

FAREHAM

BOROUGH COUNCIL

Report to Licensing and Regulatory Affairs Committee

Date **24 January 2017**

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

Subject: **SPENDING PLANS 2017/18**

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 2016/17 and the base budget for 2017/18 before being recommended to Council for approval.

RECOMMENDATION

That the Licensing and Regulatory Affairs Committee:-

- (a) review and agree the revised budget for 2016/17;
- (b) review and agree the base budgets for 2017/18; 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 was approved by the Executive on 10 October 2016 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 2016/17

5. The base budgets for 2016/17 were considered by this Committee in January 2016 and were confirmed by the Full Council on 1 February 2016.
6. The base budget for 2016/17 amounted to £491,400.

Revised Budget 2016/17

7. The overall revised budget for 2016/17 is £521,800, an increase of £30,400 or 5.8% from the base budget.

Base Budget 2017/18

8. The overall base budget for 2017/18 is £481,000, a reduction of £10,400 or 2.1% from the base budget for 2016/17.

Revenue Budget Comparisons

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

	Revised Budget 2016/17	Base Budget 2017/18
	£	£
Base Budget 2016/17	491,400	491,400
Hackney Carriage & Private Hire Vehicles	-16,900	4,900
Licensing	-11,500	-10,300
Health and Safety Enforcement	-8,500	-6,400
Election Services	67,300	1,400
TOTAL	521,800	481,000

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 2016/17 and the base budget for 2017/18.

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.
14. During the financial year there was a review of the partnership including staffing structures and as a result of this the charge to this committee has seen a reduction of around £15,000.

Hackney Carriage Licences

15. There has been an increase in the budget for this service of £4,900. The main reason for the change is that overall budgeted income has fallen by £9,000 as the transition to 3 and 5 year licensing renewals comes into effect. This has been offset by a reduction of £4,100 in the recharge from the Environmental Health Partnership.

Licensing

16. There has been an increase in the income budget for this service of £10,300. There is additional income of £7,000 and a lower recharge from the Environmental Health Partnership of £3,300.

Health & Safety

17. There has been an overall decrease in the budget for this service of £6,400 which is as a result of a lower recharge from the Environmental Health Partnership

Election Services

18. There has been an overall increase in the budget for this service of £1,400. There are a number of changes in the budgets that reflect the service delivery but overall these changes result in a small change in the budget for next financial year.
19. The changes for the revised budgets reflect additional costs for the elections that have been held this year and cannot be reclaimed. There has also been an increase in supplies and service for the revised budget is due to a carry forward of money received for use on the Individual Electoral Registration (IER) that wasn't spent during 2015/16.

RISK ASSESSMENT

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

CONCLUSION

21. 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

22. 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.

23. It follows that members must give full weight to the Council's overall position and future council tax levels when the revenue budgets for 2017/18 are considered.

24. The Committee is asked to:

- (a) review and agree the revised budgets for 2016/17;
- (b) review and agree the base budgets for 2017/18; 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)

LICENSING AND REGULATORY AFFAIRS COMMITTEE**ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2017/18**

	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£	£	£
HACKNEY CARRIAGE LICENCES	-9,017	1,900	-15,000	6,800
LICENSING	-17,725	-23,300	-34,800	-33,600
HEALTH & SAFETY	154,241	152,000	143,500	145,600
ELECTION SERVICES	261,511	360,800	428,100	362,200
	389,010	491,400	521,800	481,000

SUBJECTIVE ANALYSIS

	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£	£	£
EMPLOYEES	231,919	180,800	230,300	181,700
PREMISES EXPENDITURE	8,821	15,000	23,000	15,000
TRANSPORT EXPENDITURE	1,480	1,100	2,900	1,500
SUPPLIES AND SERVICES	137,251	245,700	333,500	245,300
THIRD PARTY PAYMENTS	299,216	276,100	257,500	262,100
INTERNAL RECHARGES	59,109	55,100	55,500	55,800
GROSS EXPENDITURE	737,496	773,800	902,700	761,400
GRANTS	-136,201	-110,000	-190,200	-110,000
SALES	-1,707	-1,700	-1,700	-1,700
FEEES AND CHARGES	-210,578	-170,700	-189,000	-168,700
GROSS INCOME	-348,486	-282,400	-380,900	-280,400
NET EXPENDITURE	389,010	491,400	521,800	481,000

<u>HACKNEY CARRIAGE LICENCES</u>	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£		
SUPPLIES AND SERVICES	10,422	7,000	7,000	7,000
THIRD PARTY PAYMENTS	88,316	78,300	72,700	74,100
SUPPORT SERVICES	1,732	1,500	1,500	1,600
GROSS EXPENDITURE	100,470	86,800	81,200	82,700
SALES	-37	-200	-200	-200
FEES AND CHARGES	-109,450	-84,700	-96,000	-75,700
GROSS INCOME	-109,487	-84,900	-96,200	-75,900
NET INCOME	-9,017	1,900	-15,000	6,800

<u>LICENSING</u>	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£		
EMPLOYEES	5,680	300	300	300
SUPPLIES AND SERVICES	659	0	0	0
THIRD PARTY PAYMENTS	70,669	60,800	56,300	57,400
SUPPORT SERVICES	1,978	1,600	1,600	1,700
GROSS EXPENDITURE	78,986	62,700	58,200	59,400
FEES AND CHARGES	-96,711	-86,000	-93,000	-93,000
GROSS INCOME	-96,711	-86,000	-93,000	-86,000
NET EXPENDITURE	-17,725	-23,300	-34,800	-33,600

<u>HEALTH & SAFETY</u>	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£	£	£
EMPLOYEES	4,915	2,800	2,800	2,800
SUPPLIES AND SERVICES	12,563	12,000	12,000	12,000
THIRD PARTY PAYMENTS	136,498	137,000	128,500	130,600
SUPPORT SERVICES	325	200	200	200
GROSS EXPENDITURE	154,301	152,000	143,500	145,600
FEES AND CHARGES	-60	0	0	0
GROSS INCOME	-60	0	0	0
NET EXPENDITURE	154,241	152,000	143,500	145,600

<u>ELECTION SERVICES</u>	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Base Estimate 2017/18
	£	£	£	£
EMPLOYEES	221,323	177,700	227,200	178,600
PREMISES EXPENDITURE	8,521	15,000	23,000	15,000
TRANSPORT EXPENDITURE	1,480	1,100	2,900	1,500
SUPPLIES AND SERVICES	113,607	226,700	314,500	226,300
THIRD PARTY PAYMENTS	3,732	0	0	0
SUPPORT SERVICES	55,075	51,800	52,200	52,300
GROSS EXPENDITURE	403,738	472,300	619,800	473,700
GOVERNMENT GRANTS	-136,201	-110,000	-190,200	-110,000
SALES	-1,670	-1,500	-1,500	-1,500
FEEES AND CHARGES	-4,356	0	0	0
GROSS INCOME	-142,227	-111,500	-191,700	-111,500
NET EXPENDITURE	261,511	360,800	428,100	362,200