



Ryedale District Council

REPORT TO: North Yorkshire Building Control Partnership Board

DATE: 27 June 2012

REPORTING OFFICER: Les Chapman, Building Control Manager

SUBJECT: Partnership Accounts for the year ended 31 March 2012

1.0 PURPOSE OF REPORT

1.1 To present to Members for their approval the accounts of North Yorkshire Building Control Partnership for the financial year ended 31 March 2012.

2.0 RECOMMENDATIONS

i) Approve the Accounts of the Partnership for the financial year 2011/12.

3.0 BACKGROUND

3.1 The Accounts and Audit Regulations 2003 require that a meeting of the Board must approve the Annual Statement of Accounts. The Partnership has a statutory duty to approve its accounts for 2011/12 by 30 June 2012.

4.0 POLICY CONTEXT

4.1 The production of Annual Accounts is a statutory requirement.

5.0 REPORT

5.1 The accounts for the financial year ended 31 March 2012 are attached as Annex A for Members' consideration.

- 5.2** It should be noted that the Partnership classification for audit purposes reverted back in 2010/11 to that of a 'small body' as its annual turnover does not exceed the revised limit of £6.5m. The accounts for 2011/12 are subject to an external statutory audit by Mazars LLP; however, the Partnership has now been notified that Littlejohn LLP has been appointed as external auditor for five years with effect from the financial year 2012/13. The internal audit had also changed for 2011/12 from the North Yorkshire Audit Partnership to Veritau North Yorkshire Limited.

Income and Expenditure Account

- 5.3** For the period 1 April 2011 to 31 March 2012, the overall operating deficit on the chargeable and non chargeable accounts is £88,119 (approved revised budgeted deficit £115,920).

Chargeable Account

- 5.4** For the year ended 31 March 2012, the chargeable account shows a deficit of £168,872 (revised budgeted deficit £200,740).
- 5.5** The main reason for this improved position compared to the budget is a reduction in overall expenditure of £28k, comprising mainly of costs in the areas of consultants, computer software, equipment and telephones, which is partly offset by an increase in employee costs.

Non Chargeable Account

- 5.6** For the year ended 31 March 2012, the non chargeable account shows a surplus of £80,753 (revised budgeted surplus £84,820).
- 5.7** Non chargeable income includes fees from the partner councils of £41k each in management fees.

Reserve Account

- 5.8** The Partnership must maintain a minimum balance on the reserve account of £10,000. Given that the balance as at 1 April 2011 was £18,514, a contribution from reserves of £8,514 can be made.
- 5.9** In order to cover the operating deficit of £88,119 while making a £8,514 contribution from the reserve account, an additional contribution from the partners of £79,605 is required (revised budgeted contribution £107,406). This will result in an additional payment of £15,921 from each of the partners (revised budgeted payment £21,481 each).

6.0 FINANCIAL IMPLICATIONS

- 6.1** For the financial year 2011/12, other than the core costs payment by each partner, each partner will also have to contribute to funding the deficit. The legal agreement states that a minimum reserve balance of £10,000 must be maintained.

7.0 LEGAL IMPLICATIONS

- 7.1** None resulting from the contents of this report.

8.0 RISK ASSESSMENT

- 8.1** This report helps to ensure the reduction of risks as the production of the Statement of Accounts is a statutory function and is produced in accordance with CIPFA Code of Practice on Local Authority Accounting.

9.0 CONCLUSION

- 9.1** For the financial year ended 31 March 2012, the income and expenditure account for the North Yorkshire Building Control Partnership shows an operating deficit of £88,119.
- 9.2** This is the fourth year in the last five that the Partnership has made a deficit and an additional contribution from the partners of £79,605 has been required, in order to meet the requirement of a minimum level of reserves of £10,000.
- 9.3** The operating deficit of £88,119 is a result of the continuing slow down of the construction industry due to the recession, but it also covers £66,138 for the costs of two redundancies and their associated pension costs. Support from the partner councils is therefore essential in maintaining a local authority building control service.
- 9.4** A further agreed rationalisation and recovery programme for the Partnership was implemented in April 2012, which is planned to establish the Partnership in a better financial position for 2011/12.

Background Papers: Budget Working Papers, January 2012

OFFICER CONTACT:

Please contact Mandy Burchell, Group Accountant, Ryedale District Council or Les Chapman, Head of Building Control for further information on the contents of this report. Mandy can be contacted on 01653 600666 ext 389 or at mandy.burchell@ryedale.gov.uk and Les can be contacted on 01347 825760 or at les.chapman@nybcp.org.

NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP

27 June 2012