

# FAREHAM

## BOROUGH COUNCIL

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

**Date**                    **25 January 2022**

**Report of:**            **Deputy Chief Executive Officer**

**Subject:**                **SPENDING PLANS 2022/23**

#### **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 2021/22 and the base budget for 2022/23 before being recommended to Council for approval.

#### **RECOMMENDATION**

It is recommended that the Committee:-

- (a) reviews and agrees the revised budget for 2021/22;
- (b) reviews and agrees the base budgets for 2022/23; 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 will be presented to the Executive on 10 January 2022 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 2021/22

5. The base budgets for 2021/22 were considered by this Committee in January 2021 and were confirmed by the Full Council on 26 February 2021.
6. The base budget for 2021/22 amounted to £552,700.

### Revised Budget 2021/22

7. The overall revised budget for 2021/22 is £479,800 a decrease of £72,900 or 13.19% from the base budget which is mainly due to the receipt of funding from the Contain Outbreak Management Fund in response to the COVID-19 pandemic.

### Base Budget 2022/23

8. The overall base budget for 2022/23 is £574,400, an increase of £21,700 or 3.78% from the base budget for 2021/22.

## Revenue Budget Comparisons

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

	Revised Budget 2021/22	Base Budget 2022/23
	£	£
Base Budget 2021/22	552,700	552,700
Hackney Carriage & Private Hire Vehicles	-20,800	2,600
Licensing	-3,400	10,400
Health and Safety Enforcement	-16,100	-4,000
Election Services	-32,600	12,700
<b>TOTAL</b>	<b>479,800</b>	<b>574,400</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 2021/22 and the base budget for 2022/23.
11. The budgets for this committee do not reflect the cost of providing members services support to this committee and to the panels that are held during the year. This overall cost to the council is shown within the Executive Portfolio for Policy and Resources. The cost to the council for this function is just over £1.1 million a year.

## **SERVICES ISSUES**

### **Environmental Health Partnership**

12. 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.
13. 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.
14. Internal Recharges 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.
15. The overall budget for 2022/23 for the EHP has increased by £53,600 in comparison the previous year, this increase is in relation to a Contain Outbreak Management Funding which will not be received in 2022/23.

### **Hackney Carriage Licences**

16. There has been an increase in the budget for this service of £2,600, this is due to an increase in partnership costs.

### **Licensing**

There has been an increase in the budget for this service of £10,400, this increase is as a result a review of the partnership cost allocations.

### **Health & Safety**

17. There has been a decrease of £4,000 to this budget mainly in which is reflective of small changes to budgets within this service.

### **Election Services**

18. There has been an increase in the budget for this service of £12,700 which is reflective of small changes to budgets within this service including an increase in ICT costs.

## **RISK ASSESSMENT**

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

## **CONCLUSION**

20. A number of Licensing and Regulatory Affairs Committee 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; and
- The Council's share of business rate income

21. 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.

22. It follows that members must give full weight to the Council's overall position and future council tax levels when the revenue budgets for 2022/23 are considered.

**APPENDICES Appendix A:** Revised budgets for 2021/22 and Base Budgets for 2022/23

**Background Papers:**

**Reference Papers:**

**Enquiries:**

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

**ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2022/23****LICENSING AND REGULATORY AFFAIRS COMMITTEE**

	<b>Base Budget 2021/22</b>	<b>Revised Budget 2021/22</b>	<b>Base Budget 2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Hackney Carriage and Private Hire Vehicles	9,400	-11,400	12,000
Licensing	-6,700	-10,100	3,700
Health and Safety	144,200	128,100	140,200
Election Services	405,800	373,200	418,500
	<b>552,700</b>	<b>479,800</b>	<b>574,400</b>

