

Committee: LICENSING & ENVIRONMENTAL HEALTH

Agenda Item

Date: 1 October 2014

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Title: THE LICENSING RESERVE

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

Item for information

Summary

1. This report is to update members with regard to the licensing reserve.

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. In September 2010 the council identified that for the period between 2006/7 and September 2010 there was a surplus of income over expenditure for licensing in the sum of £138,000. Because of the legal requirement that over a period of time income and expenditure should balance out, members approved a fee structure for licences for drivers, operators and vehicles which would have eradicated the surplus within a period of 3 years. Since that time officers have met with members of the trade on an annual basis to review the licensing fees. The fees have not changed since 2010.
7. At the end of the financial year 2013/14 the balance on the reserve stood at £45,666. This is higher than was anticipated and arises from efficiency savings within the service and increase in the number of drivers, operators and vehicles being licensed. For members' information at the end of the financial year 2010/2011 the reserve was £138,590. This decreased to £101,323 at the end of 2011/12 and to £62,039 at the end of 2012/13. Members will therefore see that the trend is steadily downwards.
8. When discussing last year's budget with members of the trade we were challenged over the software which we use for licensing purposes. Licensing officers and I have carried out research as to alternatives available and will be discussing these with members of the trade as part of the budget setting process.
9. Members will be aware that since the departure of one of the licensing officers from the licensing team, the licensing team has been restructured. This is forecasted to deliver a saving of £10,650 per annum in salary costs and the trade will benefit from that saving.
10. Although I have yet to meet with members of the trade to discuss next year's budget I consider it highly unlikely that a recommendation would be forthcoming for an increase for the ensuing year assuming the situation stays unchanged. The unknown at the present time is when the Deregulation Bill 2014 will become law and assuming it does so when it will take effect. Members will recall from the report before members at the committee meeting on the 9 July that authorities will be required to issue licences for 3 years for drivers and 5 years for operators as opposed to the present 12 months for each licence. That change when it comes into effect will clearly have a substantial effect upon the budget.

Risk Analysis

11. There are no risks attached to this report.