

Committee(s)	Dated:
Licensing Committee	07/02/2017
Subject: Revenue Budgets – 2018/19	Public
Report of: The Chamberlain Director of Markets and Consumer Protection	For Decision

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval to the latest revenue budget for 2017/18 and provisional revenue budget for 2018/19, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director.

Business priorities for the forthcoming year include the application of the income generated by the Late Night Levy, and completion of a revised Gambling Policy.

Table 1 Summary Revenue Budgets 2017/18 and 2018/19	Original Budget 2017/18 £'000	Latest Budget 2017/18 £'000	Original Budget 2018/19 £'000
Expenditure	(625)	(651)	(671)
Income	687	707	746
Support Services and Capital Charges	(171)	(169)	(175)
Total Net Expenditure	(109)	(113)	(100)

Overall, the 2017/18 latest budget is £113,000 net expenditure, an increase of £4,000 net expenditure compared to the original budget.

Overall, the 2018/19 provisional budget is £100,000 net expenditure, a decrease of £9,000 net expenditure compared with the original budget for 2017/18.

Recommendation(s)

Members are asked to:

- Review the latest 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Review the provisional 2018/19 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to Finance Committee; and

- Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman, to revise these budgets for changes in respect of the Late Night Levy.

Main Report

Background

1. The Licensing Service is responsible for ensuring that all City businesses hold the appropriate licences and registrations and comply with the rules and conditions appertaining to those licences.
2. This report sets out the latest budget for 2017/18 and the proposed revenue budget for 2018/19. The revenue budget management arrangements are to:
 - Provide a clear distinction between local risk, central risk and recharge budgets
 - Place responsibility for budgetary control on departmental Chief Officers
 - Apply a cash limit policy to Chief Officers' budgets
3. The budget has been analysed by service expenditure and compared with the original budget for the 2017/18. The budget is further analysed between:
 - Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
 - Support Services and Capital Charges – these cover budgets for activities provided by one service to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
4. The report also compares the current year's budget with the forecast outturn.
5. In the various tables, expenditure and adverse variances are presented in brackets. Only significant variances (generally those greater than £10,000) have been commented on.

Business Planning Priorities

6. The Licensing Service will continue to ensure that the income from the Late Night Levy, whereby a separate fee is charged to licensed premises selling after midnight, is used to achieve the greatest benefit in accordance with the specified purposes.
7. The Gambling Policy is currently being reviewed, and the completion of the respective consultations and incorporation into the final versions will take place during 2018/19.

Latest Revenue Budget for 2017/18

8. Overall there is an increase of £4,000 net expenditure between the Committee's original and latest budget for 2017/18. Table 2 below summarises the movements between the original and latest budgets comprising this increase.

Table 2 Latest Revenue Budgets 2017/18	Original Budget 2017/18 £'000	Latest Budget 2017/18 £'000	Movement (Increase)/ Decrease £'000	Paragraph Reference
EXPENDITURE				
Employees	(449)	(455)	(6)	
Premises Related Expenses	(45)	(45)	0	
Supplies & Services	(37)	(37)	0	
Third Party Payments	(54)	(104)	(50)	9(i), 9(ii)
Committee Contingency	(40)	(10)	30	9(i)
Total Expenditure	(625)	(651)	(26)	
INCOME				
Customer, Client Receipts	687	707	20	9(iii)
Total Income	687	707	20	
TOTAL LOCAL RISK (EXPENDITURE)/ INCOME	62	56	(6)	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services and Capital Charges	(124)	(122)	2	
Recharges within Fund	(27)	(27)	0	
Recharges across Funds	(20)	(20)	0	
Total Support Services and Capital Charges	(171)	(169)	2	
TOTAL NET (EXPENDITURE)/ INCOME	(109)	(113)	(4)	

9. The movement between the original and latest budgets shown in Table 2 is primarily attributable to:
- (i) The Late Night Levy income must be spent on specified purposes, and the corresponding expenditure budget is held as a contingency until allocated; at the start of the year £38,000 of the anticipated 2017/18 Levy income remained unallocated. Subsequently, a further allocation of £30,000 was agreed and transferred from the contingency for additional power washing.
 - (ii) Additional funding of £20,000 for the element of work with Club Soda considered to be outside of the scope of the Late Night Levy.
 - (iii) Increased income from Premises licences, mainly due to changes in fee levels as a result of the new 2017 Rating List.

