

## GENERAL PURPOSES & LICENSING COMMITTEE – 12 JANUARY 2007

### REVENUE ESTIMATES 2007/08

#### 1. INTRODUCTION

- 1.1 The initial draft of General Purposes & Licensing Committee's revenue estimates for 2007/08 is set out in this report. The Committee is asked to approve the estimates, which will eventually be submitted to the Council on 26 February 2007. In addition, Members are asked to consider and comment on the additional expenditure plans items presented to the Cabinet on 3 January 2007.
- 1.2 At some time before the meeting, Members may find it helpful to raise any matters of detail with Kevin Green on (023) 8028 5715 or Alfons Michel on (023) 8028 5713.

#### 2. KEY POINTS

- 2.1 Estimated revenue expenditure for 2007/08 is £658,090, which is an increase of £89,070 (15.65%) from the original 2006/07 budget. However, after adjusting for a budget reduction of £8,660, arising from the withdrawal of notional interest charges (paragraph 4.3), estimated revenue expenditure has increased by £97,730 (17.18%). All variations from the 2006/07 budget are detailed within the body of the report.
- 2.2 The detailed estimates incorporate the expenditure plans items that were considered by the Committee in November 2006.
- 2.3 When the expenditure plans schedules were considered in November, Members were advised that further savings of £718k needed to be identified if a 3% Council Tax increase is to be achieved. On 3 January 2007, the Cabinet considered a schedule of additional items that would make this possible. The schedule of items, including items approved by the Cabinet in December, is attached as Appendix 2. No items are directly specific to this Committee but a number will impact on the Committee once the full details of each item have been identified and appropriately allocated. None of the new proposals, considered in January, have been included in the attached detailed estimates as they had not been identified at the time the initial detailed estimates process was carried out. They will be included prior to the final budget books being produced.

#### 3. REVENUE ESTIMATES – GENERAL

- 3.1 The revenue estimates show the original estimated cost of each service provided by the Committee for both 2007/08 and for 2006/07. Actual figures for 2005/06 are also included.
- 3.2 Provision has been made for the effects of known or projected levels of inflation. Inflation covers general price increases, the estimated cost of the pay award and the estimated cost of salary increments.

### 3.3. Employees –

3.3.1 Under the Internal Recharging arrangement operated by this Council, employee costs are recharged to services from Business Units. The charges comprise salaries, other staffing costs, supplies and services, accommodation and support service business unit costs appropriate to the operation of the Business Unit. Charges from Business Units to services vary due to a change of incidence in the time allocated to providing services.

3.3.2 Variations in the cost of Business Units arising from the expenditure plans are shown within appropriate Portfolios/Committees. In some instances, bids/savings have been included in the expenditure plans reports of particular Portfolios but when costs have been allocated to services they have impacted on other Portfolios. Such an item is the cost of superannuation increases which was shown in the Finance and Efficiency Portfolio but impacts on all services. The allocation of such items to this Committee is summarised in Appendix 1.

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3.4 The support services' heading comprises allocable corporate costs. These principally relate to the provision of financial and other corporate management systems and time allocations from business units including ICT, Personnel, Accountancy, Audit Services and Receptions and Area Offices. The costs are aggregated in a holding account before being re-charged across all Council Services, pro-rata to employee allocations.

## 4. REVENUE ESTIMATES – ORIGINAL 2007/08

4.1 The original 2007/08 net revenue expenditure budget is £89,070 higher than the original 2006/07 budget. However, after adjusting for the notional interest reduction item of £8,660 (paragraph 4.3), net revenue expenditure has actually increased by £97,730. The main variations are detailed below:

	£	Para
Inflation	24,760	4.2
Notional Interest	-8,660	4.3
Expenditure Plans	68,540	4.4
Business Unit Allocations	-1,800	4.5
Support Services	2,840	4.6
Environmental Health & Licensing System	3,750	4.7
Net Other	-360	
	<u>89,070</u>	

4.2 **Inflation (£24,760)** – The overall increase in the 2007/08 budget relating to inflation is £24,760 (4.35%). The increase on expenditure headings is £28,370 (3.43%) and on income headings is -£3,610 (-1.39%). The income figure is low as it reflects no inflation increase on statutory public entertainment licences income.

