

REPORT FOR RESOLUTION

SUBJECT: Revenue Budget Estimates 2012/13

REPORT OF: The Lead Officer

PURPOSE OF REPORT

To request the Committee to adopt the Revenue Budget Estimates for 2012/13

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Agree to adopt the Revenue Budget estimates for 2012/13 as detailed in the report at Table 2.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

Arrangements for defraying the costs of the revenue budget and managing reserves are the subject of separate reports on the agenda.

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1.0 INTRODUCTION

1.1 In accordance with the PATROL Adjudication 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 2012/13 and therefore the Adjudicators, administrative support and accommodation needed. The adjudication service is operated on a self-financing basis. The costs are defrayed amongst member authorities as determined by the Joint Committee.

2.0 REVENUE BUDGET ESTIMATES**2.1 Income assumptions**

Table 1 provides a summary of income (excluding adjustments, additional income etc) since 2005/6.

Table 1 Five year income summary

Period	Budgeted Income	Achieved Income	Variance/(Improvement)
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		

- 2.2 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 (PCNs) they issue.
- 2.3 For 2012/13 the forecasting model includes income trends during the past 12 months. No assumptions have been made regarding new councils joining in 2012/13.
- 2.4. A modest amount of bank interest has been included in the income projection for 2012/13.
- 2.5 Additional income to the PATROL budget arises from the transfer of income from the Bus Lane Adjudication Service budget for the purposes of integrated adjudication. 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 2011/12. No assumptions are made about bus lane councils joining in 2012/13.

EXPENDITURE

3.1 General Expenditure

An assessment has been made of the revenue budget that will be needed to meet the demands on the service during 2012/13. The assessment has taken into account spending that will be needed to sustain the adjudication service.

3.2 Adjudicators

2011/12 saw a 15% increase in appeals and assumptions have been made that this pattern will continue. This has been reflected in anticipated expenditure for fee paid adjudicators.

It is assumed that there will be no inflationary uplift for the judiciary for 2012/13. The budget includes provision for the recruitment and training of up to 12 new adjudicators in order to replace adjudicators reaching the judicial retirement age of 70 and ensure an appropriate distribution of adjudicators across England and Wales. This is a formal judicial recruitment process and must be planned in consultation with the Judicial Appointments Commission. Costs associated with recruitment, appraisal and training agreed for the 2011/12 budget have been included for 2012/13.

Reductions in hearing venue costs during 2011/12 have been reflected in the budget setting for 2012/13.

3.3 Staffing

There are no inflationary uplifts for 2012/13 excepting staff whose salary falls below £21,000. The post of Communications Officer has been disestablished during the year with work being undertaken by other staff members. It is anticipated that the full case management team establishment will be required during 2012/13 due to the increase in appeals and witness statements witnessed during 2011/12. During 2012/13, additional staff (one full time post for a year and two full time posts for three months) will be appointed on a temporary basis to facilitate the introduction of the new case management system. The budget for 2012/13 includes provision for administrative support for members of the management team.

Reductions in the cost of supporting personal hearings are reflected in the budget for 2012/13.

3.4 Premises

At the point of preparing this budget, accommodation arrangements are yet to be finalised. For the purposes of budget setting, the headquarters rent and rates are retained at the same level as for 2011/12 with additional provision for dilapidations and associated removal costs. At this point it is anticipated that these costs are likely to be offset in part by reductions in rental and service charges.

3.5 Transport

Expenditure levels during 2011/12 have benefited from improved planning and this is being carried through to 2012/13.

3.6 Supplies and Services

During 2011/12 it has been possible to achieve savings in post, stationery and printing associated with the move to electronic correspondence. These savings have will mitigate against the additional expenditure on design and print and translations associated with the new case management system and web portal and incidental expenditure associated with a change in Lead Authority arrangements.

