

EAST RENFREWSHIRE COUNCILCABINET18 August 2016Report by Head of Accountancy (Chief Financial Officer)FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MARCH 2016**PURPOSE OF REPORT**

1. To advise the Cabinet of the financial results for 2015/16 and to compare the out-turn with the final budgetary control statement for that year which was submitted to the Cabinet on 7 April 2016.

RECOMMENDATIONS

2. It is recommended that members: -
- (a) note the outturn position compared to the previous Budgetary Control Report;
 - (b) approve the transfers made from the General Fund to the Capital Reserve, Modernisation Fund, Repairs & Renewal Fund and Insurance Fund; and
 - (c) note that once the audit has been completed the Final Accounts will be submitted to a future meeting of the Council along with the External Auditor's report.

OUTTURN

3. Subject to audit, the financial results contained in the Accounts for the 2015/16 financial year are satisfactory.

- The Council's financial affairs have again been managed within its operational budget. In particular, all General Fund departments' outturn spend is within budget and Directors have taken early action in applying savings measures during 2015/16, this assisting the Council in addressing the financial difficulties it faced for 2016/17.
- An overall surplus for the financial year of £2,595k is recorded in the Accounts. After transfers to earmarked reserves, the Council's non-earmarked General Fund reserve has been reduced by £154k resulting in a balance of £8,880k as at 31 March 2016, this represents 4% of the annual budgeted net revenue expenditure which equates to the Council's policy.
- Transfers totalling £10,786k were made from the General Fund balance to the following reserves:-

• Capital Reserve	£7,286k
• Modernisation Fund	£2,000k
• Repairs & Renewal Fund	£1,000k
• Insurance Fund	£500k

- Capital Expenditure of £25,683k was invested.
- An operational surplus of £460k has been made on the Housing Revenue Account, this increasing accumulated surpluses brought forward on that Account.

COMPARISON TO BUDGETARY CONTROL

4. The Budget Monitoring Report for Period 11 submitted to the Cabinet on 7 April 2016 forecast an underspend of £4,948k in 2015/16, including the budgeted contribution to reserves for the year. At the year-end the surplus position improved to £11,381k. The main areas making up this improved position include savings applied early across the Council, a decrease in anticipated restructuring costs and an increase in revenue from Council Tax.

5. The Period 11 report to Cabinet advised that all services would take steps to contain expenditure within the budget by the year-end, and all departments achieved that goal.

RECOMMENDATIONS

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 - (b) approve the transfers made from the General Fund to the Capital Reserve, Modernisation Fund, Repairs & Renewal Fund and Insurance Fund; and
 - (c) note that once the audit has been completed the Final Accounts will be submitted to a future meeting of the Council along with the External Auditor's report.

BACKGROUND PAPERS

A full copy of the Council's unaudited accounts has been placed in the Members' Lounge or can be obtained from the Chief Accountant.

KEYWORDS

Financial performance, reserves, annual accounts, accounting policies, corporate governance

Further information is available from Barbara Clark, Chief Accountant
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27 June 2016