Proposed Revenue Budget for 2018/19

10. The provisional 2018/19 budgets being presented to your Committee, and under the control of the Director of Markets and Consumer Protection, have been prepared in accordance with the guidelines agreed by the Policy & Resources and Finance Committees. These include a 2% reduction for efficiency savings. The budget has been prepared within the resources allocated to the Director.

11. Overall there is a decrease of £9,000 net expenditure between the Committee's 2017/18 and 2018/19 original budgets. Table 3 below summarises the movements comprising this decrease.

Table 3 Provisional Revenue Budgets 2018/19	Original Budget 2017/18 £'000	Original Budget 2018/19 £'000	Movement (Increase)/ Decrease £'000	Paragraph Reference
EXPENDITURE				
Employees	(449)	(500)	(51)	12(i)
Premises Related Expenses	(45)	(45)	0	
Supplies & Services	(37)	(39)	(2)	
Third Party Payments	(54)	(74)	(20)	12(ii)
Committee Contingency	(40)	(13)	27	12(ii)
Total Expenditure	(625)	(671)	(46)	
INCOME				
Customer, Client Receipts	687	746	59	12(iii)
Total Income	687	746	59	
TOTAL LOCAL RISK (EXPENDITURE)/ INCOME	62	75	13	
SUPPORT SERVICES AND CAPITAL CHARGES				
Central Support Services and Capital Charges	(124)	(129)	(5)	
Recharges within Fund	(27)	(27)	0	
Recharges across Funds	(20)	(19)	1	
Total Support Services and Capital Charges	(171)	(175)	(4)	
TOTAL NET (EXPENDITURE)/ INCOME	(109)	(100)	9	

12. The movements between budgets shown in Table 3 are primarily attributable to:

- (i) An increase of £51,000 in staffing costs mainly for an additional Assistant Licensing Officer to support a continued high level of Tables & Chairs applications and enforcement of illegal street trading, together with provision for estimated pay award and incremental progression.
- (ii) An agreed allocation of £20,000 from the Late Night Levy for analysis and mapping of licensed premises in the Night Time Economy (transferred from contingency).
- (iii) Increases in income from:
 - Tables & Chairs licences, reflecting the high volume of applications and increased associated cost which is fully recovered through fees;
 - Premises licences, mainly due to changes in fee levels as a result of the new 2017 Rating List.

13. Table 4 below provides a further analysis by licence type, illustrating the degree to which costs are anticipated to be recovered through fees. Where fees are locally set, the net cost should be zero.

Table 4 Budgets by Licence Type	Original Budget 2017/18 £000	Latest Budget 2017/18 £000	Original Budget 2018/19 £000
Late Night Levy ¹			
Expenditure	(145)	(145)	(145)
Income	145	145	145
Total Late Night Levy	0	0	0
Gambling Act			
Expenditure	(28)	(28)	(24)
Income	28	28	24
Total Gambling Act	0	0	0
Tables & Chairs			
Expenditure	(104)	(104)	(142)
Income	104	104	142
Total Tables & Chairs	0	0	0
Massage & Special Treatment			
Expenditure	(49)	(49)	(55)
Income	49	49	55
Total Massage & Special Treatment	0	0	0
Premises, street trading and other ²			
Expenditure	(470)	(494)	(480)
Income	361	381	380
Total Premises, street trading & other	(109)	(113)	(100)
OVERALL TOTAL	(109)	(113)	(100)

¹ Including administration costs

² 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.

14. A summary of the movement in staffing numbers and associated costs are shown in Table 5 below.

Table 5 – Staffing Statement	Original Budget 2017/18		Original Budget 2018/19	
	Staff Full-time Equivalent	Estimated Cost £'000	Staff Full-time Equivalent	Estimated Cost £'000
Total Licensing	7.5	(449)	8.5	(500)

Potential Further Budget Developments

15. The provisional nature of the 2018/19 revenue budget recognises that further revisions may be required, particularly in relation to:

- allocation of the unspent balance of the Late Night Levy.

Forecast Outturn 2017/18

16. The forecast outturn for the current year is £134,000, an overspend of £21,000 compared to the latest budget, due mainly to temporary additional staff for enforcement of illegal street trading.
17. A detailed calculation will be carried out at the end of the year to determine whether a surplus or loss has been made on each licence application type for which the City sets its own fees. Any such surplus or shortfall must be carried forward and used to reduce or increase future fees accordingly.

Appendices

- None

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