3.7 ICT Budget

The ICT budget comprises two elements:

Existing System Costs

The costs of retaining the existing systems pending the development of the new case management system and portal as reported to the Joint Committee in June 2011. The budget for ongoing IT will remain at the 2011/12 level as approved at the June 2011 meeting. This includes the costs of the existing case management system and associated scanning facilities, appeal on line, the Tribunal and PATROL web sites, hosting costs, hardware and software upgrades, security and disaster recovery, telecommunications and training. In addition, this figure includes the one off costs of £41,000 deferred from 2011/12 in relation to transferring the tribunal's domain from the Lead Authority. Any surplus on this budget line will be made available to the case management and web portal should this be required.

New System Costs

At the point of preparing the budget, the procurement process is still in progress. The Reserves Policy Statement provides information of the anticipated costs associated with this and how these will be met. A separate budget monitoring report will be presented to future Joint Committee meetings outlining expenditure on this capital project.

3.8 Service Management and Support

This relates to the services provided to the Joint Committee by the Lead Authority. An assumption has been made of £40,000.

3.9 Audit Fees

For 2012/13 internal and external audit fees have been included in this figure. Currently, external is currently provided by BDO and internal audit is provided by the Lead Authority.

3.10 Contingency

The budget for 2012/13 includes a contingency figure of £100,000

TABLE 2: RECOMMENDED REVENUE BUDGET ESTIMATE for 2012/13

	Budget 2010-11	Outturn 2010-11	Budget 2011/12	Apr - Nov Budget Monitoring	Outturn 2011-12	Variance Outturn v Budget	Budget 2012-13	Year on Year Change
Adjudicators	1,016,456	841,921	962,565	556,452	883,102	-79,463.08	1,082,469.10	119,904.10
Employees	762,873	777,141	799,173	485,313	727,098	-72,075.05	844,243.82	45,070.82
Premises/Accommodation	171,000	168,487	225,848	126,554	175,400	-50,448.00	264,348.00	38,500.00
Transport	33,500	25,156	30,100	11,114	24,500	-5,600.00	29,360.00	-740.00
Supplies & Services	309,166	258,575	356,611	194,183	354,940	-1,670.60	355,319.00	-1,292.00
ICT	330,700	242,393	344,200	205,790	267,731	-76,469.14	344,200.00	0.00
Service Management and Support	53,045	40,000	40,000	-25,549	40,000	0.00	40,000.00	0.00
Audit Fee	12,000	12,050	12,500	-1,075	6,325	-6,175.00	12,125.00	-375.00
Capital Finance Charges			0	0		0.00	0.00	0.00
Contingency/ Contribution to Reserves			245,801		245,801	0.00	100,000.00	145,801.00
Total Expenditure	2,688,740	2,365,723	3,016,798	1,552,783	2,724,897	-291,900.87	3,072,064.92	
Penalty Charge Notices	-2,560,993	-2,464,288	-2,782,500	-2,093,334	-2,791,112	-8,611.69	2,576,410.79	206,089.21
Other non PCN Income		-1,164	0		0	0.00	-5,311.62	-5,311.62
Parking PCN Adjustment		-87,960	0	-39,965	-39,965	-39,965.25	0	0.00
Parking PCN Audit Adjustment		-34,822	0	6,911	6,911	6,910.80	0	0.00
Adjudication Case Charge			0		0	0.00	0	0.00
Contribution from Reserves			0		0	0.00	0	0.00
Recharge for Bus Lane Adjudication Costs	-31,101	-165,514	-228,299	-215,486.00	-323,229	-94,930.00	-484,843	256,543.84
Costs	-94,746				0	0.00	0	0.00
Bank Interest	-3,000	-3,918	-6,000	-2,656	-5,312	688.38	-5500	500.00
Total Income	-2,689,840	-2,757,666	-3,016,799	-2,344,530	-3,152,707	-135,907.76	3,072,065.25	
Surplus/Deficit				-791,747	-427,810	-427,809	0	

