

# Summary of Accounts

Details of the Council's  
spending during 2013/14



# Introduction

This is a quick guide to the Council's financial position for the 12 months ended 31 March 2014.

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 2013/14 audited accounts is available on our website - [www.dumgal.gov.uk/annualaccounts](http://www.dumgal.gov.uk/annualaccounts).



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# Financial Review

In the year to 31st March 2014 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 £7.226 Million from 2012/13 levels in respect of agreed savings. This position was particularly challenging for the Council given the increasing service needs and client numbers experienced within Social Work. 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 £6.8 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 (£10.5 Million held at 31 March 2014), the Smarter Schools PPP Project (£15.3 Million), Affordable Social Housing (£2.9 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 2013/14. In addition,

expenditure of £1.5 Million was incurred in supporting planned preventative maintenance (for both buildings and infrastructure/roads) designed to reduce the need for expensive capital works and refurbishments, and a further £1 Million has been made available in the upcoming financial year. Major projects within the Council's capital programme included the creation of a 3G pitch at Newton Stewart, improvements at Lockerbie Town Square & Dock Park in Dumfries, and two new primary schools.

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 2014/15 – 2016/17 it was estimated that the Council would need to identify savings in the region of £30 Million to be able to "balance the books". The 2014/15 budget has been reduced by £7.528 Million in respect of those savings agreed by Members in February 2014, 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 2014 are provided on the following pages.

# The cost of the Council's services

## Income & Expenditure Account for the year ended 31 March 2014

The accounts below show the cost of running our services for the 12 months between April 2013 and March 2014, where the money came from to finance these costs, and the year end position.

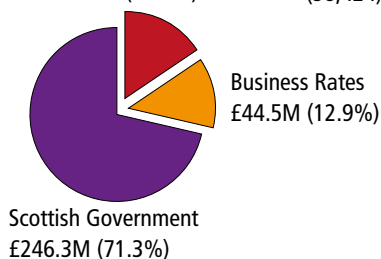
	Expenditure £000	Income £000	Net Expend £000
Education Services	137,344	(3,838)	133,506
Social Work Services	109,999	(29,883)	80,116
Planning & Environment Services	41,101	(6,099)	35,002
DGFirst	45,373	(8,826)	36,547
Chief Executive Service	21,189	(5,120)	16,069
Community & Customer Services	89,822	(55,451)	34,371
Corporate & Democratic Core	6,085	0	6,085
Non Distributable Costs	3,469	0	3,469
Trading (surpluses)/ deficits	75	0	75
<b>Net cost of services</b>			<b>345,240</b>
Capital accounting entries			(827)
Interest and investment income			(254)
Transfer to reserves and other internal accounting			5,044
<b>Amount to be met from Government grants and local taxation</b>			<b>349,203</b>
Financed by:			
Revenue Support Grant			(246,273)
Business Rates			(44,549)
Council Tax			(54,502)
<b>Total Income</b>			<b>(345,324)</b>
<b>Net use of balances during the year</b>			<b>3,879</b>

General Fund at the end of March 2013	Council Tax	(62,303)
General Fund at the end of March 2014	£54.5M (15.8%)	(58,424)

We had a total income in 2013/14 of £345.3 Million.

As the diagram shows most of this came from the Scottish Government (71.3%). 12.9% 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 15.8% of total income. This is the only part over which the Council has control, although the Council Tax levels have been frozen since 2007/08.



## Balance Sheet

What the Council owns and is owed as at 31st March 2014

	<b>31 March 2014</b>
	<b>£000</b>
Land, buildings, vehicles, machinery and infrastructure we own	678,500
Stock of materials	1,111
Money we are owed	40,545
Cash in the bank & short term investments	13,469
Money the Council owes	(65,548)
Net Pension Fund Liability	(290,290)
	<b>377,787</b>

### Financed by:

Borrowing	292,039
Unusable reserves (see note 1 below)	20,472
Usable reserves (see note 2 below)	65,276
	<b>377,787</b>

**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	6,825
- Schools PPP project	15,309
- Waste Management/ Recycling PFI Project	10,508
- affordable social housing	2,905
- devolved school mgt reserve	2,216
- Corporate Change Fund	3,399
- Social Work National Change Fund	2,270
- policy development funding	2,549
- other reserves	12,443
	<b>58,424</b>

Capital Receipts Reserve	700
Repairs & Renewals Fund	1,210
Capital Fund	2,343
Insurance Fund	2,599
	<b>65,276</b>

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

## Council Tax

	2011/12	2012/13	2013/14
Population of Dumfries & Galloway	148,060	150,830	150,270
Band D equivalent properties	58,203	58,203	58,203
In year collection - Dumfries & Galloway	95.7%	95.8%	96.0%
In year collection - Scotland	95.4%	95.4%	see note
Number of direct debit payments	48,439	49,773	50,939
Value of direct debit payments	£53,530,199	£54,678,257	£56,225,039
Percentage of direct debits of total collection value	79.0%	76.0%	77.0%

Note: This figure will not be available until January 2015 when Audit Scotland releases its national report.

## How has Financial Services performed?

Section	Measure	2011/12	2012/13	2013/14
Treasury	Loans fund interest rate - DGC	3.64%	3.35%	3.32%
	Average rate for Scotland	4.57%	4.39%	see note
Payroll	Percentage of pays made correctly & processed timeously	99.89%	99.81%	99.95%
Creditors	Percentage of all invoices paid within 30 days	91.30%	88.70%	89.40%
	Paid within 30 days - Scottish average	90.20%	90.50%	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.



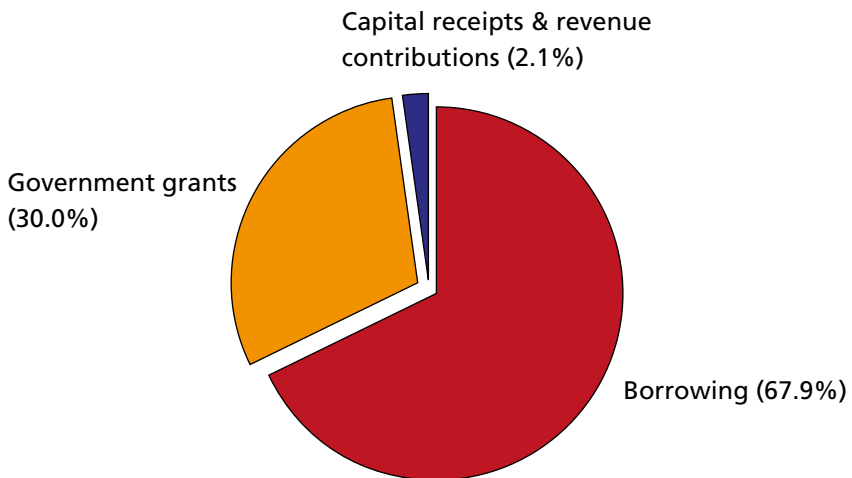
## Capital Expenditure

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 2013/14

	£000s
Property works on Council properties	11,485
New build of schools	5,400
Infrastructure maintenance	11,419
Various information technology projects	997
Vehicles and operational equipment	4,725
Regeneration projects	5,515
3G pitches	856
Miscellaneous capital projects	4,882
<b>Total</b>	<b>45,279</b>

## Capital Funding 2013/14





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

[www.dumgal.gov.uk/annualaccounts](http://www.dumgal.gov.uk/annualaccounts)

or by emailing [finance@dumgal.gov.uk](mailto:finance@dumgal.gov.uk)

or by calling 030 33 33 3000

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**030 33 33 3000**