

REPORT FOR RESOLUTION

DATE: 26th January 2010
SUBJECT: Revenue Budget Estimates 2010/11
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 2010/11

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Agree to adopt the Revenue Budget estimates for 2010/11 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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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 2010/11 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 Four 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		

2.2 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 By way of background, when predicting income for 2010/11, the last audited income for existing councils was used as the basis of the estimate with no account taken of anticipated new councils. Whilst table 1 indicates that forecasting accuracy improved in 2007/08, there remain shortcomings in the approach used for 2006/07 2007/8 and 2008/09. This is the result of using the last available audited PCN figure as this is 12 months out of date and further decreases could have occurred since then.

2.4 As introduced in 2009/10, a more cautious approach has been taken for 2010/11 by modelling the PCN issue trend of existing councils to take account of further increases/decreases since the last available audited figures. An additional amount has been factored in for new councils who joined in 2009/10. In common with projections for 2009/10, no assumptions have been made about councils joining after April 2010.

2.5 For 2010/11 a modest amount of bank interest has been included in the income projection.

- 2.6 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 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. No assumptions are made about councils joining the scheme in 2010/11.

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 2010/11. 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 2010/11.

The number of appeals has continued to increase during 2009/10 which may reflect the increase in over forty new councils joining the scheme during 2008/09 and the effects of the economic downturn with more motorists deciding to proceed with an appeal.

For setting expenditure levels for 2010/11, the following steps have been taken:

- Where savings have been made in 2009/10, these have been reflected in lower expenditure levels for 2010/11
- Expenditure will be restricted to core areas or areas which will bring about potential savings with significant development activities deferred pending availability of funds.

Expenditure for 2010/11 compared with the two previous years is as follows:

2008/09	2,514,533
2009/10	2,503,488
2010/11	2,688,739

b) Adjudicators

The Adjudicator budget has increased from 2010/11 to include:

- Recruitment of 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
- The triennial adjudicator appraisal programme and associated training programme.
- Provision for adjudicator payments to reflect the projected increase in appeals.

- Improvements in adjudicator computer downloading capacity when working remotely.
- The Adjudicators annual report which was previously reported under Supplies and Services has been included within Adjudicator costs
- It should be noted that the adjudicator costs traditionally include travel, subsistence, training and adjudicators' IT provision and the cost of hearing venues. An accounting error in budget setting for 2009/10 resulted in the costs of hearing venues appearing disproportionately higher in 2010/11.

c) Staffing

A number of vacant posts within the existing staffing establishment will remain unfilled for 2010/11. One existing part-time post vacated following maternity leave will be converted to a full-time administrative support post at minimal additional cost. This post will be used to reduce the draw on agency staff during annual leave/sickness absence. In the first instance, this will be a fixed term post for 12 months with a view to reviewing administrative demands in 12 months. The Head of Service is working with the Lead Authority's Personnel Department to implement these changes. Increases to the staffing budget reflect increments (but not cost of living rise) and associated on-costs increased provision for staff training.

d) Premises

The cost associated with Barlow House are assumed to remain static for 2010/11. An evaluation of alternative properties is currently underway to establish best value going forwards following the lease becoming due in October 2011.

e) Transport

Expenditure levels during 2009/10 have benefited from improved planning and this is being carried through to 2010/11.

f) Supplies and Services

Where possible, expenditure has been capped at 2009/10 levels however account has been taken of the increasing number of appeals. This has impacted upon postage costs, one particular area which it is anticipated can be addressed through more efficient use of electronic means of communication. Revisions are planned to the Notice of Appeal form to ensure that where possible, the tribunal communicates with appellants electronically.

g) ICT Budget

The 2010/11 budget has been established with a view to consolidating the developments introduced in 2009/10 including:

- Electronic transfer of evidence
- Improved reporting capacity in line as identified in the Annual Governance Statement for 2008/09.
- Increased security testing to support increase web based transactions

Additional development items have been identified (but not included in the budget) should the 2010/11 income position allow for their introduction, otherwise they will be deferred to 2011/12 and 2012/13.

h) Service Management and Support

This relates to the services provided to the Joint Committee by the Lead Authority.

The 2009/10 figure has been included, however it is anticipated that this will be reviewed following the transfer of the Joint Committee's accounts to the Lead Authority's External Clients Department and the projected savings resulting from PATROL operating its own financial system and bank account.

Auditor

For 2010/11 fees for both internal and external audit have been included in this figure.

i) Contingency

No contingency is included for 2010/11. The Reserves Policy would be implemented in this event.

j) Efficiency Savings

In 2009/2010, councils were actively encouraged to offer two facilities (appeal on line and electronic transfer of evidence) in order to bring about efficiency and resource savings for both councils and the tribunal as well as improved customer service. This matter is reported separately on the agenda.

During 2009/10, a review of suppliers was embarked upon to ensure value for money. Savings have been achieved in the areas of travel, staff recruitment, telephone costs, hospitality, stationery. This review of supplies will continue in 2010/11. An additional key focus will be the widespread implementation of appeal on line and electronic transfer to reduce administration, postage and scanning costs.