

## **REPORT FOR RESOLUTION**

**SUBJECT:** Monitoring of Revenue Account 2011/12

**REPORT OF:** The Lead Officer on behalf of the Advisory Board

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### **PURPOSE OF REPORT**

To present to the Committee expenditure monitoring information in respect of the Revenue Account for the year 2011/12.

### **RECOMMENDATIONS**

It is recommended that the Joint Committee:

- [i] Notes the income and expenditure position at 30 November 2011
- [ii] Authorise the Lead Officer to incur expenditure against the revenue budget in excess of the £246, 297 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 2011/12 revenue account this is to be carried forward to year 2012/13

### **FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET**

Outlined in the report

### **CONTACT OFFICER**

Louise Hutchinson, PATROL Headquarters, Barlow House, Minshull Street, Manchester. Tel: 0161 242 5252

**INTRODUCTION**

- 1.1 At the meeting of the BLASJC held 25th January 2011, 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 2011
- 1.3 The adjudication service is operated on a self-financing basis with income obtained from contributions from the BLASJC member authorities.

**2.0 BACKGROUND**

- 2.1 The revenue budget estimate was established by the Committee for 2011/12 on the basis that this would reflect the Councils who are already members of the BLASJC. The take up by councils has continued during 2011/12 with the following councils joining to date: Luton Borough Council, Leeds City Council, Medway Council, Hertfordshire County Council and West Berkshire County Council.
- 2.2 The introduction of new councils in 2011/12 has contributed to the annual forecasted income being achieved by the end of November. It is anticipated that the final outcome will be £343,502 resulting in an overachievement of income of £56,440.
- 2.3 The main area of expenditure is payment to the PATROL Adjudication Joint Committee in respect of adjudication services. Given the position at November 2011, it is anticipated that the final outturn will exceed the budget.
- 2.4 Other expenditure is broadly in line with anticipated expenditure. Additional unbudgeted expenditure has been incurred under the heading of separate BLASJC costs in respect of Counsel Advice to the Adjudicators.
- 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. It is anticipated that this will be possible taking into account income received to November 2011.
- 2.6 Should there be greater income than expenditure in the year then there is a recommendation that this be transferred into the succeeding year as reserves.
- 2.7 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**

It is recommended that the Joint Committee:

- [i] Note the income and expenditure position at 30 November 2011.
- [ii] Authorise the Lead Officer to incur expenditure against the revenue budget in excess of the £246,297 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 2011/12 revenue account this is to be carried forward to year 2012/13

**Table 1: Budget Monitoring at 30 November 2011.**

Expenditure	Budget	Projected Outturn	Budget	Outturn	Budget	Position at 30 Nov '11	Projected Outturn
	Year 2009/10	Year 2009/10	Year 2010/11	Year 2010/11	Year 2011/12		Year 2011/12
	£	£	£	£	£	£	£
Pro Rata per Appeal expenditure	80,216	78,268	86,850	220,250	231,176	215,486	323,229
Separate BLASJC costs	2,000	2,500	8,937	7,500	7,500	9,381	10,180
Service Management and Support	1,000	1,000	1,000	1,000	1,000	0	1,000
Audit Fee	0	2,500	2,000	3,150	3,150	2,825	3,000
Capital Finance Charges	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0
4th Qtr Rebate				12,500	0	0	0
Contribution to Reserve					3471		
<b>Total Expenditure</b>	<b>83,216</b>	<b>84,268</b>	<b>98,787</b>	<b>244,400</b>	<b>246,297</b>	<b>227,692</b>	<b>337,408</b>
<b>Income</b>							
Penalty Charge Notices	-83,216	-82,960	-88,200	-246,297	-246,297	-245,528	-343,502
Contribution from Reserves	0	0	10,587	0	0		
<b>Total Income</b>	<b>-83,216</b>	<b>-82,960</b>	<b>-77,613</b>	<b>-246,297</b>	<b>-246,297</b>	<b>-245,528</b>	<b>-343,502</b>
<b>Deficit</b>	<b>0</b>	<b>1,308</b>	<b>21,174</b>	<b>-1,898</b>	<b>0</b>	<b>-17,836</b>	<b>-6,094</b>