



# Ryedale District Council

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**REPORT TO:** North Yorkshire Building Control Partnership  
**DATE:** 16 December 2009  
**REPORTING OFFICER:** Les Chapman  
Head of Building Control  
**SUBJECT:** Proposed Budget 2010/11

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## 1.0 PURPOSE OF REPORT

1.1 To approve the budget for the financial year 2010/11.

## 2.0 RECOMMENDATIONS

2.1 It is recommended: -

2.1.1 That the proposed budget set out in Annex A be adopted for the financial year 2010/11.

## 3.0 POLICY CONTEXT

3.1 This report impacts on the Partnership's values relating to delivering high quality services.

## 4.0 REPORT

4.1 Members will be aware that a series of meetings took place earlier this year on the restructuring of the Partnership and developing a four year financial recovery plan which was adopted at the February Board meeting. The recovery plan required the Partnership to make equivalent to one full-time Senior Building Control Officer and two and a half full-time Building Control Officers redundant in April this year with

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a reduction of one Assistant Building Control Officer/Administrative Officer during the financial year. All staff reductions have now been concluded.

- 4.2 The budget as set out in Appendix A does not propose any changes to the current year's budget as income and expenditure are broadly in line with the adopted budget. The Members when adopting the recovery plan agreed a 4% increase in charges and 3% growth for the financial year 2010/11 with a 3% increase on charges for the following three years together with growth of 3%, 4% and 4%. This increase in growth will recover the forecasted downturn to the 2008/09 level by the end of the 2012/13 financial year.
- 4.3 Estimates have been based on known commitments and a 1% inflation provision has been allowed for salaries to take into account annual pay awards.
- 4.4 Officers have reviewed expenditure and income and prepared estimates for the next three financial years.
- 4.5 Budgeted expenditure and income for the chargeable and non-chargeable accounts is detailed at Annex A. The estimated main financial changes in the two accounts are explained below.

#### Chargeable Account

- 4.6 The projected deficit for the current financial year remains at £34,990, with a surplus for 2010/11 of £57,360, which is an improvement of £40,580 on the adopted recovery plan. This improvement is reflected across the following years to 2013/14.
- 4.7 It is imperative that the level of income is continually monitored to ensure that income does not decrease below the level anticipated within the budget. If the level of decrease exceeds budget estimates then this will be reported to the quarterly Board meetings and notified to each Partner Authority and agreed actions sought.
- 4.8 During this recessionary period the Partnership has increased its marketing activity targeting all large commercial and domestic works together with monitoring competitor activity and pricing policy.

#### Non-chargeable Account

- 4.9 Contributions from Partner Authorities for 2010/11 will be £39,279, which is a reduction of 0.8% (£317) based on contributions for this financial year due to the RPI as of October 2009 being in negative.

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## Reserve Balance and Charges to Partners

- 4.10** The reserved account indicates that no additional contributions will need to be paid by Partner Authorities in the future. The cumulative contribution by Partners at the end of financial year 2009/10 is estimated to be £177,960. However, should the current trend of income and expenditure continue to the end of the financial year this is likely to reduce, bringing forward payback to all Partner Councils in the financial year 2012/13 instead of 2013/14.
- 4.11** During the financial year 2013/14 provision has been made within estimates to increase staff to take into account growth in workload as well as £10,000 provision annually from 2011/12 for an IT reserve to fund anticipated IT renewals.
- 4.12** Following the recovery of losses by anticipated surpluses the Partnership will then build reserves to £100,000 to cover development and allow for fluctuations in income. Surpluses above £100,000 will be paid equally to each Partner Authority.
- 4.13** Discussions are currently taking place with Richmondshire District Council on the possibility of them joining the Partnership. Should this be the case the proposed budget, as set out in Annex A will form the basis for a revised budget for 2010/11 for an enlarged partnership.

## **5.0 LEGAL IMPLICATIONS**

- 5.1** To have a financial trading account meeting with CIPFA requirements.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1** The budget shows an estimated deficit for 2009/10 (£107,100) but the following year 2010/11 we have a surplus of £52,890. This surplus will be paid back equally to Partners until the cumulative deficit has been repaid.

## **7.0 RISK ASSESSMENT**

- 7.1** A key aspect of the approach to budgeting is a risk management assessment, which is carried out throughout the budget process. This report helps to ensure the reduction of risks arising from spending outside of delegated powers and enabling an accurate, realistic and manageable budget.

