

Licensing and Enforcement Committee

Internal Costs recharged to the Hackney Council licensing budget

The basics of internal recharging

The Hackney Carriage Licensing Budget, like all Council services, is “recharged” the cost of support services. This process is in accordance with proper accounting practice and guidance.

The method for determining the level of recharged cost is a headcount basis. For example, the total cost of financial services is divided by the number of staff in the Council to give a per capita cost of financial services. Each service is then charged their per capita rate for the number of staff in the service.

Three Year history of hackney carriage recharging

The staff numbers allocated to the hackney carriage budget for recharge purposes have changed in recent years. In 2013/14 a full 2 member of staff allocation of recharges was charged. In 2014/15 this was reduced to 1 person to reflect a lower level of staff resource allocated within the licensing team. However, for 2015/16 the Licensing Manager increased this to 1.5 posts as a more accurate measure of the work of the team.

This created some year to year volatility in the recharges but over the three year period a stable pattern emerges.

The average recharge cost to the hackney carriage account is £62,466. This is in line with estimated cost in 15/16 of £64,344. The average cost recharged per team member has also been stable at an average of £41,957. This is estimated to be £42,896 in 15/16.

Within the breakdown of recharges there are year on year changes in the individual sections. These relate to changes in the level of cost in the support services which are then charged out on a per capita basis. They are not directly related to the level of activity in the Hackney Carriage licensing team.

Anticipated Future recharge costs

For the rolling three year period of 15/16 to 17/18 an anticipated annual recharge cost of £64,344 has been continued to match up to the 14/15 figures and the rolling average of the period 13/14 to 15/16.

There will of course be some fluctuation although this should be not significant if there are no changes to staff allocation levels.