

Summary of Accounts

Details of the Council's
spending during 2012/13

Introduction

This is a quick guide to the Council's financial position for the 12 months ended 31 March 2013.

This summary is based on the information in the full version of the accounts. The figures in this summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications have been made to provide easier to understand and meaningful information. The full accounts have been independently assessed by PriceWaterhouse Coopers and certified as reliable.

A full copy of the 2012/13 audited accounts is available on our website www.dumgal.gov.uk/annualaccounts.



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Financial Review

In the year to 31st March 2013 Council Services managed to contain spending within the agreed budget level, which reflects a positive financial performance for the Council given that Service budgets were reduced by £8.354 Million from 2011/12 levels in respect of agreed savings. This position was particularly challenging for the Council given the increasing demographics and corresponding cost increases in Homecare experienced within Social Work, and the additional expenditure incurred by DGFIRST responding to the extreme and prolonged winter weather experienced by Dumfries & Galloway, particularly during the last week in March. However, effective spending control and budget management meant that compensating surpluses/underspends against other budgets allowed these pressures to be contained within the agreed Council budget.

Unallocated General Fund Balances were maintained at the recommended minimum level of £7.6 Million. In addition the Council has also continued to set aside amounts to support the affordability of major long term projects including the Waste Management/Recycling PFI Scheme (£16.3 Million held at 31 March 2013), the Smarter Schools PPP Project (£15.5 Million), Affordable Social Housing (£2.8 Million) and a number of other partnership projects.

The Council continued to direct additional spending to help address pressing needs in respect of investment in strategic roads and roads/pothole repairs during 2012/13. In addition, expenditure of £1.5 Million was incurred in supporting planned preventative maintenance (for both building and infrastructure/roads) designed to reduce the need for expensive capital works and refurbishments, and a further £1.5 Million has been made available in the upcoming financial year. Major projects within the Council's capital programme included the creation of 3G pitches within Annan, Dumfries and Stranraer, and new Residential Childcare Facilities within Stranraer and Dumfries.

The level of funding available to Local Authorities has been reduced significantly over the past few years, with indications from the Scottish Government suggesting that this is likely to continue over the upcoming financial period. As part of the budget development process for 2013/14 – 2015/16 it was estimated that the Council would need to identify savings in the region of £27 Million to be able to "balance the books". The 2013/14 budget has been reduced by £7.226 Million in respect of those savings agreed by Members in February 2013, and progress is already being made in identifying future savings.

A summary of the statements outlining the Council's financial performance for the year ended 31st March 2013 is provided on the following pages.

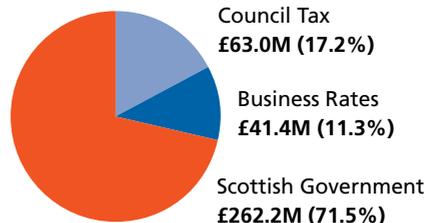
The cost of the Council's services

Income & Expenditure Account for the year ended 31 March 2013

The accounts below show the cost of running our services for the 12 months between April 2012 and March 2013, where the money came from to finance these costs, and the year end position.

| | Expenditure £000 | Income £000 | Net Expend £000 |
|---|---------------------|----------------|-----------------------|
| Education Services | 141,939 | (3,708) | 138,231 |
| Social Work Services | 113,850 | (31,504) | 82,346 |
| Planning & Environment Services | 47,776 | (8,487) | 39,289 |
| DGFirst | 49,281 | (8,924) | 40,357 |
| Chief Executive Service | 28,014 | (4,694) | 23,320 |
| Community & Customer Services | 86,016 | (51,027) | 34,989 |
| Police | 51,022 | (33,857) | 17,165 |
| Fire & Rescue Service | 13,671 | (4,272) | 9,399 |
| Corporate & Democratic Core | 6,779 | 0 | 6,779 |
| Non Distributable Costs | 3,902 | 0 | 3,902 |
| Trading (surpluses)/ deficits less Central Support Recharges | (147) | 0 | (147) |
| | | | (27,408) |
| Net cost of services | | | 368,222 |
| Capital accounting entries | | | (6,402) |
| Interest and investment income | | | (248) |
| Transfer to reserves and other internal accounting | | | 1,204 |
| Amount to be met from Government grants and local taxation | | | 362,776 |
| Financed by: | | | |
| Revenue Support Grant | | | (262,152) |
| Business Rates | | | (41,403) |
| Council Tax | | | (63,015) |
| Total Income | | | (366,570) |
| Surplus for year | | | (3,794) |
| General Fund at the end of March 2012 | | | (59,958) |
| General Fund at the end of March 2013 | | | (63,752) |

We had a total income in 2012/13 of £366.6 Million. As the diagram shows most of this came from the Scottish Government (71.5%). 11.3% of the Council's income comes from rates levied on business premises, the levels of which are controlled by the Scottish Government. Council Tax contributes to 17.2% of total income. This is the only part over which the Council has control.



Balance Sheet

What the Council owns and is owed as at 31st March 2013

| | 31 March 2013 £000 |
|--|-----------------------|
| Land, buildings, vehicles, machinery and infrastructure we own | 689,713 |
| Stock of materials | 1,210 |
| Money we are owed | 18,343 |
| Cash in the bank & short term investments | 13,434 |
| Money the Council owes | (50,203) |
| Net Pension Fund Liability | (677,069) |
| | (4,572) |

Financed by:

| | |
|--------------------------------------|----------------|
| Borrowing | 283,670 |
| Unusable reserves (see note 1 below) | (360,309) |
| Usable reserves (see note 2 below) | 72,067 |
| | (4,572) |

Note 1: Unusable reserves - under UK accounting rules we must keep several accounting reserve funds. This is part of our accounting for what we spend on capital investment and the value of our assets plus accounting for pensions.