## 8.0 CONCLUSION

- 8.1 Given the changes to the Partnership structure and the recent downturn in income a prudent estimate has been taken. This proposed budget will be continually monitored during the financial period and any deviations reported to the Board and Partner Authorities.

**Background Papers:** Budget estimates

**OFFICER CONTACT:** Please contact Les Chapman, Head of Building Control on 01347 822703 or email: [les.chapman@nybcp.org](mailto:les.chapman@nybcp.org) or contact Mandy Burchell at Ryedale House, 01653 600666 ext: 389 or email [mandy.burchell@ryedale.gov.uk](mailto:mandy.burchell@ryedale.gov.uk) if you require any further information on the contents of this report.

**NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP  
ESTIMATES 2008/2009 TO 2013/2014**

	2008/2009 Actual £	2009/2010 Approved Budget £	Draft 2010/2011 Budget £	Draft 2011/2012 Budget £	Draft 2012/2013 Budget £	Draft 2013/2014 Budget £
<b><u>REVENUE ACCOUNT</u></b>						
<b><u>CHARGEABLE ACCOUNT</u></b>						
<b>INCOME</b>	<b>1,153,211</b>	<b>1,079,540</b>	<b>1,167,170</b>	<b>1,227,390</b>	<b>1,288,230</b>	<b>1,367,400</b>
<b>EXPENDITURE</b>						
Employees	1 016 108	892 890	885 990	904 610	928 730	981 560
Premises	43 658	47 240	49 600	52 070	54 670	57 390
Supplies & Services	84,449	122 620	120 880	133 550	135 650	137 310
Central Departmental Support	61 572	51 780	53,340	54 930	56,580	58 280
<b>Gross Expenditure</b>	<b>1,205,787</b>	<b>1,114,530</b>	<b>1,109,810</b>	<b>1,145,160</b>	<b>1,175,630</b>	<b>1,234,540</b>
<b>CHARGEABLE SURPLUS/(DEFICIT)</b>	<b>(52,576)</b>	<b>(34,990)</b>	<b>57,360</b>	<b>82,230</b>	<b>112,600</b>	<b>132,860</b>
<b><u>NON CHARGEABLE ACCOUNT</u></b>						
<b>INCOME</b>	<b>181,773</b>	<b>182,590</b>	<b>179,710</b>	<b>172,900</b>	<b>175,340</b>	<b>180,540</b>
<b>EXPENDITURE</b>						
Employees	190 586	169 120	167 810	171 170	175 450	185 510
Premises	4 851	5 740	6 030	6 330	6 650	6 980
Supplies & Services	7 892	9 290	9 480	10 310	10 500	10 690
Central Departmental Support	11 728	10 550	10 860	11 170	11 500	11 830
<b>Gross Expenditure</b>	<b>215,057</b>	<b>194,700</b>	<b>194,180</b>	<b>198,980</b>	<b>204,100</b>	<b>215,010</b>
<b>NON CHARGEABLE SURPLUS/(DEFICIT)</b>	<b>(33,284)</b>	<b>(12,110)</b>	<b>(14,470)</b>	<b>(26,080)</b>	<b>(28,760)</b>	<b>(34,470)</b>
<b>REVENUE ACCOUNT SURPLUS/(DEFICIT)</b>	<b>(85,860)</b>	<b>(47,100)</b>	<b>42,890</b>	<b>56,150</b>	<b>83,840</b>	<b>98,390</b>
	2008/2009 £	2009/2010 £	2010/2011 £	2011/2012 £	2012/2013 £	2013/2014 £
<b><u>RESERVE ACCOUNT</u></b>						
<b>BALANCE AS AT 1 APRIL</b>	<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
Partner Joining Fee	30,000					
Revenue Account Surplus/(Deficit)	(85 860)	(47 100)	42 890	56 150	83 840	98 390
Redundancy Costs		(70 000)				
<b>BALANCE AS AT 31 MARCH</b>	<b>(50,860)</b>	<b>(107,100)</b>	<b>52,890</b>	<b>66,150</b>	<b>93,840</b>	<b>108,390</b>
Contribution to IT Reserve				(10 000)	(10,000)	(10 000)
Contribution from/(to) Partners	60 860	117,100	(42 890)	(46 150)	(73 840)	(88 390)
<b>REVISED BALANCE AS AT 31 MARCH</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
Cumulative Contribution from/(to) Partners	60 860	177 960	135 070	88 920	15 080	(73 310)