City of Edinburgh Licensing Board

9.30am, Monday, 25 August 2025

Annual Financial Report 2023/24 and 2024/25

Decision/scrutiny
Wards

1. Recommendations

1.1 The Licensing Board is asked to:

1.1.1 approve the terms of the financial reports covering years 2023/24 and 2024/25;

1.1.2 discharge statutory duties re Licensing Board reporting of income; and

1.1.3 delegate publication of the report to the clerk and their deputes.

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EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Annual Financial Report 2023/24 and 2024/25

2. Executive Summary

2.1 This report provides brief information about Licensing Board income received, spend and pressures in financial years 2023/24 and 2024/25.

3. Background

3.1 Section 9B of the Licensing (Scotland) Act 2005 (‘the 2005 Act’) requires Licensing Boards to prepare and publish an annual financial report.

3.2 The Council’s Place Directorate and Finance & Procurement Service have prepared the annexed report (Appendix 1) on the basis of information obtained from the licensing applications database and the Council’s financial systems.

4. Main report

4.1 Section 9B of the 2005 Act requires Boards to prepare and publish an annual financial report. The report should include: a statement of the amount of liquor licensing income received by the Board during the financial year; a statement of the expenditure incurred by the Board during the same period; and an explanation of how the amounts in the statement were calculated.

4.2 Appendix 1 explains the basis on which the expenditure figure has been reached, with an explanation as to why this represents an estimate figure of the total expenditure for the financial year. This report covers financial years 2023/24 and 2024/25.

4.3 The principal expenditure of the Board is related to staff employed by the Council to support the functions of the Board.

4.3.1 Staff resources are shared across all functions of the Licensing Service and the Board is charged pro-rata, taking into account application numbers, income received and central support costs.

4.3.2 The staffing costs for Licensing Officers and Licensing Standards Officers had been lower than expected due to vacancies. Recruitment remains a challenge, however the current establishment, particularly for Licensing

Standards is close to full establishment and therefore there is likely to be less financial felxibilty there.

4.3.3 The overall indirect costs are split across all licence types, including liquor. In financial year 2024/25 activity analysis across all licence types meant that the reapportionment basis changed. It should be noted that this reapportionment mitigates the unfunded staff costs of dealing with occasional licences to some extent. The total income for occasional licences was £56k, whereas a conservative estimate by officers is that the minimum costs were £221k.

4.4 Appendix 2 sets out the reserve at the end of the period covered by this report. Members are asked to note that, whilst the current reserve stands at £590k, this amount has to be considered against a number of potential financial pressures.

4.4.1 Reduced vacancies, including the now full establishment for colleagues in legal services supporting all licensing functions

4.4.2 The year on year continued increase in the number of occasional licences contributing to the pressure highlighted at 4.3.3 above.

4.4.3 Outstanding need for a new ICT system, for which up to 20% share of the overall costs of upgrading of this system, the reserve may be completely depleted.

4.4.4 Costs for supporting Board meetings will be required to be reviewed if there is an ongoing increase in the number of Board meetings and or costs resulting from webcasting or recording decisions of the Board.

4.5 Maintaining a reserve is also necessary in anticipation of legal costs for any appeals against Board decisions, and that is a risk for the Board.

4.6 Any change considered by the Board in terms of improving service provision must be viewed alongside actions taken to mitigate any resultant cost increase.. The Board is required to meet its costs from fee income, and has limited discretion in relation to the setting of fees, which are otherwise determined centrally on a national basis by the Scottish Government.

5. Next Steps

5.1 Provided that the Board approves the annexed report, as required it will be published on the Board's webpage on the City of Edinburgh Council website.

1. Financial impact

1.1 This report is for information only and provides details of the income received and expenditure incurred by the Licensing Board in 2024/25.

