

Year on Year driver accounts and surplus/deficit carried forward

<u>Driver Licences</u>		Drivers					
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
		£	£	£	£	£	£
Total Costs	(Increase 1% Year on year)	58,889	59,477	60,072	60,673	61,280	61,892
Less Grant		0	0	0	0	0	0
TOTAL EXPENDITURE		58,889	59,477	60,072	60,673	61,280	61,892
		No of Licences	Current Fee	New Fee	Anticipated Income (actual for 2012/13 & 2013/14 & 2014/15)		
Income 2012/13			£				
New 1 year Licence	32	215.00					
Renewed 1 year Licence	237	155.00					
Renewed 2 year Licence	28	260.00					
Renewed 3 year Licence	98	335.00			10,943		
Total Income for 2012/13		395			10,943	0	0
Income 2013/14			£				
New 1 year Licence	43	215.00					
Renewed 1 year Licence	104	155.00					
Renewed 2 year Licence	24	260.00			3,120		
Renewed 3 year Licence	60	335.00			6,700	6,700	
Total Income for 2013/14		231			9,820	6,700	0
Income 2014/15							
New 1 year Licence	33	228.00			7,524		
Renewed 1 year Licence	90	164.00			14,760		
Renewed 2 year Licence	52	276.00			7,176	7,176	
Renewed 3 year Licence	191	355.00			22,602	22,602	22,602
Total Income for 2014/15		366			52,062	29,778	22,602

Income 2015/16										
New 1 year Licence	30	228.00			6,840					
Renewed 1 year Licence	93	164.00			15,252					
Renewed 2 year Licence	33	276.00			4,554	4,554				
Renewed 3 year Licence	143	355.00			16,922	16,922	16,922			
Total Income for 2015/16				299	0	43,568	21,476	16,922	0	
Income 2016/17										
New 3 Year Licence	22	355.00	300.00			2,200	2,200	2,200		
Renewed 3 year Licence	105	355.00	240.00			8,400	8,400	8,400		
Total Income for 2016/17				127	0	0	10,600	10,600	10,600	
Income 2017/18										
New 3 Year Licence	22	355.00	300.00				2,200	2,200	2,200	
Renewed 3 year Licence	136	355.00	240.00				10,880	10,880	10,880	
Total Income for 2017/18							13,080	13,080	13,080	
Income 2018/19										
New 3 Year Licence	22	355.00	300.00					2,200	2,200	
Renewed 3 Year Licence	151	355.00	240.00					17,868	17,868	
Total Income for 2018/19					0	0	0	0	20,068	20,068
TOTAL INCOME					72,825	80,045	54,677	40,602	43,748	33,148
Surplus / (Deficit)					13,936	20,568	-5,395	-20,071	-17,531	-28,744
Reserves										
Brought Forward				2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Surplus/(Deficit)				7,211	21,148	41,716	36,321	16,249	-1,282	
Carry Forward				13,936	20,568	-5,395	-20,071	-17,531	-28,744	
				21,148	41,716	36,321	16,249	-1,282	-30,026	

Drivers

Income 2016/17

From 1 October 2016 there will be a significant reduction (estimated at approximately £25,000 PA) in income caused by the loss of 1 and 2 year licences. Whilst this would be likely to require an increase in fees, there should be an associated reduction in costs by 2017/18. Therefore this will be monitored and adjusted as appropriate.

Whilst expecting to make a year on year loss from 2016/17, there is an expected surplus of £41,716 by the end of the current financial year. In order to reduce this, the overall fees have been reduced by £115. However, these will need to be closely monitored and assessed to reflect potential changes following the change to three year licences only, which will reduce income and may reduce expenditure to compensate.

The cost for a NEW 3 year licence has been set at the renewal fee + £60 as this is estimated to be the additional cost of granting a new licence as compared to a renewal.

Assumptions:

Expenditure

1% increase has been applied to Salaries & Central Support Costs year on year

Number of new three year licences year on year is an estimate

In all cases the fees do not include DBS, Medical or DVLA checks where relevant.