**SUBJECTIVE ANALYSIS**

	<b>Base Budget 2021/22</b>	<b>Revised Budget 2021/22</b>	<b>Base Budget 2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
EMPLOYEES RELATED EXPENDITURE	167,800	165,400	169,900
PREMISES RELATED EXPENDITURE	12,000	12,000	12,000
TRANSPORT RELATED EXPENDITURE	2,900	3,900	3,900
SUPPLIES & SERVICES	310,200	321,700	190,000
THIRD PARTY PAYMENTS	292,300	251,800	300,300
INTERNAL RECHARGES	61,200	61,700	64,500
<b>Gross Expenditure</b>	<b>846,400</b>	<b>816,500</b>	<b>740,600</b>
GOVERNMENT GRANTS	0	-1,200	-600
OTHER GRANTS	-120,000	-158,000	0
SALES	-1,700	-2,500	-2,000
FEES AND CHARGES	-172,000	-175,000	-163,600
<b>GROSS INCOME</b>	<b>-293,700</b>	<b>-336,700</b>	<b>-166,200</b>
<b>NET EXPENDITURE</b>	<b>552,700</b>	<b>479,800</b>	<b>574,400</b>

	<b>Base Estimate 2021/22</b>	<b>Revised Estimate 2021/22</b>	<b>Base Estimate 2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>HACKNEY CARRIAGE LICENSES</u></b>			
TRANSPORT RELATED EXPENDITURE	0	2,000	2,000
SUPPLIES & SERVICES	12,000	11,800	12,000
THIRD PARTY PAYMENTS	73,400	67,500	80,600
<b>GROSS EXPENDITURE</b>	<b>85,400</b>	<b>81,300</b>	<b>94,600</b>
OTHER GRANTS	0	-1,200	-600
SALES	-200	-1,000	-500
FEES AND CHARGES	-75,800	-90,500	-81,500
<b>GROSS INCOME</b>	<b>-76,000</b>	<b>-92,700</b>	<b>-82,600</b>
<b>NET EXPENDITURE</b>	<b>9,400</b>	<b>-11,400</b>	<b>12,000</b>

	<b>Base Estimate 2021/22</b>	<b>Revised Estimate 2021/22</b>	<b>Base Estimate 2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>LICENSING</u></b>			
SUPPLIES & SERVICES	0	300	300
THIRD PARTY PAYMENTS	89,500	71,700	85,500
<b>GROSS EXPENDITURE</b>	<b>89,500</b>	<b>72,000</b>	<b>85,800</b>
FEES AND CHARGES	-96,200	-82,100	-82,100
<b>GROSS INCOME</b>	<b>-96,200</b>	<b>-82,100</b>	<b>-82,100</b>
<b>NET EXPENDITURE</b>	<b>-6,700</b>	<b>-10,100</b>	<b>3,700</b>

	<b>Base Estimate 2021/22</b>	<b>Revised Estimate 2021/22</b>	<b>Base Estimate 2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>HEALTH AND SAFETY</u></b>			
EMPLOYEES RELATED EXPENDITURE	2,800	2,000	2,000
SUPPLIES & SERVICES	12,000	15,900	4,000
THIRD PARTY PAYMENTS	129,400	112,600	134,200
<b>GROSS EXPENDITURE</b>	<b>144,200</b>	<b>130,500</b>	<b>139,500</b>
FEES AND CHARGES	0	-2,400	0
<b>GROSS INCOME</b>	<b>0</b>	<b>-2,400</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>144,200</b>	<b>128,100</b>	<b>139,500</b>

	<b>Base Estimate 2021/22 £</b>	<b>Revised Estimate 2021/22 £</b>	<b>Base Estimate 2022/23 £</b>
<b>ELECTIONS</b>			
EMPLOYEES RELATED EXPENDITURE	165,000	163,400	167,900
PREMISES RELATED EXPENDITURE	12,000	12,000	12,000
TRANSPORT RELATED EXPENDITURE	2,900	1,900	1,900
SUPPLIES & SERVICES	286,200	293,700	173,700
INTERNAL RECHARGES	61,200	61,700	64,500
<b>GROSS EXPENDITURE</b>	<b>527,300</b>	<b>532,700</b>	<b>420,000</b>
OTHER GRANTS	-120,000	-158,000	0
SALES	-1,5000	-1,5000	-1,500
<b>GROSS INCOME</b>	<b>-121,500</b>	<b>-159,500</b>	<b>-1,500</b>
<b>NET EXPENDITURE</b>	<b>405,800</b>	<b>373,200</b>	<b>418,500</b>