4.3 **Notional Interest (-£8,660)** - The 2006 Code of Practice on Local Authority Accounting (A Statement of Recommended Practice) requires the Council to remove notional interest charges from its accounts. While this reduces the cost of individual services it has no impact on the Council's overall financial position, as the charges were previously reversed out as "asset rental credit" before the Council Tax level was calculated. The amount withdrawn for this Committee is £8,660.

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4.4 **Expenditure Plans (£68,540)** – On 3 January 2007, the Cabinet approved the inclusion of the Expenditure Plans bids and savings in the detailed General Fund budgets. Items totalling £68,540 that were considered by Panels/Committees in November are listed in Appendix 1 and are included in the detailed budget figures. Narrative explaining each bid or saving was included in the November reports. New proposals, considered by the Cabinet in January, have not been included in the attached detailed estimates as they had not been identified at the time the initial detailed estimates process was carried out. They will be included prior to the final budget books being produced.

4.5 **Business Unit Allocations (-£1,800)** – Reasons why these adjustments occur are explained in paragraph 3.3. The variation can be analysed as follows: -

	£
Chief Executive's	-1,150
Community Services	-990
Resources	<u>340</u>
	<u>-1,800</u>

4.5.1 The main business units that make up the change in allocation are as follows;

- Chief Executive's – Legal & Democratic Services (-£1,150).
- Community Services – Health Commercial (-£1,120).

4.6 **Support Services (£2,840)** – Excluding inflation of £69,200, offset by a notional interest charge reduction of £37,990, total allocable corporate costs have increased by £97,450. This is principally due to financing costs of the ICT work programme and increased superannuation costs. The proportion of the overall increase allocated to this Committee is £2,840.

4.7 **Environmental Health & Licensing System (£3,750)** – During 2006/07 a new ICT system was purchased for Environmental Health and Licensing. Annual charges are made to services to reflect repayment of the capital cost of the system. The proportion of the charge falling on this Committee is £3,750.

## 5. SUMMARY OF REVENUE BUDGET

	2006/07 £	2007/08 £	Variation £	%
Gross Operational Expenditure	828,220	920,900	92,680	11.19
Income	-259,200	-262,810	-3,610	1.39
Net Total	569,020	658,090	89,070	15.65

## 6. CAPITAL EXPENDITURE

6.1 This Committee does not have a capital programme.

## 7. ENVIRONMENTAL IMPLICATIONS

7.1. Although the services provided by this Committee do clearly have an impact on the Environment, this report focuses on the financial effect of previously considered Expenditure Plans. Any environmental issues would have been considered at the time the spending proposals were discussed.

## 8. CRIME AND DISORDER IMPLICATIONS

8.1 There are no Crime and Disorder implications arising directly from this report.

## 9. RECOMMENDATIONS

9.1 Members are recommended to: -

- i) approve the revenue estimates for 2007/08, but note that there will be amendments once the additional expenditure plans items considered by the Cabinet on 3 January 2007 are allocated to services.
- ii) agree any comments to be passed to the Cabinet in respect of the detailed estimates presented or the additional items set out in Appendix 2.

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### For Further Information:

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### Background Papers:

Annual Report and Accounts 2005/06  
Expenditure Plans 2007/08 to 2010/11  
Committee 17 November 2006

or

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**General Purposes and Licensing Committee**  
**Expenditure Plans 2007/08**

	<b>2007/08</b> <b>£</b>
<b><u>SERVICE BIDS</u></b>	
Electoral Admin Act - additional election costs	50,000
Registration of Electors - cost of canvass	10,000
<b>Sub Total Bids</b>	<b>60,000</b>
<b><u>SERVICE SAVINGS</u></b>	
Gambling Act	-3,000
<b>Sub Total Savings</b>	<b>-3,000</b>
<b>TOTAL NET SERVICE BIDS</b>	<b>57,000</b>
<b><u>FINANCE AND EFFICIENCY BIDS AND SAVINGS</u></b>	
-Service related items	
ICT Work Programme/Replacements	-3,730
Other	-950
-Business unit related items	
ICT Work Programme/Replacements	11,370
Superannuation	4,870
Other	-20
<b>Sub Total Finance and Efficiency</b>	<b>11,540</b>
<b>TOTAL NET BIDS</b>	<b>68,540</b>

