



TAXI LICENSING SECTION – BUDGET CONTINGENCY PROPOSALS

RECOMMENDATIONS

- 1.1 To note the report.
- 1.2 To approve the use of an ongoing annual carry over sum to be used as a contingency balance.

Comment [D1]: Where there is only one sub-paragraph, number it 1., where there are two or more, number them 1.1, 1.2, 1.3 and so on.

SUPPORTING INFORMATION

- 2.1 The Taxi Licensing Section budget is self-financing and all of its income is derived from fees received from licence fees and charges. The income is 'ring-fenced' and is therefore used solely for the provision of, and improvements to, the taxi licensing function. This means that the Council does not pay any subsidy to, nor does it receive income or other money from, the Taxi Licensing Section budget.
- 2.2 The current budgetary process involves licensing managers estimating the predicted levels of licensing income some six months prior to the start of each financial year in April. The actual amounts of income can vary considerably from those estimated, due to market forces and the numbers of potential licence applicants. The resulting income can therefore either result in a surplus or a deficit relative to the predicted year-end position.
- 2.3 The closure of each financial year's accounts means that officers can only be certain of the final year end position some months after the end of each financial year. For example, at the time of writing, the final accounts for the financial year 2003/4 had only recently become available. The budget process for this year actually took place in September/October 2002.
- 2.4 It is been proposed that an 'ongoing' balance of £10000 is maintained year-on year, to provide a contingency against the fluctuations in income which may occur for the reasons outlined above. For the current year, this amount amounts to less than 5% of the section's budget. Any amount in excess of this figure will be 'ploughed back' to offset increases in licence fees or improve the service, for example by the use of new IT systems.
- 2.5 Due to unusually large trading surpluses, caused by increased numbers of knowledge tests and licence holders, the current situation is that there has been a surplus for the last two financial years. Some of this surplus has been used to assist with the improvements and recommendations from the section's recent Service Review, resulting in committed expenditure for some of the monies. Appendices 2 and 3 provide details of the current balance and proposed commitments.

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Background papers: None

List of appendices: Appendix 1 - Implications
Appendix 2 – Current Balance and Financial Commitments

Comment [D2]: Make sure this appears at the foot of the page, following the body of the report and before the appendices.

Appendix 1

IMPLICATIONS

Financial

- 1.1 A contingency sum of £10,000 per annum will be maintained to act as a contingency against any unforeseen shortfall in income to the taxi licensing budget or to fund necessary improvements to the service.

Comment [D3]: Where there is only one sub-paragraph, number it 1., where there are two or more, number them 1.1, 1.2, 1.3 and so on.

Legal

- 2.1 None.

Personnel

- 3.1 None.

Equalities impact

- 4.1 Ensure good quality service to all the taxi trade and the public.

Corporate objectives and priorities for change

- 5.1 The proposal comes under the Council's Objective of **providing integrated cost effective services.**

Comment [D4]: Tap F11 to highlight next option – tap the Delete key to delete if not appropriate.