

# **FAREHAM**

## **BOROUGH COUNCIL**

### **Report to Licensing and Regulatory Affairs Committee**

**Date**                    **23 January 2018**

**Report of:**        **Director of Finance & Resources**

**Subject:**           **SPENDING PLANS 2018/19**

#### **SUMMARY**

This report sets out the overall level of revenue spending on this Committee's services and seeks agreement for the revised revenue budget for 2017/18 and the base budget for 2018/19 before being recommended to Council for approval.

#### **RECOMMENDATION**

It is recommended that the Licensing and Regulatory Affairs Committee:-

- (a) reviews and agrees the revised budget for 2017/18;
- (b) reviews and agrees the base budgets for 2018/19; and
- (c) recommends the budget to Council for approval.

## INTRODUCTION

1. The Council has a co-ordinated strategic, service and financial planning process and this report allows the Committee to consider in detail these plans for the provision of Licensing and Regulatory Affairs services during the next financial year.
2. This report and the revenue budgets have been prepared in accordance with the Medium Term Finance Strategy that is to be presented to the Executive on 8 January 2018 and will cover the capital programme and the revenue budget.

## CAPITAL PROGRAMME

3. For this Committee there are no capital projects planned.

## REVENUE BUDGET

4. Appendix A analyses the overall budget total over the individual Licensing and Regulatory Affairs Committee services and by the different types of expenditure and income.

### Base Budget 2017/18

5. The base budgets for 2017/18 were considered by this Committee in January 2017 and were confirmed by the Full Council on 24 February 2017.
6. The base budget for 2017/18 amounted to £481,000.

### Revised Budget 2017/18

7. The overall revised budget for 2017/18 is £456,000 a decrease of £25,000 or 5% from the base budget.

### Base Budget 2018/19

8. The overall base budget for 2018/19 is £501,000, an increase of £20,000 or 4% from the base budget for 2017/18.

## Revenue Budget Comparisons

9. The major variations in the individual service budgets are summarised in the following table:

	<b>Revised Budget 2017/18</b>	<b>Base Budget 2018/19</b>
	<b>£</b>	<b>£</b>
Base Budget 2017/18	481,000	481,000
Hackney Carriage & Private Hire Vehicles	-9,200	-9,700
Licensing	-1,500	-1,800
Health and Safety Enforcement	2,000	0
Election Services	-16,300	31,500
<b>TOTAL</b>	<b>456,000</b>	<b>501,000</b>

10. Appendix A of this report shows the analysis of expenditure and income for individual services and the following paragraphs of this report set out issues affecting individual services that have arisen in the current year in order to explain the variations between the base and revised budgets for 2017/18 and the base budget for 2018/19.

## **SERVICE ISSUES**

### **Environmental Health Partnership**

11. From 1 April 2014 the Environmental Health service has been provided by way of a Partnership between Fareham and Gosport Councils in order to provide a more resilient service and to bring savings to both Councils under the control of the Environmental Health Panel.
12. Under this arrangement, the direct costs for the service have been combined into a single Trading Account. This is where expenditure under the headings of employees, premises, supplies and services and third party payments incurred by the Partnership are recorded, and recharged to both Fareham and Gosport Councils on the basis of a 50 : 50 split.
13. Support services and income attributable to Fareham and Gosport Councils are recorded directly in the respective service areas of the two local authorities, along with the cost of DVLA Licence checks under supplies and services.

### **Hackney Carriage Licences**

14. There has been a decrease in the budget for this service of £9,700. The main reason for the change is that overall budgeted income from taxi licensing has increased by £13,300.

### **Licensing**

15. There has been an increase in the income budget for this service of £1,800 as internal recharges are no longer recognised directly in this area.

### **Health & Safety**

16. There have been no change to this budget for 2018/19.

### **Election Services**

17. There has been an overall increase in the budget for this service of £31,500. There has been a small increase in employee expenditure, and no Government grant is anticipated for 2018/19. Supplies and services have reduced to reflect anticipated expenditure, but have not fully offset the corresponding reduction in income budget as not all ongoing expenses are reclaimable.

## **RISK ASSESSMENT**

18. There are no significant risk considerations in relation to this report.

## **CONCLUSION**

19. A number of Licensing and Regulatory Affairs services are partly funded from fees and charges and other types of income. After taking service income into account, the following sources of income reduce the overall cost of services to be met by council tax payers:
  - Investment income;
  - General government grant; and
  - The Council's share of business rate income
20. These sources of income are generally outside the Council's control and do not reflect changes in the overall level of spending on local services. With these sources of income effectively "fixed", Members need to be aware that, unless it can be matched by increased service income, additional spending on services has to be fully funded by council tax payers.
21. It follows that members must give full weight to the Council's overall position and future council tax levels when the revenue budgets for 2018/19 are considered.
22. The Committee is asked to:
  - (a) review and agree the revised budgets for 2017/18;
  - (b) review and agree the base budgets for 2018/19; and
  - (c) recommend the budget to Council for approval.