Note 2: Usable reserves - these funds are available to spend on our services.

The figure for usable reserves is made up of:

General Fund Balances

| | |
|---|--------|
| - unallocated reserves | 7,625 |
| - Schools PPP project | 15,542 |
| - Waste Management/ Recycling PFI Project | 16,342 |
| - affordable social housing | 2,377 |
| - Police & Fire statutory reserves | 1,449 |
| - devolved school mgt reserve | 2,419 |
| - other reserves | 17,998 |

| | |
|------------------------------|---------------|
| | 63,752 |
| Capital Receipts Reserve | 700 |
| Repairs & Renewals Fund | 1,364 |
| Capital Fund | 3,137 |
| Insurance Fund | 3,114 |
| Total Usable Reserves | 72,067 |

The Council has a duty under legislation to maintain prudent levels of balances and reserves and this is reviewed on an annual basis.

Cash Flow

| | £000 |
|--|----------|
| Cash in bank & short term investments at 31 March 2012 | 15,691 |
| Cash in | 40,797 |
| Cash out | (43,054) |
| Cash in bank & short term investments at 31 March 2013 | 13,434 |

Council Tax

| | 2010/11 | 2011/12 | 2012/13 |
|---|-------------|-------------|-------------|
| Population of Dumfries & Galloway | 149,190 | 148,060 | 150,830 |
| Band D equivalent properties | 57,953 | 58,203 | 58,203 |
| In year collection - Dumfries & Galloway | 95.5% | 95.7% | 95.8% |
| In year collection - Scotland | 95.1% | 95.4% | see note |
| Number of direct debit payments | 47,201 | 48,439 | 49,773 |
| Value of direct debit payments | £52,457,577 | £53,530,199 | £54,678,257 |
| Percentage of direct debits of total collection value | 74.5% | 75.3% | 76.4% |

Note: This figure will not be available until January 2013 when Audit Scotland releases its national report.

How has Financial Services performed?

| Section | Measure | 2010/11 | 2011/12 | 2012/13 |
|-------------|--|---------|---------|----------|
| Treasury | Loans fund interest rate - DGC | 3.76% | 3.64% | 3.35% |
| | Average rate for Scotland | 4.82% | 4.57% | see note |
| Payroll | Percentage of pays made correctly & processed timeously | 99.75% | 99.89% | 99.81% |
| Creditors | Percentage of all invoices paid within 30 days | 91.70% | 91.30% | 88.70% |
| | Paid within 30 days - Scottish average | 89.50% | 90.20% | see note |
| Accountancy | Annual accounts presented on time | ✓ | ✓ | ✓ |
| | Number of audit qualifications | Nil | Nil | Nil |
| | Percentage of designated key financial returns completed within the prescribed timescale | 100.00% | 100.00% | 100.00% |

Note: This figure is not yet available.

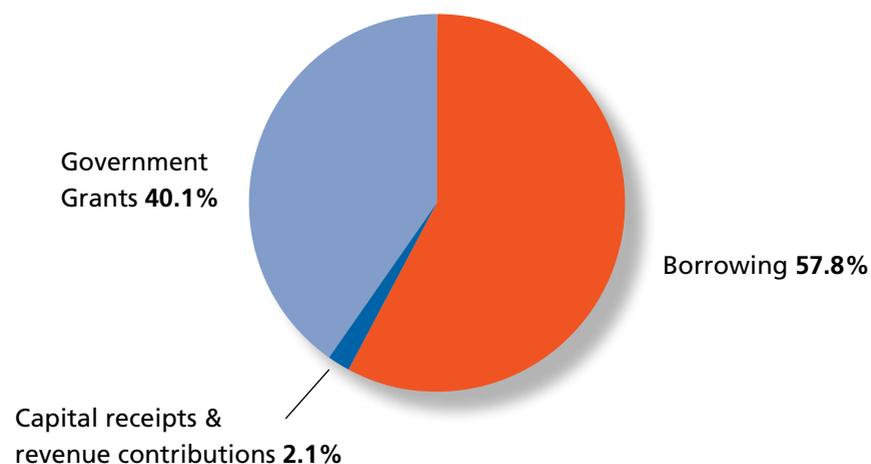
Capital Expenditure

Capital expenditure generally represents money spent by the Council on the purchasing, upgrading and improving assets such as buildings and roads. The Council receives the benefit from capital expenditure over a long period of time.

The following table outlines the major capital investment made during 2012/13

| | £000s |
|--|---------------|
| Property works on Council properties | 8,203 |
| New build and refurbishment of schools | 7,678 |
| Infrastructure maintenance | 8,199 |
| Transportation projects across Dumfries & Galloway | 1,353 |
| Various information technology projects | 1,998 |
| Vehicles and operational equipment | 5,231 |
| Regeneration projects | 1,004 |
| 3G pitches | 1,855 |
| Miscellaneous capital projects | 2,803 |
| Total | 38,324 |

Capital Funding





Further copies of this leaflet and full copies of the Audited Annual Accounts can be obtained from our website

www.dumgal.gov.uk/annualaccounts

or by emailing finance@dumgal.gov.uk

or by calling 030 33 33 3000

If you would like some help understanding this or need it in another format please contact

030 33 33 3000