## ADDITIONAL REVENUE BIDS/SAVINGS

	Portfolio/ Committee		£'000
Savings Target at November Cabinet/Review Panels			718
<b><u>New Items Approved at December Cabinet</u></b>			
Additional Clear Recycling Sacks	Env	48	
Increased Probity & Ethic Training for Town/Parish Councils	Standards	4	
Rephase burial sites feasibility study	Env	-10	42
Revised Savings Target following December Cabinet			760
<b><u>New Proposals</u></b>			
<b>BIDS</b>			
Inflation	F&E	18	
Benefits Admin Grant	F&E	8	
Cash Collection Contract	F&E	3	
Approved Contractors List Contract	F&E	3	32
<b>SAVINGS</b>			
Tax Base Increase	F&E	-65	
Collection Fund Adjustment	F&E	-44	
Revenue Support Grant/NDR	F&E	-7	
Interest Earnings	F&E	-80	
Leasing Buyout	F&E	-50	
Supplies & Services	F&E	-85	
Staffing Budgets	F&E	-100	
Training Budgets	F&E	-25	
Health & Leisure Centres/Tourism	Leisure	-100	
ICT Work Programme	F&E	-50	
Local Development Framework	E&P	-70	
Stillwater Park	Housing	-18	
Printing Costs	F&E	-20	
Contribution to Project Integra/Waste Performance Grant	Env	-22	
Income from Integra	Env	-22	
Commercial Services Restructuring ( Actioned in 06/7)	F&E	-16	
Health & Leisure Centres SLA with Graphics	Leisure	-14	
Cont from Test Valley for Grounds Maintenance Equipment	F&E	-4	-792
Savings/bids(-) still to be identified			0

**GENERAL PURPOSES & LICENSING COMMITTEE**

**REVENUE ESTIMATES**

**2007/08**



## General Purposes & Licensing Committee Revenue Estimates

	2005/06 ACTUALS	2006/07 ESTIMATE	2007/08 ESTIMATE
	£	£	£
<b><u>SUMMARY OF NET EXPENDITURE</u></b>			
Elections	85,409	111,650	165,230
Animal Welfare	3,132	7,590	8,060
Caravan & Camping	46,570	44,640	46,500
Skin Piercing	3,333	2,910	3,060
Gambling Act	0	17,000	15,630
Hackney Carriages & Private Hire Licences	-10,068	900	1,640
Health & Safety	205,168	217,420	227,960
Miscellaneous Licences	13,923	14,010	14,840
Public Entertainment Licences/Liquor Licences	-50,697	16,700	26,250
Registration of Electors	131,898	136,200	148,920
	<b>428,669</b>	<b>569,020</b>	<b>658,090</b>

## General Purposes & Licensing Committee Revenue Estimates

	2005/06 ACTUALS	2006/07 ESTIMATE	2007/08 ESTIMATE
	£	£	£
<b><u>SUMMARY EXPENDITURE AND INCOME</u></b>			
Employee Costs	622,389	633,320	675,730
Supplies & Services	77,352	105,840	156,370
Support Services	74,840	83,730	87,790
Capital Financing	5,483	5,330	1,010
	780,065	828,220	920,900
Income	-351,397	-259,200	-262,810
	<b>428,669</b>	<b>569,020</b>	<b>658,090</b>

**Net Cost Variation in 2007/08 over 2006/07 Estimate** 89,070

### ANALYSIS OF VARIATION 2007/08 FROM 2006/07 ESTIMATE

Inflation	24,760
Notional Interest	-8,660
Expenditure Plans	68,540
Business Unit Allocations	-1,800
Support Services	2,840
Environmental Health & Licensing System	3,750
Net Other	-360
	<b>89,070</b>

