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**SCOTTISH BORDERS LICENSING BOARD FINANCIAL REPORT  
2016/17**

**Report by the Clerk to the Licensing Board**

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**SCOTTISH BORDERS LICENSING BOARD**

**22 September 2017**

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**1 PURPOSE AND SUMMARY**

**1.1 To invite the Board to approve the Annual Financial Report set out in Appendix to this Report**

**2 RECOMMENDATIONS**

**2.1 It is recommended that Members:**

- (a) approve the annual financial report set out in the Appendix to this report;**
- (b) authorise the Clerk to the Board to proceed with the publication of the annual financial report; and**
- (c) otherwise note the contents of this report.**

### **3 BACKGROUND**

- 3.1 The Air Weapons and Licensing (Scotland) Act 2015 amends the Licensing (Scotland) Act 2005 (the "2005 Act") to introduce a requirement that Licensing Boards produce and publish annual functions reports and annual financial reports. The requirement to publish an annual functions report has not yet come into effect. The requirement to publish an annual financial report came into effect on 15 May 2017. Short notice was given to Boards that the first report which would be required would be in respect of financial year 2016/2017.
- 3.2 The 2005 Act requires the Board's annual financial report to be published not later than three months after the end of each financial year. This means that the Board's report for financial year 2016/17 should have been published no later than the end of June 2017. However the Scottish Government recognised that due to the short notice of this requirement coming into effect, together with the local government elections at the beginning of May 2017 which resulted in the creation of new Licensing Boards, the requirement to have financial reports published by the end of June 2017 was unrealistic. It was agreed therefore that Boards should be allowed some leeway but should strive to publish their financial report as soon as possible.
- 3.3 The financial report must include:
  - (a) a statement of:
    - (i) the amount of relevant income received by the Licensing Board during the financial year; and
    - (ii) the amount of relevant expenditure incurred in respect of the Board's area during the year; and
  - (b) an explanation of how the amounts in the statement were calculated.
- 3.4 Subject to meeting the requirements detailed at paragraph 3.3 above the Scottish Government has not given any greater specification as to how the report is to be presented. The draft report appended hereto therefore provides all required financial information and is an accurate representation of the Board's financial position for 2016/17 in so far as this information is available from the financial ledger system used by Scottish Borders Council.
- 3.5 The income attributable to the licencing function have been reconciled to the Council's financial ledger and totals £176,879 for the year to 31 March 2017
- 3.6 With regard to expenditure it should be noted that the allocation of costs in the statement have been calculated based upon estimates of the direct time spent by Legal service staff on licencing functions and exclude any allocation of indirect central support costs for example accommodation, ICT, financial and committee services, catering, postage, telephone calls, stationery and equipment.
- 3.7 The financial position shown in the accounts therefore is a notional surplus of £20,916 in 2016/17, which excludes central support costs budgeted and accounted for in expense heads elsewhere in the Council's ledger.
- 3.8 It is the case that Licensing Board income cannot be guaranteed in any financial year. The Board income and expenditure is monitored on a

regular basis to ensure that fees are kept at an appropriate level to maintain the statutory functions of the Board in terms of the provisions of the Scottish Government regulations that income be broadly equivalent to expenditure. It should also be noted in the event of an appeal against a Board decision, the cost of that process must be paid from by the income derived from the Board's fees.

#### **4 IMPLICATIONS**

##### **4.1 Financial**

There are no costs attached to any of the recommendations contained in this report.

##### **4.2 Risk and Mitigations**

Should the Board fail to consider the financial report it could be seen as failing to address its legal duties. The risk is therefore mitigated by this report.

##### **4.3 Equalities**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religious belief arising from the proposals contained this report.

##### **4.4 Acting Sustainably**

There are no economic, social or environmental effects as a result of the proposals contained in this report.

##### **4.5 Carbon Management**

There is no impact on the Council's carbon emissions as a result of the proposals contained in this report.

##### **4.6 Rural Proofing**

Not applicable, as although this is a new legislative requirement it is not a new policy

##### **4.7 Changes to Scheme of Administration or Scheme of Delegation**

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of the recommendations in this report

#### **5 CONSULTATION**

- 5.1 The Chief Financial Officer, the Monitoring Officer, Chief Officer Audit and Risk, Service Director HR and Clerk to the Council are being consulted and any comments received will be incorporated into the final report.

#### **Approved by**

**Nuala McKinlay**  
**Clerk to the Licensing Board**

**Signature .....**

#### **Author(s)**

Name	Designation and Contact Number
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Ron Kirk	Managing Solicitor Ext. 6764
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**Background Papers:** None

**Previous Minute Reference:** None

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ron Kirk can also give information on other language translations as well as providing additional copies.

Contact us at Ron Kirk, Scottish Borders Council, Council Headquarters, Newtown St Boswells. T: 01835 826764; F: 01835 826693; E: ron.kirk@scotborders.gov.uk

## Licensing (Scotland) Act 2005

### Scottish Borders Licensing Board Financial Report

#### Financial Year: 2016/17

The Scottish Borders Licensing Board is required under section 9B of the Licensing (Scotland) Act 2005 to publish an annual financial report within 3 months of the end of the relevant financial year.

This report has been prepared using financial data taken for year ending 31 March 2017. It should be noted that expenditure in the statement has been calculated based upon estimates of the direct time spent by Legal service staff on licencing functions and exclude any allocation of indirect central support costs for example central administration costs properly incurred by Scottish Borders Council. These include a share of total costs associated with accommodation, ICT, financial and committee services, catering, postage, telephone calls, stationery and equipment.

The report accordingly should not be relied on as an accurate statement of income and expenditure for the exercise of the Board's functions under the Licensing (Scotland) Act 2005.

The financial statement is as follows:

#### **Income<sup>1</sup>:**

Premises inc	
Provisional/Confirmation	£12,400
Annual Fees	£136,909
Transfers	£1,694
Major/Minor Variations	£5,570
Extended Hours	£1,070
Occasional Licence	£12,854
Personal Licence	£6,382
<b>Total</b>	<b>£176,879</b>

#### **Direct Staff Costs<sup>2</sup>:**

Licensing Standards Officers	£38,558
Legal Services	£38,907
Administrative Support	£75,217
<b>Total</b>	<b>£152,682</b>

#### **Other Direct Costs<sup>3</sup>:**

Training and Development	£300
Travel	£2,981
<b>Total:</b>	<b>£3,281</b>

#### **Indirect Costs<sup>4</sup>:**

<b>Net Income – Expenditure</b>	<b>£20,916</b>
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#### **Notes:**

1. Denotes income from applications and annual fees received under the Licensing (Scotland) Act 2005
2. Denotes salary, superannuation, national insurance and pension costs associated with the Clerk, Licensing Standards Officers and other Council staff responsible for administrative support under paragraph 8 of Schedule 1 to the Licensing (Scotland) Act 2005.
3. Denotes direct budgetary costs associated with the exercise of the Licensing Board function such as training and travel expenses.
4. Figures exclude any apportionment of central administrative costs such as accommodation, ICT, financial and committee services, catering, postage, telephone calls, stationery and equipment, etc that are expended towards the Council's statutory duty to provide the Licensing Board function.