



Ryedale District Council

REPORT TO: North Yorkshire Building Control Partnership Board

DATE: 24 June 2015

REPORTING OFFICER: Les Chapman, Head of Building Control

SUBJECT: Partnership Accounts and Annual Return for the year ended 31 March 2015

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 2015.

2.0 RECOMMENDATIONS

i) Approve the Accounts and Annual Return of the Partnership for the financial year 2014/15.

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 2014/15 by 30 June 2015.

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 2015 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 2014/15 are subject to an external statutory audit by PKF Littlejohn LLP. The internal audit will continue to be provided by Veritau North Yorkshire Ltd.

NORTH YORKSHIRE BUILDING CONTROL PARTNERSHIP

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- 5.3** The external auditors, PKF Littlejohn LLP, require the completion and return of an Annual Return for small bodies such as the Partnership. This return has to be approved and signed as part of the accounts process by the statutory deadline of 30 June 2015.

Income and Expenditure Account

- 5.4** For the period 1 April 2014 to 31 March 2015, the overall operating deficit on the chargeable and non chargeable accounts is £3,940 (approved revised budgeted deficit £46,840).

Chargeable Account

- 5.5** For the year ended 31 March 2015, the chargeable account shows a deficit of £19,541 (revised budgeted deficit £57,670).
- 5.6** The main reason for this improved position compared to the budget is an increase in overall income of £32k, comprising mainly of income from plan fees, which is partly offset by a reduction in notice fees.
- 5.7** Chargeable expenditure includes an increased contribution of £14k to the bad debt provision.

Non Chargeable Account

- 5.8** For the year ended 31 March 2015, the non chargeable account shows a surplus of £15,601 (revised budgeted surplus £10,830).
- 5.9** Non chargeable income includes fees from the partner councils of £58k each in management fees.

Reserve Account

- 5.10** Given that the balance on the reserve account as at 1 April 2014 was £81,711, a contribution from reserves of £3,940 can be made and no additional contribution from the partners is required.
- 5.11** The Partnership now has a balance on the reserve account of £77,771, which is above the minimum requirement of £10,000.

6.0 FINANCIAL IMPLICATIONS

- 6.1** For the financial year 2014/15, other than the core costs payment by each partner, there is no requirement for any additional funding from the partner councils. 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 2015, the income and expenditure account for the North Yorkshire Building Control Partnership shows an operating deficit of £3,940.

9.2 The Partnership has made a small deficit but no additional contribution from the partners has been required. The balance on the reserve account now stands at £77,771, which is above the requirement of a minimum level of reserves of £10,000.

9.3 The operating deficit of £3,940 does not reflect the increased confidence in the construction industry and building projects moving forward having been on hold during the recession. However, it should be noted that the deficit does cover £33,754 for the costs of pensions associated with earlier redundancies, together with an increased contribution to the bad debt provision of £14,360.

9.4 A significant investment in ICT provision was implemented during the financial year 2012/13 and completed during 2013/14 in order to streamline processes and maintain service levels following the reduction of ten full-time equivalent posts. The benefits of this investment are now being realised with reduced costs in the areas of computer software, telephones and printing and stationery.

Background Papers: Budget Working Papers, January 2015

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.