

EAST RENFREWSHIRE COUNCILCABINET17 August 2017Report by Head of Accountancy (Chief Financial Officer)FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MARCH 2017**PURPOSE OF REPORT**

1. To advise the Cabinet of the financial results for 2016/17 and to compare the out-turn with the final budgetary control statement for that year which was submitted to the Cabinet on 6 April 2017.

**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 Equalisation Reserve; 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 2016/17 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 2016/17, this assisting the Council in addressing the financial difficulties it faced for 2017/18. Reduced expenditure on teachers absence cover, supply teachers, procurement and utilities also contributed to the underspend, together with increased recoveries of income, lower utilisation of contingency funds & savings on capital financing charges.
  - An overall General Fund surplus, including movement on earmarked reserves, for the financial year of £2,434k is recorded in the Accounts. After transfers to earmarked reserves, the Council's non-earmarked General Fund reserve has been increased by £652k resulting in a balance of £9,751k as at 31 March 2017, this represents 4.2% of the annual budgeted net revenue expenditure which complies with the Council's policy.

- Transfers totalling £8,000k were made from the General Fund balance to the following reserves:-

• Capital Reserve*	£4,100k
• Modernisation Fund	£2,300k
• Repairs & Renewal Fund*	£1,200k
• Equalisation Reserve	£400k

\*Non General Fund reserves

- Capital Expenditure of £40,242k was invested.
- An operational deficit of £134k has been made on the Housing Revenue Account after a transfer of £450k to Loan charges to reduce future financing costs. This decreasing accumulated surpluses brought forward on that Account.

## COMPARISON TO BUDGETARY CONTROL

4. The Budget Monitoring Report for Period 11 submitted to the Cabinet on 6 April 2017 forecast an underspend of £4,859k in 2016/17. At the year-end the underspend position improved to £8,652k. The main areas making up this improved position include savings applied early across the Council and a decrease in both anticipated restructuring costs and financing costs.

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

6. 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 Equalisation Reserve; 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.

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Further information is available from Barbara Clark, Chief Accountant  
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