

REPORT FOR RESOLUTION

SUBJECT: Budget Monitoring of Revenue Account 2012/13

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

PURPOSE OF REPORT

To present expenditure monitoring information in respect of the Revenue Account for year 2012/13.

RECOMMENDATIONS

It is recommended that the Joint Committee:

- [i] Notes the expenditure monitoring information presented in the body of the report.
- [ii] Authorises the Lead Officer to incur expenditure against the revenue budget in excess of the £3,072,064 set by the Committee should the need arise, provided such expenditure is within the total income.

CONTACT OFFICER

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1.0 INTRODUCTION

- 1.1 At the meeting of the Joint Committee held in January 2012 the revenue budget estimate was approved for the year 2012/13
- 1.2 This report provides the Committee with the expenditure position at 30th September 2012. Details are given in Table 1.
- 1.3 The tribunal is operated on a self-financing basis with income obtained from defraying expenses amongst the PATROL member authorities.

2.0 BACKGROUND

- 2.1 The revenue budget estimate was established by the Committee for 2012/13 on the basis that this would reflect the Councils who were already members of the Joint Committee. No account was taken of new councils.
- 2.2 The Joint Committee reviewed the forecasting model for 2011/12 with account being taken of more recent income trends (i.e. the last 12 months). The same forecasting model was used for 2012/13.
- 2.3 As previously agreed by the Committee income is derived from a pre-estimate of the number of PCNs each council will issue. Corrections are applied in subsequent quarters once the actual number of PCNs issued is actually known.
- 2.4 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.
- 2.5 Should it be the case that the revenue account falls into deficit then the surplus from previous years is available.
- 2.6 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.

3.0 MONITORING POSITION AT 30 SEPTEMBER 2012**3.1 Expenditure**

- 3.1.1 At 30 September 2012, the majority of expenditure lines are underspent on the amount anticipated by 30 September 2012.
- 3.1.2 Lower than anticipated employee costs reflect delays in posts being filled, use of agency staff and a change in staffing requirements. Recruitment to contracted posts has been delayed until the transfer to the new Host Authority.
- 3.1.3 Premises and Accommodation is expected to show an overspend due to expenditure relating to the office move.
- 3.1.4 Supplies and Services is showing an underspend. This is a result of communication projects being delayed or deferred as well as the results of market testing.
- 3.1.5 ICT has exceeded the six month budget on account of expenditure in the region of £70k to enable the domain transfer from Manchester City Council. Profiled expenditure reflects license costs being paid in the first half of the year.

3.2 Income

- 3.2.1 Income has been achieved in relation to PATROL in line with the budget forecast. However, combined with the PCN adjustment, there is currently a deficit on achieved total income of £41,323.
- 3.2.1 It is forecasted that there will be an underachievement of the bus lane recharge into the PATROL account due to optimistic forecasting in the preparation of the Bus Lane Adjudication Service Joint Committee budget. The forecasted shortfall in accordance with the estimated outturn will be £172,931. This currently results in an estimated overall income deficit of £133,521 which will be mitigated in part by the contingency of £100,000.

4.0 PROJECTED OUTTURN AT 31 MARCH 2013

- 4.1 It is anticipated that there will be an underspend on expenditure in the region of £240,000 which will mitigate against the under achievement of recharge income from the Bus Lane Adjudication Service Joint Committee of £172,931.

- 4.2 At this time, the overall forecasted outturn is predicted to be in the region of a £100,000 surplus. There is significant activity planned before the financial year end as a result of the transfer to the Host Authority and this forecast position addresses the issue of contingency.

5.0 CASH FLOW

- 5.1 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 second quarter point a net surplus of £368,252 between parking income and expenditure on the balance sheet is reported. This includes income from the Bus Lane account.

	JC Approved 2011-12 Budget	Outturn 2011-12	Budget 2012-13	Apr - Sept Actual	Apr - Sept Budget	Apr - Sept Variance	Outturn 2012-13	Variance Outturn v Budget
Adjudicators	962,565	883,102	1,082,469	381,301	623,823	-242,522	1,054,198	-28,271
Employees	799,173	727,098	844,244	344,260	426,144	-81,884	737,653	-106,591
Premises/Accommodation	225,848	175,400	264,348	108,193	179,374	-71,181	305,900	41,552
Transport	30,100	24,500	29,360	12,768	14,680	-1,912	26,500	-2,860
Supplies & Services	356,611	354,940	355,319	88,716	304,632	-215,916	275,722	-79,597
ICT	344,200	267,731	344,200	208,313	138,550	69,763	383,779	39,579
Service Management and Support	40,000	40,000	40,000	-19,000	20,000	-39,000	40,000	0
Audit Fee	12,500	6,325	12,125	-3,500	12,125	-15,625	8,500	-3,625
Capital Finance Charges	0		0			0	0	0
Contingency/ Contribution to Reserves	245,801	245,801	100,000			0		-100,000
Total Expenditure	3,016,798	2,724,897	3,072,065	1,121,051	1,719,328	-598,277	2,832,252	-239,813
Penalty Charge Notices	-2,782,500	-2,791,112	2,576,411	-1,283,286	-1,288,205	4,920	-2,566,571	9,840
Other non PCN Income	0	0	-5,312	0		0	0	5,312
Parking PCN Adjustment	0	-39,965	0	-53,048	0	-53,048	-53,048	-53,048
Parking PCN Audit Adjustment	0	6,911	0	2,987	0	2,987	2,987	2,987
Adjudication Case Charge	0	0	0	0	0	0	0	0
Contribution from Reserves	0	0	0	0	0	0	0	0
Recharge for Bus Lane Adjudication								
Costs	-228,299	-323,229	-484,843	-155,956	-242,422	86,465	-311,912	172,931
Costs		0	0	0	1	-1	0	0
Bank Interest	-6,000	-5,312	-5,500	0	0	0	-10,000	-4,500
Total Income	-3,016,799	-3,152,707	3,072,065	-1,489,303	-1,530,626	41,323	-2,938,544	133,521
Surplus/Deficit		-427,810	0	-368,252	188,702	-556,955	-106,292	-106,292