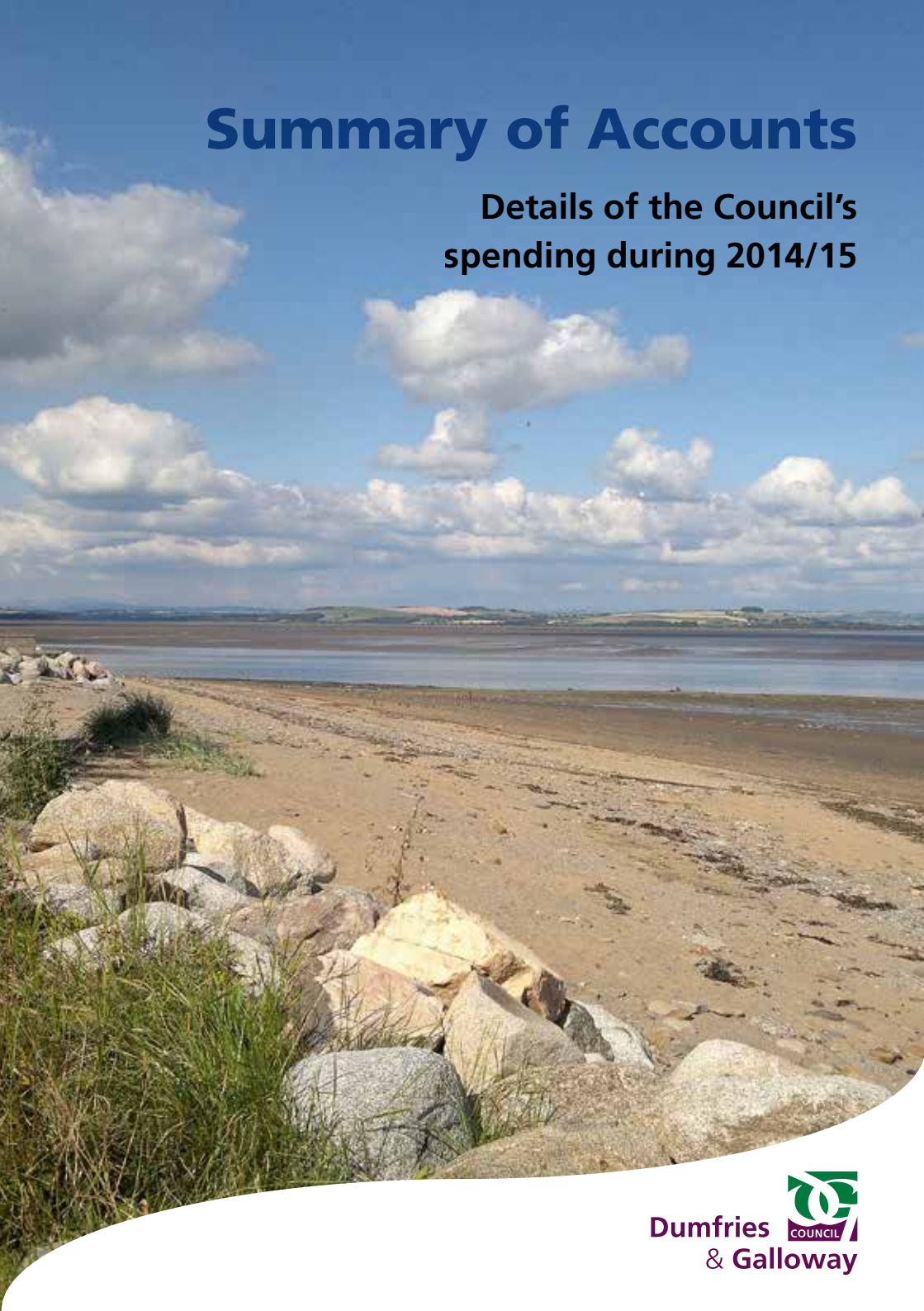


Summary of Accounts

Details of the Council's
spending during 2014/15



Introduction

This is a quick guide to the Council's financial position for the 12 months ended 31 March 2015.

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 2014/15 audited accounts is available on our website - www.dumgal.gov.uk/annualaccounts.



Paul Garrett
Head of Finance
Carruthers House
English Street
Dumfries, DG1 2HP



Financial Review

In the year to 31st March 2015 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 £6.598 Million from 2013/14 levels in respect of agreed savings. The risk of potential overspending against the Planning & Environment and Community & Customer Services budgets was identified early in the financial year and was related to pressure on income levels and challenges associated with the timing of the delivery of agreed savings measures. 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 (£7.3 Million held at 31 March 2015), the Smarter Schools PPP Project (£15.1 Million), Affordable Social Housing (£3.0 Million) and a number of other partnership projects.

In February 2015 the Council agreed a 10 year Capital Investment Strategy totalling £369 Million, including investment in key priority projects such as Dalbeattie Learning Campus, Dumfries Learning Town and Next Generation Broadband.

In 2014/15 the Council continued to direct additional spending of £1 Million to help support planned preventative maintenance (for both buildings and infrastructure/roads) designed to reduce the need for expensive capital works and refurbishments. Major projects within the Council's 2014/15 capital programme included Next Generation Broadband, completion of the new Langholm Primary School, the creation of a 3G pitch at Lockerbie and changing facilities at Dumfries Ice Bowl. In addition to this, initial work was undertaken in respect of the Schools for the Future projects in Dalbeattie 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 2015/16 – 2017/18 it was estimated that the Council would need to identify savings in the region of £32 Million to be able to “balance the books”. In February 2015 a 3 year revenue budget 2015/16 to 2017/18 was agreed, clearly setting out plans to deliver this savings requirement including an ambitious programme of thorough Service Reviews. The 2015/16 budget has been reduced by £8.3 Million in respect of those savings, and progress is already being made to ensure that plans are progressing to deliver the savings identified for 2016/17 and 2017/18.

