

**REPORT FOR RESOLUTION**

**SUBJECT:** Budget Monitoring of Revenue Account 2012/13

**REPORT OF:** The LEAD OFFICER ON BEHALF OF THE ADVISORY BOARD

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**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.

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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 30<sup>th</sup> June 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 JUNE 2012**

- 3.1 At 30 June 2012, the majority of expenditure lines are under spent on the amount anticipated by 30 June 2012. As monitoring relates to the first quarter it is not possible to draw firm conclusions at this stage.

- 3.2 Parking income has remained largely on budget. However, combined with the PCN adjustment, there is currently a surplus.
- 3.3 It is forecasted that there will be an underachievement of the bus lane recharge into the PATROL account due to an accounting error in the preparation of the Bus Lane Adjudication Service Joint Committee budget. The revised forecast for the recharge to PATROL is £290,905 resulting in a potential shortfall of £193,937. This will be mitigated in part by the contingency of £100,000. A further report in this respect will be presented in January when more information on income and expenditure will be available.

#### **4.0 CASH FLOW**

- 4.1 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 first quarter point a net surplus of £221,742 between parking income and expenditure on the balance sheet is reported. This includes income from the Bus Lane account.

	<b>Annual Budget</b>	<b>Profiled Budget</b>	<b>Actual April - June</b>	<b>Variance</b>
<b><u>Expenditure</u></b>	<b>2012/13</b>	<b>April - June</b>		
Adjudicators	1,082,469	270,617	139,876	-130,741
Staff	844,243	211,061	173,031	-38,030
Premises/Accommodation	264,348	66,087	68,377	2,290
Transport	29,360	7,340	5,456	-1,884
Supplies and Services	355,319	88,830	47,730	-41,100
ICT	344,200	86,050	107,254	21,204
Services Management and Support	40,000	10,000	-19,000	-29,000
Audit	12,125	3,031	-8,050	-11,081
Contingency/ Contribution to Reserves	100,000	0	0	0
<b>Total Expenditure</b>	<b>3,072,064</b>	<b>743,016</b>	<b>514,674</b>	<b>-228,342</b>
<b><u>Income</u></b>				
Penalty Charge Notice Income	2,576,411	644,103	630,810	-13,293
Other Non PCN Income	5,312	1,328	0	-1,328
Parking PCN Adjustment	0	0	53,048	53,048
Parking Audit Certificate Adjustment	0	0	0	0
Bus Lane Recharge (Adjudication Services)	484,843	121,211	52,558	-68,653
Bank Interest	5,500	0	0	0
<b>Total Income</b>	<b>3,072,065</b>	<b>766,641</b>	<b>736,416</b>	<b>-30,225</b>
<b>Net (Surplus)/Deficit</b>	<b>1</b>	<b>-(23,625)</b>	<b>221,742</b>	