

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

9 JUNE 2009

REVENUE BUDGET MONITORING 2009 - 2010

Report from: Mick Hayward, S151 officer to the Joint Committee

Summary

The report updates the Joint Committee on the current forecasts for the 2009 – 2010 financial year.

1. Budget and Policy Framework

- 1.1 The Joint Committee requires the preparation of monthly monitoring reports to be reported to the officer steering group and the Joint Committee.

2. Current Forecast

- 2.1 The savings proposed in the Business Plan, all relating to staffing costs, are expected to be achieved and are discussed in paragraph 3 below. At this early stage in the year, income levels are on target and therefore no variance is yet reported in Table 1 below.

Table 1

	Actual 2008- 2009 £000s	Budget 2009- 2010	Forecast 2009- 2010	Variance
Staff	1,441	1,333	1,333	0
Buildings	90	91	91	0
Transport	58	63	63	0
Supplies & Services	92	99	99	0
Support Services	39	75	75	0
Total expenditure	1,720	1,661	1,661	0
Partner contributions for core functions	(376)	(428)	(428)	0
Fee income	(1,062)	(1,233)	(1,233)	0
Total income	(1,438)	(1,661)	(1,661)	0
Net (surplus) / deficit	282	0	0	0

3. Staff Costs

- 3.1 Within the budget included in the 2009/10 Business Plan there were a number of proposed salary savings, amounting to £249,000, which were required to be delivered in order to balance the budget (assuming there was only a 20% fall in income).
- 3.2 £15,000 has been saved through changed circumstances which have affected a number of staff such as, maternity leave, long term sickness, reduction in contracted hours and the voluntary foregoing of the yearly incremental salary increase by two staff.
- 3.3 £46,000 has been saved by the withdrawal of the two trainee positions and an apprentice position. An apprenticeship scheme still remains an objective for this year, but only if it can be externally funded.
- 3.4 £43,000 has been saved by freezing the temporary building control surveyor post.
- 3.5 £63,000 will be saved through the retirement of two building control surveyors, one has already left (19 May 2009) and the other will retire 28 July 2009.
- 3.6 £22,000 has been saved as the temporary member of staff in the research assistant post left at the end of March 2009 and will not be replaced until the house market recovers and sufficient demand and income renders the position viable as self-funding.
- 3.7 £25,000 has been saved as the temporary administration assistant post has been removed reflecting the downturn in workload.
- 3.8 £35,000 will be saved from the 1 October 2009 as the market premia for surveyors is removed. All affected staff have now signed agreements changing their terms of contract to reflect the removal of market premia from 1 October 2009, understanding that it would only be reintroduced as and when market forces dictate.
- 3.9 Whilst most of these measures are already in place the remainder have been taken into account and will deliver a staff saving of £249,000. It should also be noted that a cost of living increase of 2.5% has already been projected into the budgetary figures. Due to the economic climate it is quite likely that the actual figure agreed will be less than this and any reduction in the percentage will be a further saving on staff costs.

4. Income

- 4.1 An income trend analysis of Medway's income over the 5 years prior to the formation of the partnership has allowed us to design an income profile for the year. Although similar trend analysis was not available

from Gravesham or Swale the partnership's income trend over the last 20 months reveal a great deal of similarity with the profile produced. The economic situation over the last 7 months, however, has meant that the actual income has not achieved that from the expected profile but the trend remains valid. The yearly profile is shown in Appendix 1.

- 4.2 April's income can be seen as being slightly higher than that expected, however, it is much too early to suggest that this will continue and therefore close monitoring will be maintained each month.

5. Proposed Management Action

- 5.1 Ensuring that the remaining staff cost savings are implemented.
- 5.2 Continue budget monitoring reporting to Steering Group and Joint Committee.

6. Risk Management

- 6.1 Monitoring reveals much lower than anticipated income which cannot be balanced by savings in expenditure. This could result in a further call on partner authorities contributions as a last resort.

7. Financial Implications

- 7.1 These are set out within the report.

8. Legal Implications

- 8.1 There are no direct legal implications arising from this report.

9. Recommendation

- 9.1 Members are asked to note the report and that further reports will be submitted throughout the year.

10. Suggested Reasons for Decisions

- 10.1 The Joint Committee has a key role in monitoring the budgetary control of the Partnership.

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Background papers

Business Plan 2009/2010

**STG Building Control
Fee Income and Budget Targets for Financial Year 2009/2010**

Annual Budget Profile

Fees and Charges	£30,000.00
BC fees	£1,163,000.00
Regularisations	£30,000.00
Consultancy	£10,000.00
Total	£1,233,000.00

Month	Monthly Actual Income								Total income Received	Profit/Loss
	Fees & Charges	Variance	BC fees	Variance	Regularisations	Variance	Consultancy	Variance		
Apr.	£1,670.41	-£429.59	£91,907.80	£10,497.80	£140.42	-£1,959.58	£0.00	-£700.00	£93,718.63	£7,408.63
May										
Jun.										
Jul.										
Aug.										
Sep.										
Oct.										
Nov.										
Dec.										
Jan.										
Feb.										
Mar.										
Total	£1,670.41	-£429.59	£91,907.80	£10,497.80	£140.42	-£1,959.58	£0.00	-£700.00	£93,718.63	£7,408.63

Qtr.	Quarterly Actual Income								Total income Received	Profit/Loss
	Fees & Charges	Variance	BC fees	Variance	Regularisations	Variance	Consultancy	Variance		
1st									£0.00	
2nd									£0.00	
3rd									£0.00	
4th									£0.00	
Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