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Vehicle Licences							Vehicles			
							2014/15	2015/16	2016/17	2017/18
							£	£	£	£
Total Costs							109,728	110,825	111,934	113,053
TOTAL EXPENDITURE							109,728	110,825	111,934	113,053
	No of Licences 14/15	Current Fee	Increase 10%	15/16 Anticipated	16/17 Anticipated	17/18 Anticipated				
Private hire										
Licence	36	225.00	225.00	37	38	39	8,100	8,325	8,550	8,775
Replacement vehicle	11	75.00	75.00	12	12	12	825	900	900	900
Inspection	72	47.00	47.00	74	76	78	3,384	3,478	3,572	3,666
Re-Tests	12	12.50	12.50	12	12	12	150	150	150	150
Hackney carriage										
Licence	255	243.00	243.00	258	261	264	61,965	62,694	63,423	64,152
Replacement vehicle	78	75.00	75.00	84	88	92	5,850	6,300	6,600	6,900
Inspection	588	47.00	47.00	600	610	620	27,636	28,200	28,670	29,140
Re-Tests	88	12.50	12.50	90	91	93	1,100	1,125	1,138	1,163
TOTAL INCOME							109,010	111,172	113,003	114,846
Surplus / (Deficit)							-718	347	1,069	1,793
Reserve							2014/15	2015/16	2016/17	2017/18
Brought Forward							(6,951)	(7,669)	(7,322)	(6,253)
Surplus/(Deficit)							-718	347	1,069	1,793
Carry Forward							(7,669)	(7,322)	(6,253)	(4,461)

Assumptions:

Expenditure – 1% Pay award has been applied to Salaries and Central Support Costs from 2015/16 and each consecutive year thereafter.

Operator Licences								2014/15	2015/16	2016/17	2017/18	2018/19		
Currently 3 Years								£	£	£				
Total Costs								1,910	1,929	1,949	1,968	1,988		
TOTAL EXPENDITURE								1,910	1,910	1,949	1,968	1,988		
	volumes 14/15	volumes 15/16	volumes 16/17	volumes 17/18	Volumes 18/19	Current Fee (3 Years)	Proposed Fee (5 Years)							
1 Vehicle	4	1	1	8	7	£185	£325	740	740	325	325	2,600		
2 to 5 vehicles	0	1	0	1	0	£618	£1,085	0	0	1,085	0	1,085		
Over 5 Vehicles	1	0	1	1	0	£766	£1,345	766	766	0	1,345	1,345		
TOTAL INCOME										1,506	1,410	1,670	5,030	2,275
Surplus / -Deficit										-404	-500	-279	3,062	287
Reserves														
								2014/15	2015/16	2016/17	2017/18	2018/19		
Brought Forward								-4,024	-4,428	-4,928	-5,207	-2,145		
Surplus/(Deficit)								-404	-500	-279	3,062	287		
Carry Forward								-4,428	-4,928	-5,207	-2,145	-1,858		

Operator

Assumptions:

1% Increase year on year to costs

Any Licences issued from 1 October 2015 must be issued for a 5 year term. It has been necessary to recalculate the fees to allow for this.

However, The accounts are running at a substantial loss as compared to the number of licences issued.

Therefore it has been necessary to increase fees over and above the extra needed to allow for the extended term.

Work is underway to streamline processes further which may reduce Expenditure in the longer term, should this occur then it may be possible to reduce fees at a later date.

Whilst the Operator account is running at a loss, there is a large profit currently in the driver account and a smaller profit in the vehicle account. Therefore some of the increase will be offset by the lower driver and vehicle fees.

Therefore, some of the operator increase can be offset against the reduction in driver licence fees and the freezing of vehicle licence fees. It is not possible however, to mix up the separate accounts, which is why they are calculated and the fee set separately in each case.

The new 5 year fee has been calculated as follows: Current 3 Year fee / 3 * 5 + 5% and rounded to the nearest 5.