

Appendix A : Forecast expenditure and income for Taxi licensing (Note a) and movement on the licensing reserve.

	Actual 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £
Expenditure (b)	485,210	611,500	579,300
Income (c)	439,992	613,800	585,600
Deficit/Surplus (-ve is deficit)	-45,218	2,300	6,300
Reserve balance b/f	79,725	34,507	36,807
Reserve balance c/f	34,507	36,807	43,107

Notes

- (a) The expenditure relates to the costs incurred in year processing and issue of applications and also includes checks to ensure standards are adhered to.
- (b) i) Assumption of 2% annual inflation on supplies and services, 2% pay awards and contractual salary increments.
 ii) Staffing costs are based on surveyed number of hours spent on processing licence applications and checks to ensure standards are adhered to.
 iii) Expenditure includes overhead costs for the licensing department allocated on fair and proportionate bases i.e. office accommodation costs are based on square footage occupied and ICT costs are allocated on basis of software/hardware used etc.
 iv) In computing the expenditure a churn rate of 10% has been used i.e. an assumption that 10% of driver licences are given up in the following year.
- (c) Income forecast assume the following estimated number of licences.

Estimated number of licences

	Forecast 2021/22	Forecast 2022/23
Vehicle licenses	2,577	2,565
Driver licences	1,036	912
Operator licences	29	18