

**NATIONAL PARKING ADJUDICATION SERVICE JOINT COMMITTEE
EXECUTIVE SUB COMMITTEE**

REPORT FOR RESOLUTION

DATE: 29th January 2008
AGENDA ITEM Number 11
SUBJECT: Monitoring of Revenue Account 2007/08
REPORT OF: The Lead Authority

PURPOSE OF REPORT

To present to the Committee expenditure monitoring information in respect of the Revenue Account for year 2007/08.

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Note the expenditure monitoring information presented in the body of the report.
- [ii] Authorise the Lead Officer to incur expenditure against the revenue budget in excess of the £2,452,276 set by the Committee should the need arise, provided such expenditure is within the total income.
- [iii] Agree that should there be a surplus of income in the 2007/08 revenue account this is to be carried forward to year 2008/09.
- [iv] Agree that should there be an excess of expenditure over budget in 2008/08 that any use of reserves is in accordance with the established Reserve Policy.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

There are no immediate consequences to the Revenue budget. However, authorities taking up decriminalised parking enforcement powers will help to assist in future economies of scale.

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BACKGROUND DOCUMENTS

Minutes of the NPAS Executive Sub-Committee held on 29th January 2007
Accounts and Audit Regulations, S.I.2003 No. 533

1.0 INTRODUCTION

- 1.1 At the meeting of the Executive Sub-Committee held on 29th January 2007 the revenue budget estimate was approved for the year 2005/6.
- 1.2 This report provides the Committee with the expenditure position for the first seven months of the year 2007/8. Details are given in Appendix 1.
- 1.3 The adjudication service is operated on a self-financing basis with income obtained from charges made to the NPASJC member authorities. There is no capital budget for the year 2008/9.

2.0 BACKGROUND

- 2.1 The revenue budget estimate was established by the Committee for 2007/2008 on the basis that this would reflect the Councils who are already members of the NPASJC agreement and those wishing to join during the year. As the year has developed there have been some variations to the take up of DPE powers from that expected. These variations necessarily affect both the contributions from member councils and the expenditure in providing the service. Accordingly, the Head of Service in consultation with the Advisory Board is managing the revenue finances of the service with a view to balancing expenditure and income. Details are given in the appendix.
- 2.2 The figures indicated are on the matching principle for the income and expenditure for each item at the half year stage. The full year budget estimate was based on the predicted take up of decriminalised parking enforcement during the year and the number of Penalty Charge Notices each council has predicted it will issue. The income reported is based on the actual fees levied from the councils. PCN issue rates have fallen across the majority of existing councils. This has been balanced by new councils entering the scheme although there is a predicted underachievement of income of approximately £100,000.
- 2.3 Within the accounts there is a surplus carried over from previous years which has not been shown in the appendix, as this would mask the picture for the current year. As previously agreed by the Committee income is derived from a pre-estimate of the number of PCNs each council will issue and invoiced quarterly in advance at the charge rate (£0.60 per PCN) set

by the Committee. Corrections are applied in subsequent quarters once the actual number of PCNs issued is actually known. The prediction of the number of PCNs likely to be issued by the participating councils during the year is currently below that estimated and hence a reduced income for the year is indicated in the Appendix.

- 2.4 The service has a short history to call upon that would inform the profiling of income and expenditure for future years when setting the budget estimates. The monitoring of the revenue account expenditure and income at the half year stage is showing that expenditure will need to be below the approved budget as the income is likely to be below that predicted. The budget is being managed on this basis.
- 2.5 Should it be the case that there is a need for a greater expenditure than that provided for in the approved budget then there is a recommendation to authorise the Head of Service to incur additional expenditure, provided such expenditure does not exceed the income for the current year.
- 2.6 Should it be the case that the revenue account falls into deficit then the surplus from previous years is available in accordance with the Reserves Policy.
- 2.7 Should there be a greater income than expenditure in the year then there is a recommendation that this be transferred into the succeeding year as reserves.

Revenue Cash Flow

- 2.8 The Accounts and Audit Regulations require a cash flow statement to be prepared. The invoicing quarterly in advance broadly addresses the balancing of cash flow. At the half year stage a balanced budget is predicted.

Capital expenditure

- 2.9 There is no capital budget for the current year.

APPENDIX 1

Monitoring of the 2007/08 Approved Revenue Budget at 31.12.07

Expenditure	Budget 2007/8	Actual at 31.12.07	Projected Outturn
Adjudicators	850,636	491,575	773,418
Staff	668,203	425,298	647,712
Premises / Accommodation	120,096	117,640	151,751
Transport	48,659	27,917	41,778
Supplies and services	327,570	147,423	330,733
ICT	278,862	107,970	241,977
Service Management and Support	50,000	0	50,000
Audit Fee	8,250	1,200	7,050
Capital Finance Charges	0	0	0
Contingency	100,000	0	100,000
Total Expenditure	2,452,276	1,316,623	2,344,419
Income			
Annual contribution	0	0	0
Penalty Charge Notices	2,428,502	1,736,427	2,282,447
Adjudication case charge	0	0	0
Contribution from Reserves	0	0	0
Recharge for Bus Lane Adjudication Costs	23,774	46,479	61,972
Total Income	2,452,276	1,782,906	2,344,419
Net Surplus/Deficit	0		0