## **Background Papers:**

## **Reference Papers:**

## **Enquiries:**

For further information on this report please contact Neil Wood. (Ext 4506)

## APPENDIX A

### LICENSING AND REGULATORY AFFAIRS COMMITTEE

#### ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2018/19

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
	£	£	£	£
HACKNEY CARRIAGE LICENCES	1,584	6,800	-2,400	-2,900
LICENSING	-12,494	-33,600	-35,100	-35,400
HEALTH & SAFETY ENFORCEMENT	171,945	145,600	147,600	145,600
ELECTION SERVICES	368,540	362,200	345,900	393,700
	<b>529,575</b>	<b>481,000</b>	<b>456,000</b>	<b>501,000</b>

### SUBJECTIVE ANALYSIS

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	223,407	181,700	167,000	182,900
PREMISES RELATED EXPENDITURE	22,860	15,000	25,000	15,000
TRANSPORT RELATED EXPENDITURE	2,566	1,500	2,500	1,500
SUPPLIES AND SERVICES	322,446	245,300	352,900	165,300
CONTRACT PAYMENTS	322,871	262,100	264,500	262,700
INTERNAL SUPPORT	64,953	55,800	56,300	57,300
<b>GROSS EXPENDITURE</b>	<b>959,103</b>	<b>761,400</b>	<b>868,200</b>	<b>684,700</b>
GOVERNMENT GRANTS	-222,578	-110,000	-228,500	0
OTHER GRANTS AND REIMBURSEMENTS	0	0	0	0
SALES	-3,529	-1,700	-1,700	-1,700
FEES AND CHARGES	-203,421	-168,700	-182,000	-182,000
<b>GROSS INCOME</b>	<b>-429,528</b>	<b>-280,400</b>	<b>-412,200</b>	<b>-183,700</b>
<b>NET EXPENDITURE</b>	<b>529,575</b>	<b>481,000</b>	<b>456,000</b>	<b>501,000</b>

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
<b><u>HACKNEY CARRIAGE LICENCES</u></b>	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	0	0	0	0
TRANSPORT RELATED EXPENDITURE	0	0	0	0
SUPPLIES AND SERVICES	13,217	7,000	12,000	12,000
THIRD PARTY PAYMENTS	97,142	74,100	74,800	74,300
INTERNAL SUPPORT	1,409	1,600	0	0
<b>GROSS EXPENDITURE</b>	<b>111,768</b>	<b>82,700</b>	<b>86,800</b>	<b>86,300</b>
SALES	-5	-200	-200	-200
FEES AND CHARGES	-110,179	-75,700	-89,000	-89,000
<b>GROSS INCOME</b>	<b>-110,184</b>	<b>-75,900</b>	<b>-89,200</b>	<b>-89,200</b>
<b>NET EXPENDITURE</b>	<b>1,584</b>	<b>6,800</b>	<b>-2,400</b>	<b>-2,900</b>

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
<b><u>LICENSING</u></b>	£	£		
EMPLOYEE RELATED EXPENDITURE	322	300	0	0
SUPPLIES AND SERVICES	930	0	0	0
THIRD PARTY PAYMENTS	77,698	57,400	57,900	57,600
INTERNAL SUPPORT	1,708	1,700	0	0
<b>GROSS EXPENDITURE</b>	<b>80,658</b>	<b>59,400</b>	<b>57,900</b>	<b>57,600</b>
FEES AND CHARGES	-93,152	-93,000	-93,000	-93,000
<b>GROSS INCOME</b>	<b>-93,152</b>	<b>-93,000</b>	<b>-93,000</b>	<b>-93,000</b>
<b>NET EXPENDITURE</b>	<b>-12,494</b>	<b>-33,600</b>	<b>-35,100</b>	<b>-35,400</b>

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
<b><u>HEALTH &amp; SAFETY</u></b>	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	4,290	2,800	2,800	2,800
PREMISES RELATED EXPENDITURE	0	0	0	0
TRANSPORT RELATED EXPENDITURE	0	0	0	0
SUPPLIES AND SERVICES	19,405	12,000	13,000	12,000
CONTRACT PAYMENTS	148,031	130,600	131,800	130,800
INTERNAL SUPPORT	309	200	0	0
<b>GROSS EXPENDITURE</b>	<b>172,035</b>	<b>145,600</b>	<b>147,600</b>	<b>145,600</b>
FEES AND CHARGES	-90	0	0	0
<b>GROSS INCOME</b>	<b>-90</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>171,945</b>	<b>145,600</b>	<b>147,600</b>	<b>145,600</b>

	Actual 2016/17	Base Estimate 2017/18	Revised Estimate 2017/18	Base Estimate 2018/19
<b><u>ELECTION SERVICES</u></b>	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	218,795	178,600	164,200	180,100
PREMISES RELATED EXPENDITURE	22,860	15,000	25,000	15,000
TRANSPORT RELATED EXPENDITURE	2,566	1,500	2,500	1,500
SUPPLIES AND SERVICES	288,894	226,300	327,900	141,300
CONTRACT PAYMENTS	0	0	0	0
INTERNAL SUPPORT	61,527	52,300	56,300	57,300
<b>GROSS EXPENDITURE</b>	<b>594,642</b>	<b>473,700</b>	<b>575,900</b>	<b>395,200</b>
GOVERNMENT GRANTS	-222,578	-110,000	-228,500	0
OTHER GRANTS AND REIMBURSEMENTS	0	0	0	0
SALES	-3,524	-1,500	-1,500	-1,500
FEES AND CHARGES	0	0	0	0
<b>GROSS INCOME</b>	<b>-226,102</b>	<b>-111,500</b>	<b>-230,000</b>	<b>-1,500</b>
<b>NET EXPENDITURE</b>	<b>368,540</b>	<b>362,200</b>	<b>345,900</b>	<b>393,700</b>
<b>LICENSING AND REGULATORY AFFAIRS NET EXPENDITURE</b>	<b>529,575</b>	<b>481,000</b>	<b>456,000</b>	<b>501,000</b>