

**Committee:** Licensing

**Agenda Item**

**Date:** 19 January 2011

**6**

**Title:** 2011/12 Budget

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Item for decision

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## Summary

1. The Committee is requested to approve its 2011/12 revenue budget, which shall be subject to final determination by the Council on 24 February.
2. All committees' budgets will be collated and reviewed by the Finance & Administration Committee on 8 February ahead of final determination.
3. Care has been taken to ensure that budgets reflect contractual commitments to staff, suppliers and service users. The budget includes realistic estimates of non-contractual expenditure required to deliver existing levels of service. Income budgets have been based upon realistic estimates of activity levels and the fees & charges considered earlier by this Committee.
4. Significant matters specific to this Committee's budget are detailed below.

## Recommendations

5. The Committee is recommended to approve, for recommendation to the Finance & Administration Committee on 8 February, its 2011/12 revenue budget as set out in Appendix A.

## Financial Implications

6. The budget proposed for the Committee is affordable within the context of the Council's General Fund budget as a whole and the Medium Term Financial Strategy.

## Background Papers

7. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Medium Term Financial Strategy](#) approved by Full Council 18 February 2010

[MTFS update report](#) to Finance & Administration Committee 16 September 2010

[2011/12 Budget Strategy report](#) to Finance & Administration Committee 16 September 2010

Budget Working Papers

## Impact

Communication/Consultation	Public consultation was carried out in the Autumn. With regard to “Licensing”, responses showed support for maintaining the existing level of service.
Community Safety	No specific implications.
Equalities	No specific implications.
Health and Safety	No specific implications.
Human Rights/Legal Implications	No specific implications.
Sustainability	No specific implications.
Ward-specific impacts	No specific implications.
Workforce/Workplace	No specific implications.

## Licensing Committee budget – specific issues

### Taxi Licensing

8. In 2011/12 we shall see the full year effect of the revised fee tariff. The objective of reducing the fees was to bring about a temporary excess of costs over income in order to use up the surplus that has accumulated in previous years.
9. The estimated income for 2011/12 is £98,000, which compares with the forecast for 2010/11 of £153,000 and actual income of £208,000 in 2009/10. Costs are forecasted to remain fairly constant.
10. Apportionment of the committee budgets and adding an appropriate allowance for corporate costs and overheads shows that the taxi service is estimated to make a surplus of £4,000 in 2010/11 and a deficit of £55,000 in 2011/12. Details of apportionments and corporate costs will be shared with trade representatives in the normal way to ensure that there is confidence in the calculation of the deficit arising.
11. A Licensing Reserve has been established into which surpluses arising have been earmarked. Deficits that arise as a result of the reduced fee tariff will be covered by drawing upon the reserve so that in the medium term a revenue neutral position is achieved.
12. The following table shows the forecasted movements on the Licensing Reserve, and shows that the Reserve will go into deficit during 2013/14. In practice, there will need to be a revision of the fee tariff before that time to ensure continued neutrality and stability of the position.

## Licensing Reserve – forecasted movements

£000	2009/10 actual	2010/11 forecast	2011/12 budget	2012/13 estimate	2013/14 estimate
Opening Balance	-	138	142	87	34
Surplus / deficit (-)	138	4	-55	-53	-50
Closing Balance	138	142	87	34	-16

## Other Licenses

13. There are no particular issues to highlight for Members' attention with costs and income broadly expected to remain constant. After allowing for corporate costs and overheads, other licenses achieve a break even position.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
In general, actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	2 (some risk that variances will occur requiring action to be taken)	3 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.  Licensing Reserve will be used to even out surpluses and deficits arising.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

**LICENSING COMMITTEE – DRAFT GENERAL FUND BUDGET FOR 2011/12**

<b>£000</b>	<b>2009/10 Actual</b>	<b>2010/11 Original Budget</b>	<b>2010/11 Current Budget</b>	<b>2010/11 Forecast Outturn</b>	<b>2011/12 Original Budget</b>	<b>Original Budget increase / decrease (-)</b>	<b>Comments</b>
Employee Expenses	91	91	91	93	94	3	
Supplies and Services	18	37	37	37	37	0	
Direct Expenditure	109	128	128	130	131	3	
Taxi	-208	-132	-147	-153	-98	34	Full year effect of revised fee tariff
Other Licences	-91	-87	-87	-87	-89	-2	
Direct Income	-299	-219	-234	-240	-187	32	
<b>Committee Total</b>	<b>-190</b>	<b>-91</b>	<b>-106</b>	<b>-110</b>	<b>-56</b>	<b>35</b>	