

WEST DUNBARTONSHIRE COUNCIL
Report by Executive Director of Corporate Services
Council – 27 August 2008

Subject : Draft Annual Accounts 2007/2008

1. Purpose

- 1.1 The purpose of this report is to provide Council with a copy of the draft Annual Accounts for 2007/2008 and to highlight matters of interest.

2. Background

- 2.1 The Council is required by law to produce its draft financial statements for audit by 30 June each year.
- 2.2 A copy of the draft financial statements for the year ended 31 March 2008 is annexed to this report.
- 2.3 A bound copy of the accounts was forwarded to each Member on 12 August 2008.
- 2.4 The accounts have to be audited by 30 September 2008. A full report on the audited accounts will be presented to Council on 29 October 2008 along with a separate report where KPMG LLP will report their findings to Members.

3. Main Issues

- 3.1 The accounts were prepared before the statutory deadline and passed to the Accounts Commission in good time.
- 3.2 The accounts show that the Council has been successful in managing its expenditure within the income available to the Council:
- In relation to the General Fund, the accounts show a General Fund balance of £3.308m as at the 31 March 2008. Of this balance £1.031m is earmarked for ringfenced grant purposes leaving an unearmarked balance of £2.277m.
 - The level of unearmarked balance of £2.277m compares with that of £1.063m at 31 March 2007 and confirms that the reserve position has improved by £1.214m during the year. This can be summarised as follows :

	<u>£m</u>
Planned deficit for the year (balance applied)	2.020
Deficit for the year - per accounts	1.258
less - earmarked grant b/fwd	1.483
plus - earmarked grant c/fwd	<u>1.031</u> <u>(0.452)</u>
Actual deficit for the year	<u>0.806</u>
In-year surplus against budget	<u>1.214</u>

- The unearmarked balance of £2.277m is 47.18 % of the recommended prudential level of reserve of £4.826m which is considered necessary to safeguard assets and to protect services against financial risk .
- In relation to the Housing Revenue Account, the accounts show a HRA balance of £1.538m as at 31 March 2008. Of this balance £0.300m was applied to the 2008/09 leaving an unearmarked balance of £1.238m. This compares with the recommended prudential level of HRA reserve of £0.627m.

3.3 The Council maintains statutory accounts for two trading operations under the provisions of the Local Government Scotland Act 2003: Housing Maintenance and Grounds Maintenance/Street Cleaning. These operations returned a collective surplus in the year of £1.365m and both operations have achieved a break even performance over the last three years in line with their statutory requirements.

3.4 The in year collection rate for council tax was 92.8%, which was 0.7% higher than in 2006/07. This performance which was approximately double the average national in year increase has allowed the Council to rise two place to 28 in the comparative table of collection rates.

3.5 This is the third year the Council has had to prepare Group Accounts in addition to its Annual Accounts. Group Accounts are prepared when a Council has a material interest in other organisations. The purpose of the accounts is to combine its financial information with other organisations within its group. The Council's group consists of:

- (a) Valuation Joint Board
- (b) Police Joint Board
- (c) Fire & Rescue Joint Board
- (d) Strathclyde Partnership for Transport
- (e) Strathclyde Concessionary Travel
- (f) Dumbarton Common Good and Trust Funds

4. Personnel Implications

4.1 There are no personnel implications.

5. Financial Implications

5.1 There are no financial implications.

6. Risk Analysis

6.1 No risk analysis was required.

7. Conclusion

7.1 The draft annual accounts have been prepared in accordance with the statutory timetable. The accounts may change depending upon the audit, but no changes to the unearmarked balance are planned at present. It is intended that the audited accounts will be submitted to Council in October 2008.

7.2 The accounts show that, despite the significant and exceptional pressures faced during the year, the Council has been successful in managing its expenditure within both the budget set and the financial objectives prescribed.

7.3 The two statutory trading operations have exceeded their statutory breakeven targets during the year.

8. Recommendations

8.1 It is recommended that Council notes the content of this report and the draft accounts for 2007/08

Joyce White
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Date: 21 August 2008

Wards Affected: Nil

Appendix: Draft Financial Statements 2007/2008

Background Papers: Nil

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