

WEST DUNBARTONSHIRE COUNCIL
Report by Executive Director of Corporate Services
Council – 25 August 2010

Subject : Draft Annual Accounts 2009/2010

1. Purpose

- 1.1** The purpose of this report is to provide Council with a copy of the draft Annual Accounts for 2009/2010 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 2010 is annexed to this report.
- 2.3** A bound copy of the accounts was forwarded to each Member on 6 August 2010.
- 2.4** The accounts have to be audited by 30 September 2010. A full report on the audited accounts will be presented to Council on 27 October 2010, 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 £6.648m as at 31 March 2010. Of this balance, £3.272m is earmarked for ringfenced grant purposes, leaving an unearmarked balance of £3.376m.

- The level of unearmarked balance of £3.376m is a substantial improvement on that of £0.258m at 31 March 2009 and confirms that the reserve position has increased by £3.118m during the year. This can be summarised as follows :

	<u>£m</u>	<u>£m</u>
Un-earmarked balance at 31 March 2009		0.258
Earmarked balance now released		<u>1.500</u>
		1.758
Planned surplus for the year	0.400	
Less		
Revision of bad debt provision	<u>(0.162)</u>	<u>0.238</u>
		1.996
In year surplus against budget		<u>1.380</u>
Unearmarked balance at 31 March 2010		<u>3.376</u>

- The unearmarked balance of £3.376m has increased considerably and has risen to 82% of the revised prudential level of reserve of £4.100m which is considered necessary to safeguard assets and to protect services against financial risk.
- In relation to the Housing Revenue Account, the accounts show an HRA balance of £2.642m as at 31 March 2010. Of this balance £0.050m was applied to 2010/11 leaving an unearmarked balance of £2.592m. This compares with the recommended prudential level of HRA reserve of £0.638m.

- 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 £2.193m 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 94.1%, which was 1.1% higher than that achieved in 2008/09. It should be noted that this figure is not directly comparable with the previous year due to change in the calculation methodology, however, the collection performance has allowed the Council to rise a further three places to 23 out of 32 Councils and to 5th in its family group of comparator Councils.
- 3.5** As detailed in para 2.4, these accounts are in draft and subject to audit. To date no significant matters have arisen during the audit which would impact on the results detailed in para 3.2.

- 3.6** The Council is required 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. People 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 Equalities Impact

- 7.1** No equalities impact was required in relation to the preparation of this report.

8. Conclusions and Recommendations

- 8.1** The draft annual accounts have been prepared in accordance with the statutory timetable. The accounts may change depending upon the audit and a full report on the audited accounts will be submitted to Council in October 2010.
- 8.2** Despite the significant and exceptional pressures faced during the year, detailed within para 3.2, the Council has been successful in managing its expenditure within both the budget set and the financial objectives prescribed.
- 8.3** The two statutory trading operations have exceeded their statutory breakeven targets during the year.
- 8.4** It is recommended that Council notes the content of this report and the draft accounts for 2009/10.
- 8.5** The level of unearmarked balance has improved significantly in relation to the revised prudential level of £4.100m

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Date: 27 July 2010

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Appendix: Draft Financial Statements 2009/2010

Background Papers: Nil

Wards Affected: Nil