

**BODY:** CABINET  
**DATE:** 16 July 2014  
**SUBJECT:** Annual Accounts 2013/14  
**REPORT OF:** Financial Services Manager

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**Ward(s):** All

**Purpose:** To present the annual accounts and final outturn for 2013/14.

**Contact:** Pauline Adams, Financial Services Manager Tel: 01323 415979.

**Recommendations:** Members are asked to -

- i) Note the final outturn for 2013/14.
- ii) Approve the transfer to reserves and provisions as set out in paragraphs 2.3, 2.4 and 3.2.

## **1.0 Introduction**

- 1.1 The Accounts and Audit Regulations 2011 require the Council to formally approve ending 31.March 2014 by 30 September 2014. The draft accounts were submitted June 2014 for noting. Any comments will be verbally reported.
- 1.2 A report to the Cabinet meeting on 14 May 2014 set out the provisional outturn for £190,000 on service expenditure.
- 1.3 Since that time the work on closing the accounts has now been completed and the Statement of Accounts presented to the Audit and Governance Committee on 25 J

## **2.0 General Fund Final Outturn 2013/14**

- 2.1 The content of the accounting statements and notes differ from budget reports such as Expenditure is analysed according to the statutory national groupings set out in CIPFA rather than reflecting the management organisation of the Council.

It is only the bottom line of the movement in reserves for the general fund that is reported in the accounts with the performance monitoring arrangements.

- 2.1 The general fund final service outturn is a favourable variance of £366,000 detailed in the table below.

	Original Budget	Revised Budget	Actual	Variance

	£'000	£'000	£'000	£'000
Corporate Services	11,738	11,150	11,047	(103)
Community Services	(146)	212	198	(14)
Tourism and Leisure	2,832	3,152	3,405	253
<b>Service Expenditure</b>	<b>14,424</b>	<b>14,514</b>	<b>14,650</b>	<b>136</b>
Contingencies	194	413	58	(355)
Interest and Capital Financing	1,650	1,936	1,936	-
Transfer to (from) Reserves	1,123	349	916	567
	<b>17,391</b>	<b>17,212</b>	<b>17,560</b>	<b>348</b>
Transfer to General Fund Balance	-	402	768	366
<b>Service Total</b>	<b>17,391</b>	<b>17,614</b>	<b>18,328</b>	<b>714</b>
Financed by:				
Government Grants	(6,583)	(6,808)	(7,209)	(401)
Council Tax	(7,303)	(7,303)	(7,303)	-
Business Rates	(3,503)	(3,503)	(3,816)	(313)
<b>Total</b>	<b>(17,389)</b>	<b>(17,614)</b>	<b>(18,328)</b>	<b>(714)</b>

The main change from the details of the service variances reported to the May Cabinet was a subsidy claim and the technical change required for the calculation for bad debts which now has to reflect historical evidence.

The variance on funding increased by £714,000 due to additional government grant and budgeted levy due on business rates not required.

2.2 The General Fund Balance at 31 March 2014 was £4.687m Details of other reserves

2.3 In addition to the transfers to and from reserves as approved by Cabinet on the 14 May 2014, the Programme reserve in line with the budget strategy representing the balancing measure, external interest payable due to the continued use of internal balances and the actual expected cash flow profile.

### **3.0 Housing Revenue Account**

3.1 The figure previously reported to the Cabinet on 14 May 2014 set out a favourable variance for the year was £(525,00) a variance against budget of £(178,000). This movement in variance allowance for future bad debt is calculated as detail in para 2.1 above. The Housing Revenue Account

3.2 In addition to the transfers to and from reserves as approved by Cabinet on the 14 May 2014, the Housing Regeneration and Investment Reserve in line with the budget strategy and the variance between the budgeted and actual depreciation allowance.

### **4.0 Capital Expenditure**

4.1 The final capital expenditure for the year was £15.7m compared to a revised budget of £15.7m

### **5.0 Statement of Accounts**

5.1 The draft statement of accounts is available from Financial Services and an overview of the

- 5.2 It is the Chief Financial Officer's (CFO) responsibility to ensure the preparation of the Code of Practice on local Authority Accounting in the United Kingdom (the Code). The accounts must represent a true and fair view of the authority's financial position by 30<sup>th</sup> June.
- 5.3 There were a few minor changes to the presentation of the accounts for 2013/14 approved by the Audit and Governance Committee on 25 June 2014.
- 5.4 The external auditor (BDO) is due to commence work on 7 July and the accounts for 2013/14 will be finalised for 2014. The date for questioning the external auditor has been set as 4 August 2014. The letter of enquiry will be put in writing to him and sent directly to his offices.
- 6.0 Summary**
- 6.1 The 2013/14 accounts have now been finalised and have resulted in the outturn profit being higher than the provisional outturn reported to the Cabinet on 14 May due to the final housing benefit income and a reduction in the provision for bad debts.
- 6.2 There is a requirement to approve the statement of accounts 2013/14 by 30 September 2014. This will be done by the Audit and Governance Committee by Full Council.
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### **Background Papers:**

The Background Papers used in compiling this report were as follows:

Unaudited Statement of Accounts 2013/14

<http://www.eastbourne.gov.uk/EasysiteWeb/getresource.axd?AssetID=231180&type=full&source=231180&file=2013%2F14%20Draft%20v1.pdf>

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code)

Final Accounts Working Papers 2013/14

Cabinet Report 14 May 2014: Corporate Performance – Quarter 4 2013/14.

Audit and Governance Committee Report 25 June 2014: Account Accounts 2013/14.

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