2. Key Policies

Equality and Poverty

2.1 Not applicable.

Climate and Nature Emergencies

2.2 Not applicable.

Environmental Impacts

2.3 Not applicable.

Housing Emergency

2.4 Not applicable.

3. Risk, compliance, governance and community impact

3.1 This report provides members with information. No direct policy implications arise from the report. The financial position of the Board should be taken into consideration when decisions are made about future service provision.

4. Background reading/external references

4.1 Table of Fees

4.2 Licensing Scotland Act 2005 – Section 9B

4.3 Financial reports 2019/20, 2020/21, 2021/22

4.4 Financial report 2022/23

5. Appendices

5.1 Financial Report

5.2 Balance of Reserves

Appendix 1

Licensing (Scotland) Act 2005

City of Edinburgh Licensing Board Financial Report

Years Ending: 31 March 2024 and 31 March 2025

The City of Edinburgh Licensing Board is required under section 9B of the Licensing (Scotland) Act 2005 to publish an annual financial report.

This report has been prepared using financial data taken on the closed financial year 2023/24 and 2024/25. The relevant budgets and other finance sources that the data has been extracted from re 2024/25 have not yet been fully audited albeit the process is well underway. Consequently, the 2024/25 figures provided in this report are indicative and cannot be relied upon as an accurate reflection of income and expenditure relative to the exercise of the Licensing Board's functions under the Licensing (Scotland) Act 2005.

The financial statement is as follows:

Income [1]	**2023/24 £**	**2024/25 £**
Occasional Licences	-497	-210
Personal Licences	-347	-
Premises Licences	-1,310,503	-1,042,911
Total	**-1,311,347**	**-1,043,121**
Staff Costs [2]		
Licensing Services	855,998	859,842
Legal Services	34,206	141,675
Administrative Support	20,529	10,351
Total	**910,733**	**1,011,868**
Other Direct Costs [3]		
Consultant Fees	1,568	2,048
ICT Equipment	16,180	21,130
Legal fees	13,753	17,960
Operational materials	635	829
Training	1,768	2,308
Postage	4,555	5,948
Printing/Stationery/Photocopying	16	21

Transport	11,475	14,986
Property costs	6	7
Other expenses	4,966	6,486
Internal Charges	19,534	25,510
Total	**74,457**	**97,233**
Indirect Costs [4]		
ICT/Telecommunications	12,106	15,694
Business Support	8,374	2,927
Property	74,218	42,917
Corporate & Democratic Core	62,013	21,735
Other	73,853	49,211
Total	**230,564**	**132,484**
Net (Surplus)/Deficit[5]	**-95,594**	**198,465**

Notes:

1. Denotes income from applications and annual fees received in the respective financial years; 2022/23 and 2024/25 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 travel and transport costs, stationery, supplies and services etc.
4. Denotes the portion of centralised administrative costs such as ICT, training, property costs etc. that are allocated to the Licensing Board budget. These allocations are derived from the Councils Central Support Cost model and the inputs used to allocate central costs. Please note that through Council transformation that previous direct costs to Licensing are now charged indirectly.
5. To note that surplus income from ringfenced accounts after covering expenses is transferred to reserves. If costs in ringfenced accounts exceed income recovery for the year i.e., a deficit, the equivalent shortfall will be drawn from reserves.

Appendix 2

City of Edinburgh Licensing Services – Balance of Reserves

Year Ending: 31 March 2024 and 31 March 2025

The end of financial year position for liquor licence costs will determine the action required in respect of reserves adjustments. When full year costs have been established for the respective financial year, if the position shows a surplus of in-year income, the balance will be transferred to the reserves account for Liquor. However, if expenditure exceeds in-year available fee income, a draw from reserves will be required to make sure full year costs are funded. Movement on the reserves can be seen in table 1 (Figures in red represent a surplus).

Table 1 – Liquor Licenses

Liquor Licenses	23/24 £	24/25 £
Opening Balance	(692,902)	(788,496)
In year Movement I& E	(95,594)	198,465
Closing Balance	**(788,496)**	**(590,031)**