

Committee: LICENSING & ENVIRONMENTAL HEALTH

Agenda Item

Date: 10 July 2013

5

Title: LICENSING RESERVE

**Author: Michael Perry, Assistant Chief Executive
Legal, 01799 510416**

Item for decision

Summary

1. This report is a follow up to my report to this committee on the 27 March 2013.

Recommendations

2. That members note this report.

Financial Implications

3. None.

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	The council is entitled to recover the cost of running the licensing service but ought not to make a profit. It is therefore necessary to ensure that costs and income balance out over a period of time.
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. The draft year-end accounts for 2012/13 have just been released. Unfortunately at the date of preparing this report, I have not had the opportunity of submitting the figures to representatives of the trade nor meeting with those representatives.
7. As at the year-end the balance standing to the credit of the reserve amounted to £63000.00. In round figures this is £6,000 more than was forecasted.
8. As at the 1 June the council licensed 860 vehicles, 1,020 drivers and 88 operators. This is a further slight reduction on the figures reported to the March meeting. Against that however, one operator is proposing licensing 100 vehicles and drivers in connection with school contract work.
9. School contracts commence at the start of the school year in September. It follows that the vast majority of vehicles and drivers engaged in such contracts apply for the grant or renewal of the licences during the month of August. The workload has now reached the stage where the Licensing Team can no longer provide an efficient service with its current level of resources. This year therefore the council is employing a temporary resource to ensure that all licences are issued in a timely manner. The cost of this resource will need to be built into the budget for future years as unless there is a significant reduction in school contracts the requirement for this resource will reoccur on an annual basis.
10. The projected cost of the service for the current year is £156286. The projected income is £117280, a deficit of just over £39000. These figures take into account the additional income projected as a result of the increased number of drivers and vehicles expected to be licensed this August and the cost of the temporary resource to meet this work load.
11. In October 2012 the forecasted figure for the surplus at the end of 2013/14 was £8,000. It is now forecasted that there will be a surplus of approximately £24000.00 remaining at the end of the financial year 2013/14. However that sum will not cover the difference between income and costs going forward. This means that as expected there will need to be an increase in fees for the financial year 2014/15. The amount of the increase will be mitigated by off-setting the remaining surplus on the reserve against projected costs for that year.
12. Mr Joyce and I will engage with the trade during the budget process in determining what the level of fees should be for 2014/15.
13. The position is reasonably consistent with the position reported to the committee on the 24 October 2012 when members resolved that fees should remain unchanged and no change in fees either up or down is currently necessary.

Risk Analysis

14. There are no risks associated with this report.