achieve the budget reduction required following the resolution made by the Council on 14 December 2004. The report has one Appendix, containing the base budget.

### **Background**

- 2        The previous meeting of this committee considered draft 2005/06 budgets at direct cost level, along with spending pressures and draft service plans.
- 3        Resources Committee on 18 November considered the overall position on the General Fund, ahead of the announcement of external funding from central government, and agreed a strategy for spending pressures and savings based on the service prioritisation approach developed by the Member Prioritisation Working Group.
- 4        Following a further resolution of the 18 November Resources Committee, the Council meeting on 14 December considered and endorsed savings or additional income targets for individual services. The Council also referred the list of spending pressures back to policy committees, asking them to re-consider them in the light of the savings targets set for services. On this basis, committees are free to delete spending pressures so as to help achieve their savings targets for services, if that is their preferred option.
- 5        Council on 14 December agreed the proposal that, subject to the results of public consultation, further news on potential council tax capping, and the effects of savings/additional income targets on services, a revised targeted council tax increase of 4.5% be agreed for 2005/06.

- 6 In total, policy committee meetings in this committee cycle will be considering savings/additional income targets of over £400,000 and spending pressures of approximately £750,000.

### **Base Budget**

- 7 This Committee's draft base budget for 2005/06 is attached at Appendix 1. This has been updated since the previous meeting as follows:

	£
Direct costs as previously presented	(67,550)
Software maintenance charge omitted from 1st round of budget	4,080
Total Direct Costs	(63,470)
Internal Charges added	<u>66,410</u>
Draft 2005/06 base budget	2,940

### **Spending Pressures**

- 8 Following the previous meeting of this Committee, and against the background of the Council's difficult budget position, the Executive Management Team have re-examined the spending pressures for all Council committees. The Council meeting on 14 December was provided with the views of the Executive Management Team on which spending pressures should be agreed, and which were recommended for reduction, deferment or deletion. In making these recommendations, the Executive Management Team took account of the prioritisation process, the need to improve corporate capacity, and the fact that any increased spending will put further pressure on existing services and budgets.
- 9 For this Committee there is only one new spending pressure, for a Licensing Enforcement Officer together with computer software to manage the service. The total cost of these proposals is estimated at £31,000 per annum, which will be more than covered by income from licensing fees, which is estimated at approximately £36,000 per annum. In addition, there will be one-off fees received in year one totalling approximately £40,000. In the absence of any other proposals, this one-off income will be transferred to the Council's Financial Management Reserve to help with corporate one-off spending pressures.

### **Savings targets**

- 10 The Council meeting on 14 December 2004 agreed as savings target of £2000 for this Committee's ongoing budget. The annual fee income described in paragraph 9 above will easily achieve this target, even after the costs of the

new Licensing Enforcement Officer Post and software is allowed for.

### **Service plans**

- 11 Although Service Plans previously considered by committees should not change fundamentally as the budget is finalised, they will need refining to take account of spending pressures approved and savings agreed, if these were not previously allowed for. It is proposed to bring revised and finalised Service Plans to committees in the next committee cycle so that there is clarity over the direction of services prior to the start of the new financial year in April.

RECOMMENDED that the Committee:

Approves the base budget for 2005/06 and submits it to the Resources Committee

Approves the spending pressure identified and submits it to the Resources Committee with a request that it is agreed

Notes the additional income which will achieve the savings target set and submits this to the Resources Committee

Background Papers:

Budget Working Papers, draft Service Plans, reports to committees, November 2004.