

REPORT FOR RESOLUTION

SUBJECT: Monitoring of Revenue Account 2010/11

REPORT OF: The Lead Officer

PURPOSE OF REPORT

To present to the Committee expenditure monitoring information in respect of the Revenue Account for the year 2010/11.

RECOMMENDATIONS

It is recommended that the Joint Committee:

[i] Notes the income and expenditure position at 30 November 2010.

[ii] Authorises the Lead Officer to incur expenditure against the revenue budget in excess of the £98,787 set by the Committee should the need arise, provided such expenditure is within the total income.

[iii] Agrees that should there be a surplus of income in the 2010/11 revenue account this is to be carried forward to year 2011/12.

[iv] Approves the provision of a rebate of 50% of the anticipated surplus in the final quarter pro-rata to member councils' actual contributions year to date.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

The proposed rebate will have the effect of reducing the projected surplus.

CONTACT OFFICER

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INTRODUCTION

- 1.1 At the meeting of the BLASJC held 26th January 2010, the revenue budget estimate was approved for the year 2010/11 (see Table 1).
- 1.2 This report provides the Committee with the expenditure position at 30 November 2010.
- 1.3 The adjudication service is operated on a self-financing basis with income obtained from contributions from the BLASJC member authorities. There is no capital budget for the year 2010/11.

2.0 BACKGROUND

- 2.1 The revenue budget estimate was established by the Committee for 2010/11 on the basis that this would reflect the Councils who are already members of the BLASJC. The take up by councils has started to gain momentum during 2010/11 with the following councils joining to date: Gloucestershire; South Tyneside; Coventry; Stoke on Trent; Bradford and Bury.
- 2.2 As a result of the introduction of new councils in 2009/10 and 2010/11, it is anticipated that there will be a significant overachievement of income with income anticipated to reach £ 246,297 against a budget of £88,200. The main area of expenditure is payment to the PATROL Adjudication Joint Committee in respect of adjudication services. This recharge mechanism has been reviewed in order to provide a more representative amount. This revised recharge is reflected in Table 1. The recharge will be externally reviewed by internal audit as part of their programme for 2010/11. Other expenditure is broadly in line with anticipated expenditure.
- 2.3 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.
- 2.4 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.
- 2.5 Notwithstanding this, it is proposed to make a rebate of 50% of the anticipated surplus in the final quarter pro-rata to member councils' actual contributions year to date. In subsequent years, recommendations will be made to the January meeting regarding 4th quarter adjustments based on year to date monitoring information.
- 2.6 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.

3.0 RECOMMENDATIONS

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