

Committee(s): Licensing	Dated: 14 07 2021
Subject: Revenue Outturn 2020/21	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Chamberlain Director of Markets and Consumer Protection	For Information
Report author: Jenny Pitcairn, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2020/21 with the final budget for the year. Overall total net expenditure during the year was £434,000 whereas the total budget was £300,000, representing an overspending of £134,000 as set out below.

Summary Comparison of 2020/21 Revenue Outturn with Final Budget				
	Original Budget	Final Budget	Revenue Outturn	Variation Better/ (Worse)
	£000	£000	£000	£000
Direct Net Expenditure				
Markets & Consumer Protection	(13)	(178)	(304)	(126)
Capital and Support Services	(122)	(122)	(130)	(8)
Overall Total	(135)	(300)	(434)	(134)

The Director of Markets and Consumer Protection has submitted a request to carry forward underspendings, but none for the Licensing Committee. This request will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

Recommendation(s)

Members are asked to:

- Note the report

Main Report

Revenue Outturn for 2020/21

- Actual net expenditure for your Committee's services during 2020/21 totalled £434,000, an overspend of £134,000 compared to the final net budget of £300,000. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, expenditure and adverse variances are presented in brackets.

Summary Comparison of 2020/21 Revenue Outturn with Final Budget				
	Original Budget £000	Final Budget £000	Revenue Outturn £000	Variation Better/ (Worse) £000
Local Risk				
Markets & Consumer Protection	(13)	(173)	(299)	(126)
Total Local Risk	(13)	(173)	(299)	(126)
Central Risk				
Markets & Consumer Protection	0	(5)	(5)	0
Total Central Risk	0	(5)	(5)	0
Capital and Support Services	(122)	(122)	(130)	(8)
Overall Total	(135)	(300)	(434)	(134)

- The most significant local risk variations were:
 - A reduction of £255,000 in income as a result of the impacts of COVID-19;
 - An overspend of £30,000 for internal legal fees. The charging for services and client care provided by Comptroller & City Solicitor's (C&CS) department changed in 2019/20, and for 2020/21 a budget estimate was set which underestimated the volume of prosecution work the team undertakes, primarily for illegal street trading and Licensing Act cases.
 - An increase of £28,000 in bad debt provision;
 - An increase of £20,000 in employee costs mainly for additional agency staff;
 - An underspend of £156,000 due to the COVID-19 re-budgeting adjustment which was held as a contingency, partly offsetting the loss of income;
 - A reduction of £29,000 in costs of Middlesex Street Market and late-night cleansing due to COVID-19 closures;
 - Additional grant income of £13,000 to support COVID-19 compliance and enforcement work.
- Appendix 1 shows the movement from the 2020/21 original budget to the final budget.
- The table overleaf shows the degree to which costs were recovered through fees by licence type.

Revenue Outturn by Licence Type	Revenue Outturn £000
Late Night Levy ¹	
Expenditure	(144)
Income	144
Total Late Night Levy	0
Gambling Act ²	
Expenditure	(15)
Income	11
Total Gambling Act	(4)
Tables & Chairs	
Expenditure	(11)
Income ³	(5)
Total Tables & Chairs	(16)
Massage & Special Treatment	
Expenditure	(18)
Income ³	(1)
Total Massage & Special Treatment	(19)
Premises, street trading and other ⁴	
Expenditure	(841)
Income	446
Total Premises, street trading & other	(395)
OVERALL TOTAL	(434)

¹ Including administration costs

² The cost of administering some application types have now exceeded the statutory maximum fees, therefore it is not possible to fully recover costs in those instances.

³ Income is negative due to refunds issued for fees for applications received in 2019/20 and subsequently withdrawn in 2020/21.

⁴ The costs relating to premises (excluding Late Night Levy) and street trading are not separately identified at present. This category also includes any non-recoverable costs, including pavement licences issued free-of-charge, and work in relation to COVID -19 restrictions eg developing and providing advice, enforcement, and liaison with government.

Local Risk Carry Forwards to 2020/21

5. The Director of Markets and Consumer Protection has a local risk overspending of £126,000 on the activities overseen by your Committee. The Director had net local risk underspendings totalling £538,000 on activities overseen by other Committees. The Director is proposing that a total of £379,000 of his maximum eligible underspend of £412,000 be carried forward, none of which relates to activities overseen by your Committee.

Corporate & Strategic Implications

Strategic implications – none.

Financial implications – none.

Resource implications – none.

Legal implications – none.

Risk implications – none.

Equalities implications – none.

Climate implications – none.

Security implications – none.

Appendices

- Appendix 1 – Movement from 2020/21 Original Budget to Final Budget

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