



Ryedale District Council

REPORT TO: North Yorkshire Building Control
Partnership Board

DATE: 22 January 2014

REPORTING OFFICER: Les Chapman
Head of Building Control

SUBJECT: Revised Budget 2013/14 and
Proposed Budget 2014/15

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to present Members with a revised budget for 2013/14 and a proposed budget for 2014/15 together with a further two years of the financial recovery plan.

2.0 RECOMMENDATIONS

2.1 That Members consider and approve the budget options contained within the report and set a revised 2013/14 budget and a proposed 2014/15 budget.

2.2 That the Partner Authorities note the expected out-turn and advise their appropriate committees.

2.3 That an increase of 4% is applied to Building Regulations Charges for the financial year 2014/15.

3.0 BACKGROUND

3.1 The Partnership was formed in April 2001 with Ryedale and Selby and expanded to include Hambleton in September 2007 at the same time as the onset of the economic recession following the collapse of Northern Rock. Scarborough joined the Partnership in April 2008 and Richmondshire in April 2010.

3.2 Prior to the formation of the enlarged Partnership in September 2010 there was a total of 48 building control staff operating across the current Partnership area. Over the past five years due to the economic downturn and efficiency savings this number has been reduced to 22 (inc one apprentice) a reduction of 56% at a saving of approximately £987,000 annually.

4.0 CURRENT POSITION

4.1 Annex A outlines the Partnership's expected financial performance in the current financial year together with the original budget. A revised chargeable income of £871,200 has been forecast for this financial year taking into account the current financial position and recent trends. This is an increase of £20,040 on the approved budget. This budget assumes there will be no further contraction of the construction industry.

4.2 Working from the revised budget for 2013/14 the chargeable income for 2014/15 will be increased by 4% in line with expected inflation and increased salary costs together with 2% growth annually for the next three years. This will maintain the current structure and provide for development in 2015/16 and 2016/17 in line with the 2014/15 business plan. In projecting the budget forward the Partnership is forecasting a small surplus in 2014/15 of £9,610 after taking into account pension contributions due to early retirements of £33,000 and increased pension costs for current employees going forward.

4.3 In setting this budget it is assumed that the level of development will grow steadily following the decline over the last six years. It would, however, be prudent for each authority to make provision within their 2014/15 budget for a small additional contribution to the Partnership should the anticipated income level not be achieved as the projected surplus equates to only 1% of projected income.

4.4 Minor savings have been made in expenditure in the revised 2013/14 budget following the upgrade of the Partnership's computer systems and working methods but these are insufficient to mitigate the loss of income from flood work for the financial year. There has also been an increase in the current financial year of £1,300 for pension contributions for past staff, together with an increase in pension funding for current staff in future years. The Partnership's expenditure continues to be delivered within budget, however, there is little to no prospect of any further savings following continual review and reduction to maximise savings to bring the expenditure into line with income.

4.5 The draft budget for 2015/16 takes account of an additional Assistant Building Control Officer post with a further Assistant post created in 2016/17 in line with the succession plan set out in the Partnership's Business Plan.

4.6 The appointment of a part time Marketing Officer last year has proved beneficial with an increase in the number of channels of communication being opened with new companies as well as an increase in LABC Partner companies. This has resulted in an increase in the number of large developments secured by the Partnership.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial implications are as detailed in this report.

6.0 LEGAL IMPLICATIONS

6.1 There is a requirement within the legal agreement that a minimum reserve balance of £10,000 is maintained.

7.0 RISK ASSESSMENT

7.1 Regular financial monitoring reports provided to the Head of Building Control and the Board will help to reduce the risk of unexpected overspends on budgets and falls in income, thereby enabling early preventative or remedial action to be taken.

8.0 CONCLUSION

8.1 That Members consider the budget set out in Annex A with a view to agreeing the revised budget for 2013/14 and the proposed budget for 2014/15.

8.2 That Partner Authorities are notified of the expected outturn for 2013/14 and the need for an additional contribution.

OFFICER CONTACT:

Please contact Les Chapman, Head of Building Control on 01347 825760 or email les.chapman@nybcp.org or Mandy Burchell on 01653 600666 ext 389 or email mandy.burchell@ryedale.gov.uk if you require any further information on the contents of this report.