

EAST RENFREWSHIRE COUNCIL

CABINET

20 August 2015

Report by Chief Executive

FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MARCH 2015

**PURPOSE OF REPORT**

1. To advise the Cabinet of the financial results for 2014/15 and to compare the out-turn with the final budgetary control statement for that year which was submitted to the Cabinet on 26 March 2015.

**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 and Modernisation 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 2014/15 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 2014/15, this assisting the Council in addressing the financial difficulties it faced for 2015/16.
- Net expenditure on CHCP outturned within budget reflecting recent action to address overpayment issues for certain clients. This area will be closely reviewed by external audit in their assessment of the Annual Accounts.
- An overall surplus for the financial year of £945k is recorded in the Accounts. After transfers to earmarked reserves a sum of £333k has been added to the Council's non-earmarked General Fund reserve. This results in a balance of £8,841k as at 31 March 2015 representing 4% of the annual budgeted net revenue expenditure which equates to the Council's policy.

- Transfers totalling £4,414k were made from the General Fund balance to the following reserves:-
  - Capital Reserve £3,414k
  - Modernisation Fund £1,000k
- Capital Expenditure of £20,920k was invested.
- An operational surplus of £533k 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 26 March 2015 forecast an underspend of £1,315k in 2014/15, including the budgeted contribution to reserves for the year. At the year-end the surplus position improved to £4,359k. This improved position includes increased monies 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 this goal.

## **RECOMMENDATIONS**

6. It is recommended that members: -
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  - (b) approve the transfers made from the General Fund to the Capital Reserve and Modernisation 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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24 June 2015