

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

	Forecast 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
Expenditure (b)	464,658	565,183	586,720	680,698
Income (c)	359,249	600,606	580,401	699,615
Deficit/Surplus (-ve is deficit)	-105,409	35,423	-6,319	18,917
Reserve balance b/f	0	0	35,423	29,104
Reserve balance c/f	0	35,423	29,104	48,021

Notes

- (a) The expenditure relates to the costs incurred in year processing and issue of applications and also includes control and supervision costs relating to vehicles
- (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, in the case of vehicles only, certain elements of enforcement activity
 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 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22
New vehicle licences	1291	1291	1291	1291
Renewal licences	779	779	779	779
Transfer licences	80	80	80	80
New driver licences	654	685	685	685
Renewal driver licences	800	1054	660	1310
New Operator licences	8	8	8	8
Renewal Operator licences	0	0	100	8