



# Ryedale District Council

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<b>REPORT TO:</b>	North Yorkshire Building Control Partnership Board
<b>DATE:</b>	23 January 2013
<b>REPORTING OFFICER:</b>	Les Chapman Head of Building Control
<b>SUBJECT:</b>	Financial Performance April 2012 – December 2012

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## 1.0 PURPOSE OF REPORT

- 1.1** The purpose of this report is to present Members with details of the financial performance of the North Yorkshire Building Control Partnership for the months of April 2012 to December 2012 inclusive.

## 2.0 RECOMMENDATIONS

- 2.1** Members are requested to note the financial performance of the North Yorkshire Building Control Partnership for the period 1 April 2012 to 31 December 2012.

## 3.0 BACKGROUND

- 3.1** This report shows the financial performance of the North Yorkshire Building Control Partnership for the period 1 April 2012 to 31 December 2012.
- 3.2** The revised budget for 2012/13, which is the subject of an approval of this Board, has been profiled to the end of December 2012 based on estimated patterns of expenditure and income streams.
- 3.3** The report has been produced using actual income and expenditure figures and taking into account known commitments to 31 December 2012.

## **4.0 POLICY CONTEXT**

- 4.1** The North Yorkshire Building Control Partnership has a duty to exercise effective financial management through the production of regular financial monitoring reports in line with the host council's constitution, including the financial regulations and standing orders.

## **5.0 REPORT**

- 5.1** Annex A summarises the income and expenditure for the chargeable and non-chargeable accounts to 31 December 2012, together with the deficit as at that date.
- 5.2** The overall surplus for the North Yorkshire Building Control Partnership for the period 1 April 2012 to 31 December 2012 is £26,954 against a profiled revised budgeted deficit of £11,470.
- 5.3** The deficit balance on the reserve account as at 31 December 2012 is £24,408 having taken into account redundancy/pension costs and flood work income.
- 5.4** As at 31 December 2012 the Partner authorities would have to contribute £34,408 (or £6,882 each) in order to maintain a minimum balance on the reserve account of £10,000.
- 5.5** Using the revised budget submitted to the Board on 23 January 2013 the overall deficit for 2012/13 is projected to be £13,736 with an estimated deficit balance on the reserve account as at 31 December 2012 of £65,098 again having taken account of redundancy/pension costs and flood work income. The Partners are therefore estimated to have to contribute £75,098 (or £15,020 each) for the 2012/13 financial year to meet the minimum level of reserve requirement of £10,000. This assumes expenditure and income remains in line with the profiled revised budget for the period 1 January 2013 to 31 March 2013.

### Chargeable Account

- 5.6** For the period to 31 December 2013, the chargeable account shows a surplus of £5,365 against a profiled revised budgeted deficit of £17,580.
- 5.7** The income is showing a reduction of £29,441, with an underspend on employee costs of £35,282 together with savings of £17,104 in the areas of supply and services and premises.

### Non Chargeable Account

- 5.8** For the period to 31 December 2012, the non-chargeable account shows a surplus of £21,589 against a profiled revised budgeted surplus of £6,110.
- 5.9** There is a slight shortfall in the non-chargeable income of £1,847 together with savings on expenditure of £13,632.

### **6.0 FINANCIAL IMPLICATIONS**

- 6.1** This report takes into account £29,800 that the Partnership has already earned for undertaking "Flood Defence" work on behalf of the Environment Agency and Ryedale District Council during the current financial year.
- 6.2** In addition to the current flood defence projects the Environment Agency has indicated that there is possibly some additional finance available to undertake schemes in the Hambleton and Selby areas. It was agreed last year that the Partnership would be the preferred supplier for procuring this work throughout the county. These additional projects will be financed in the next financial year 2013/14.
- 6.3** The Partnership is already investigating new areas of diversification as well as reviewing expenditure. Members will be aware that the Partnership has already made 13 redundancies together with frozen posts which equates to 37% of the work force. The overall reduction in the work force over the five Council areas is approximately £987k.

### **7.0 LEGAL IMPLICATIONS**

- 7.1** There are no legal implications resulting from the contents of this report.

### **8.0 RISK ASSESSMENT**

- 8.1** Regular financial monitoring reports provided to the Head of Building Control and the Board will help to inform Members of actions that need to be taken to bring the budget into balance and enable early preventative or remedial action to be taken.
- 8.2** The shortfall in chargeable income for the period to 31 December 2012 is due to the continuing decline and uncertainty within the construction industry.

## **9.0 CONCLUSION**

- 9.1** For the period 1 April 2012 to 31 December 2012, the revenue account for the North Yorkshire Building Control Partnership is showing a surplus of £26,954.
- 9.2** The financial position of the Partnership will require close monitoring during the remainder of 2012/13.
- 9.3** New areas of work and income continue to be investigated and introduced where profitable.

### **OFFICER CONTACT:**

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