## General Purposes & Licensing Committee Revenue Estimates

	2005/06 ACTUALS	2006/07 ESTIMATE	2007/08 ESTIMATE
	£	£	£
<b>Elections</b>			
Employee Costs	72,154	75,110	77,830
Supplies & Services	23,931	31,420	82,210
Support Services	8,430	9,420	10,240
Capital Financing	682	1,600	1,010
	<u>105,196</u>	<u>117,550</u>	<u>171,290</u>
Income	-19,787	-5,900	-6,060
	<u><b>85,409</b></u>	<u><b>111,650</b></u>	<u><b>165,230</b></u>
<b>Animal Welfare</b>			
Employee Costs	15,430	16,060	16,690
Supplies & Services	3,503	3,410	3,490
Support Services	1,800	2,020	2,200
	<u>20,733</u>	<u>21,490</u>	<u>22,380</u>
Income	-17,601	-13,900	-14,320
	<u><b>3,132</b></u>	<u><b>7,590</b></u>	<u><b>8,060</b></u>
<b>Caravan &amp; Camping</b>			
Employee Costs	41,650	39,660	41,090
Support Services	4,920	4,980	5,410
	<u><b>46,570</b></u>	<u><b>44,640</b></u>	<u><b>46,500</b></u>
<b>Skin Piercing</b>			
Employee Costs	3,700	3,850	3,990
Support Services	430	480	530
	<u>4,130</u>	<u>4,330</u>	<u>4,520</u>
Income	-797	-1,420	-1,460
	<u><b>3,333</b></u>	<u><b>2,910</b></u>	<u><b>3,060</b></u>
<b>Gambling Act</b>			
Employee Costs	0	0	9,100
Supplies & Services	0	17,000	5,330
Support Services	0	0	1,200
	<u><b>0</b></u>	<u><b>17,000</b></u>	<u><b>15,630</b></u>

## General Purposes & Licensing Committee Revenue Estimates

	2005/06 ACTUALS	2006/07 ESTIMATE	2007/08 ESTIMATE
	£	£	£
<b>Hackney Carriages &amp; Private Hire Licences</b>			
Employee Costs	50,090	56,520	58,620
Supplies & Services	17,913	19,820	20,310
Support Services	5,780	7,090	7,720
	<u>73,783</u>	<u>83,430</u>	<u>86,650</u>
Income	-83,851	-82,530	-85,010
	<u><b>-10,068</b></u>	<u><b>900</b></u>	<u><b>1,640</b></u>
<b>Health &amp; Safety</b>			
Employee Costs	183,248	192,290	200,500
Supplies & Services	500	1,090	1,110
Support Services	21,520	24,110	26,420
	<u>205,268</u>	<u>217,490</u>	<u>228,030</u>
Income	-100	-70	-70
	<u><b>205,168</b></u>	<u><b>217,420</b></u>	<u><b>227,960</b></u>
<b>Miscellaneous Licences</b>			
Employee Costs	21,630	22,520	23,340
Supplies & Services	210	50	50
Support Services	2,520	2,830	3,080
	<u>24,360</u>	<u>25,400</u>	<u>26,470</u>
Income	-10,437	-11,390	-11,630
	<u><b>13,923</b></u>	<u><b>14,010</b></u>	<u><b>14,840</b></u>
<b>Public Entertainment Licences/Liquor Licences</b>			
Employee Costs	142,968	133,090	149,130
Supplies & Services	0	50	50
Support Services	18,660	21,030	18,460
Capital Financing	4,802	3,730	0
	<u>166,430</u>	<u>157,900</u>	<u>167,640</u>
Income	-217,127	-141,200	-141,390
	<u><b>-50,697</b></u>	<u><b>16,700</b></u>	<u><b>26,250</b></u>

## General Purposes & Licensing Committee Revenue Estimates

	2005/06 ACTUALS	2006/07 ESTIMATE	2007/08 ESTIMATE
	£	£	£
<b>Registration of Electors</b>			
Employee Costs	91,520	94,220	95,440
Supplies & Services	31,296	33,000	43,820
Support Services	10,780	11,770	12,530
	<u>133,596</u>	<u>138,990</u>	<u>151,790</u>
Income	-1,698	-2,790	-2,870
	<u><b>131,898</b></u>	<u><b>136,200</b></u>	<u><b>148,920</b></u>