

REPORT FOR RESOLUTION

SUBJECT: Revenue Budget Estimates 2013/14
REPORT OF: The Lead Authority
On behalf of the Advisory Board

PURPOSE OF REPORT

To request the Committee to adopt the Revenue Budget Estimates for 2013/14

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Agree to adopt the Revenue Budget estimates for 2013/14 as detailed in the report at Table 2.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

These charges are the subject of a separate report on the agenda and are recommended with a view to the service continuing to be self-financing.

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PATROL ADJUDICATION JOINT COMMITTEE
EXECUTIVE SUB COMMITTEE
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1.0 INTRODUCTION

- 1.1 In accordance with the Joint Committee's agreement it is necessary to establish a budget estimate for the forthcoming year. An assessment has been made of the likely service take up during 2013/14 and therefore the Adjudicators, administrative support and accommodation needed. The adjudication service is operated on a self-financing basis with income obtained from contributions by PATROL member authorities.

2.0 Revenue Budget Estimates

2.1 Income assumptions

Table 1 provides an income summary since 2005/6.

Table 1 Five year parking income summary

Period	Budgeted Income	Achieved Income	Variance
2005/06	2,209,439	2,059,439	150,000
2006/07	2,315,226	1,994,832	320,394
2007/08	2,428,502	2,360,402	68,100
2008/09	2,439,499	2,344,568	94,931
2009/10	2,441,432	2,712,373	270,941
2010/11	2,560,993	2,464,288	96,705
2011/12	2,782,500	2,831,333	48,833
2012/13	2,576,410		

- 2.2 The Joint Committee has determined that member authorities will defray the expenses of the Joint Committee by way of a contribution based on to the number of penalty charge notices they issue.
- 2.3 For 2013/14 the forecasting model focuses on trends from the past 12 months income. No assumptions have been made regarding new councils.
- 2.4. 2013/14 a modest amount of bank interest has been included in the income projection (see separate report on the proposed investment strategy).
- 2.5 Additional income to the PATROL budget arises from the transfer of income from the Bus Lane Adjudication Service for the purposes of integrated adjudication services. For budget purposes, it assumes that the level of income will follow the most recent estimates from councils operating civil enforcement of bus lanes during 2012/13. No assumptions are made about bus lane councils joining the scheme in 2013/14.

3. Expenditure

a) General Expenditure

An assessment has been made of the revenue budget that will be needed to meet the demands on the service during 2013/14. The assessment has taken into account spending that will be needed to sustain the adjudication service to councils already in the scheme and those joining in 2013/14

b) Adjudicators

No assumptions have been made about inflationary uplifts for the judiciary during 2013/14. The budget includes provision for the recruitment and training of up to 15 new adjudicators to ensure that the Tribunal has sufficient adjudicator capacity going forward in the light of retirements, loss of capacity through serious illness and the growth of appeals. The introduction of the Regional Adjudicator structure has been successful and will be increasingly important with the introduction of new adjudicators later in 2013. Provision has been made for this to continue. The Chief Adjudicator has currently been working 3 days per week as part of the flexible retirement plan. However the current demands of the Tribunal suggest that this should increase to four days a week with effect from 1st February 2013. For budget purposes, this is assumed for the first six months of the year with an assumption of 5 days a week for the second half depending on the timescale for appointing a new Chief Adjudicator.

c) Staffing

At the time of reporting, there are two factors impacting on staffing. Firstly, the TUPE consultation process is due to commence shortly in relation to the move to Wilmslow and secondly Manchester City Council are offering discretionary voluntary severance. The proposed budget retains the existing staffing structure with two additional posts. One is a development post, potentially fixed term, to support the tribunals drive to improve the user experience for all parties and prepare for new streams of work and a communications assistant post. During the period in the run up to the transfer, there has been a reliance on agency staff. Following the transfer it will be possible to recruit on a contracted basis. It is anticipated that there will be a 3 month time lag before this can be achieved and so any vacancy costs assume 9 months expenditure.

Additional staffing costs also reflect extra travel costs arising from the transfer to Wilmslow which were approved at the November 2012 meeting and recruitment costs associated with vacant posts. Assumptions have been made in respect of a 1% increase to staff salaries.

d) Premises

The budget is based on the lease of Springfield House, Wilmslow. The lease is for 5 years with a break clause at year 3. During 2013/14, expenditure will be reduced because of a 10 month rent free period incentive take as 6 month rent free from legal completion and followed by a further 8 months at half rent.

e) Transport

Expenditure levels during 2013/14 are expected to be broadly in line with 2012/13

f) Supplies and Services

The budget for 2013/14 reflects a reduction of £50,000 from 2012/13. One significant area of savings (in the area of £20,000) has been telephone costs since the transfer to a new supplier.

Provision has been included for a follow up to the Tribunal User Survey undertaken by the University of Birmingham in 2003.

g) ICT Budget

The Tribunal has now separated its IT infrastructure from Manchester City Council and systems are being hosted in Docklands and Manchester City Centre. The move to separate arrangements brings about commercial rates however, the budget represents a reduction of some £10,000 on 2013/14.

The recent tender process was reviewed and abandoned in the light of the government's Digital by Default Strategy and the launch of alternative procurement options including the Governments Cloudstore and the potential future rescaling of PATROL's activities.

Any future procurement will have reduction in ongoing infrastructure costs as a key criteria but for the purposes of 2013/14, no additional expenditure will be required as the proposal is to retain the technology reserve to meet these costs.

h) Service Management and Support

The 2012/13 budget assumption has been retained for 2013/14 pending the Service Level Agreement between the Joint Committee and the new Host Authority being agreed.

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i) Audit Fees

Audit fees have been assumed to be at the same level (save for the reduction arising from the move to the Small Bodies Audit) for 2013/14 pending discussions with the new Host Authority regarding internal audit for 2013/14. The internal audit plan for 2013/14 will be presented to the June 2013 meeting for approval.

j) Contribution to reserves

A contribution to reserves of £100,000 is included

TABLE 2: RECOMMENDED REVENUE BUDGET ESTIMATE for 2013/14

	Budget 2012/13 £	Predicted Outturn 2012/13 £	Budget 2013/14 £	YOY Change £
Expenditure:				
Adjudicators	1,082,469	1,054,198	1,281,105	198,636
Staff	844,244	737,653	894,631	50,387
Premises/ Accommodation	264,348	305,900	100,000	-164,348
Transport	29,360	26,500	27,825	-1,535
Supplies and Services	355,319	275,722	304,555	-50,764
ICT	344,200	383,779	333,448	-10,752
Service Management and Support	40,000	40,000	40,000	0
Audit Fee	12,125	8,500	10,000	-2,125
Capital Finance Charges	0	0	0	0
Contingency/Contribution to Reserves	100,000	0	100,000	0
Total Expenditure	3,072,065	2,832,252	3,091,564	19,499
Income:				
Penalty Charge Notices	--2,576,411	-2,566,571	-2,494,960	81,451
Other Non PCN Income	-5,312	0	0	5,312
Parking PCN Adjustment	0	-53,048	0	0
Parking PCN Audit Adjustment	0	2,987	0	0
Adjudication Case Charge	0	0	-266,604	-266,604
Recharge for Bus Lane Adjudication Costs	-484,843	-311,912	-320,000	164,843
Bank Interest	-5,500	-10,000	-10,000	-4,500
Total Income	-3,072,065	-2,938,544	-3,091,564	-19,499
Net(Surplus)/ Deficit	-0	-106,292	-0	-0

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