



Ryedale District Council

REPORT TO: North Yorkshire Building Control
Partnership Board

DATE: 25 January 2012

REPORTING OFFICER: Les Chapman
Head of Building Control

SUBJECT: Financial Performance April 2011 – December
2011

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 2011 to December 2011 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 2011 to 31 December 2011.

3.0 BACKGROUND

3.1 This report shows the financial performance of the North Yorkshire Building Control Partnership for the period 1 April 2011 to 31 December 2011.

3.2 The budget for 2011/12, which is the subject of an earlier approval of this Board, has been profiled to the end of December 2011 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 2011.

**NORTH YORKSHIRE BUILDING CONTROL
PARTNERSHIP BOARD**

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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 2011, together with the deficit as at that date.
- 5.2** The overall deficit for the North Yorkshire Building Control Partnership for the period 1 April 2011 to 31 December 2011 is £80,588 against a profiled budgeted surplus of £82,390.
- 5.3** The deficit balance on the reserve account as at 31 December 2011 is £80,786 having taken into account redundancy costs and flood work income.
- 5.4** As at 31 December 2011 the Partner authorities would have to contribute £90,786 (or £18,157 each) in order to maintain a minimum balance on the reserve account of £10,000.
- 5.5** Using the approved budget submitted to the Board on 23 March 2011 the overall deficit for 2011/12 is projected to be £91,378 with an estimated balance on the reserve account as at 31 December 2011 of £91,576 again having taken account of redundancy costs and flood work income. The Partners are therefore estimated to contribute £101,576 (or £20,315 each) for the 2011/12 financial year to meet the minimum level of reserve requirement of £10,000. This assumes expenditure and income remains in line with the profiled original budget for the period 1 January 2012 to 31 March 2012.

Chargeable Account

- 5.6** For the period to 31 December 2011, the chargeable account shows a deficit of £107,897 against a profiled budgeted surplus of £49,820.
- 5.7** The income is indicating a reduction of £175,538, with an overspend on employee costs of £15,872 offset by savings of £33,693 in the area of supplies and services and premises.

Non Chargeable Account

- 5.8** For the period to 31 December 2011, the non-chargeable account shows a surplus of £27,309 against a profiled budgeted surplus of £32,570.
- 5.9** There is a slight shortfall in the non-chargeable income of £5,496 offset by slight savings on expenditure of £235.

6.0 FINANCIAL IMPLICATIONS

- 6.1** This report takes into account £15,000 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. However, additional monies will be invoiced for a further four projects during the current quarter. The Partnership is currently undertaking five projects for the Environment Agency, at Kirkby Mills, Romanby, South Milford, Pickering and jointly with Ryedale District Council at Kirkbymoorside. The Partnership is also delivering a flood defence scheme for Ryedale District Council covering the whole district area with a contract value of £50,000. It is estimated that the income generated from undertaking this work will be approximately £52,000, with £37,000 remaining to be invoiced, which when offset against the Partnership's current projected deficit of £91,000 would indicate an overall deficit of £54,000.
- 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 Scarborough, Hambleton and Harrogate areas. It was agreed earlier this 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 2012/13.
- 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 ten redundancies together with frozen posts which equates to 28% of the work force. The overall reduction in salary costs over the five Council areas is approximately £900k.
- 6.4** The option for further staff reduction has been investigated and is the subject of a separate report on this agenda. Staff reduction is limited if Members want to keep the current level of service, as productivity has been significantly increased whilst maintaining performance. To increase productivity further without appropriate investment in improved technology is unlikely to achieve the desired outcome.

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 2011 is due to the continuing uncertainty within the construction industry.

9.0 CONCLUSION

9.1 For the period 1 April 2011 to 31 December 2011, the revenue account for the North Yorkshire Building Control Partnership is showing a deficit of £80,588.

9.2 The financial position of the Partnership will require close monitoring during the remainder of 2011/12.

9.3 New areas of work and income will be investigated and introduced where profitable.

OFFICER CONTACT:

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