A summary of the statements outlining the Council's financial performance for the year ended 31st March 2015 are provided on the following pages.

The cost of the Council's services

Income & Expenditure Account for the year ended 31 March 2015

The accounts below show the cost of running our services for the 12 months between April 2014 and March 2015, where the money came from to finance these costs, and the year end position.

| | Expenditure £000 | Income £000 | Net Expend £000 |
|---|---------------------|----------------|--------------------|
| Education Services | 139,768 | (3,818) | 135,950 |
| Social Work Services | 108,803 | (26,582) | 82,221 |
| Planning & Environment Services | 40,516 | (6,247) | 34,269 |
| DGFirst | 46,826 | (9,797) | 37,029 |
| Chief Executive Service | 22,026 | (4,901) | 17,125 |
| Community & Customer Services | 94,518 | (56,139) | 38,379 |
| Corporate & Democratic Core | 6,164 | 0 | 6,164 |
| Non Distributable Costs | 5,419 | 0 | 5,419 |
| Trading (surpluses)/ deficits | 498 | 0 | 498 |
| Net cost of services | | | 357,054 |
| Capital accounting entries | | | (7,376) |
| Interest and investment income | | | (223) |
| Transfer to reserves and other internal accounting | | | 410 |
| Amount to be met from Government grants and local taxation | | | 349,865 |
| Financed by: | | | |
| Revenue Support Grant | | | (245,386) |
| Business Rates | | | (48,474) |
| Council Tax | | | (55,373) |
| Total Income | | | (349,233) |
| Net use of balances during the year | | | 632 |
| General Fund at the end of March 2014 | | | (58,424) |
| General Fund at the end of March 2015 | | | (57,792) |

We had a total income in 2014/15 of £349.2 Million.

As the diagram shows most of this came from the

Scottish Government (70.3%). 13.9% of the

Council's income comes from rates levied on

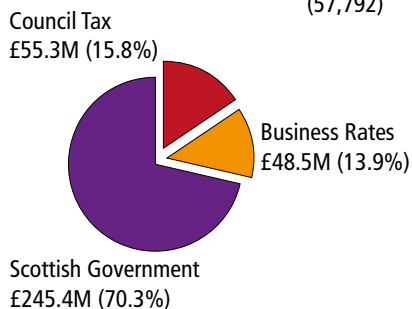
business premises, the levels of which are

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.



Balance Sheet

What the Council owns and is owed as at 31st March 2015

| | 31 March 2015 |
|--|----------------------|
| | £000 |
| Land, buildings, vehicles, machinery and infrastructure we own | 721,502 |
| Stock of materials | 1,010 |
| Money we are owed | 41,786 |
| Cash in the bank & short term investments | 7,315 |
| Money the Council owes | (50,122) |
| Net Pension Fund Liability | (362,729) |
| | 358,762 |

Financed by:

| | |
|--------------------------------------|----------------|
| Borrowing | 302,002 |
| Unusable reserves (see note 1 below) | (6,461) |
| Usable reserves (see note 2 below) | 63,221 |
| | 358,762 |

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 | £000 |
|---|---------------|
| - unallocated reserves | 6,825 |
| - Schools PPP project | 15,131 |
| - Waste Management/ Recycling PFI Project | 7,337 |
| - affordable social housing | 3,030 |
| - devolved school mgt reserve | 2,380 |
| - corporate change fund | 2,653 |
| - Social Work national change fund | 1,401 |
| - policy development funding | 1,946 |
| - early years | 1,597 |
| - other reserves | 15,492 |
| | 57,792 |

| | |
|-------------------------|---------------|
| Repairs & Renewals Fund | 1,004 |
| Capital Fund | 2,140 |
| Insurance Fund | 2,285 |
| | 63,221 |

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

| | 2012/13 | 2013/14 | 2014/15 |
|---|-------------|-------------|-------------|
| Population of Dumfries & Galloway | 150,830 | 150,270 | 149,940 |
| Band D equivalent properties | 58,203 | 58,203 | 58,858 |
| In year collection - Dumfries & Galloway | 95.8% | 96.0% | 96.0% |
| In year collection - Scotland | 95.4% | 95.5% | See Note |
| Number of direct debit payments | 49,773 | 50,939 | 52,130 |
| Value of direct debit payments | £54,678,257 | £56,225,039 | £58,081,878 |
| Percentage of direct debits of total collection value | 76% | 77% | 78% |

Note: This figure will not be available until January 2016 when Audit Scotland releases its national report.

How has Financial Services performed?

| Section Measure | 2012/13 | 2013/14 | 2014/15 | |
|--|--|--|---------|----------|
| Treasury | Loans fund interest rate - DGC | 3.35% | 3.23% | 3.21% |
| | Average rate for Scotland | 4.39% | 4.51% | See Note |
| Payroll | Percentage of pays made correctly & processed timeously | 99.8% | 99.9% | 99.9% |
| | Creditors | Percentage of all invoices paid within 30 days | 88.7% | 89.4% |
| Paid within 30 days - Scottish average | | 90.5% | 92.1% | 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 will not be available until January 2016 when Audit Scotland releases its national report.



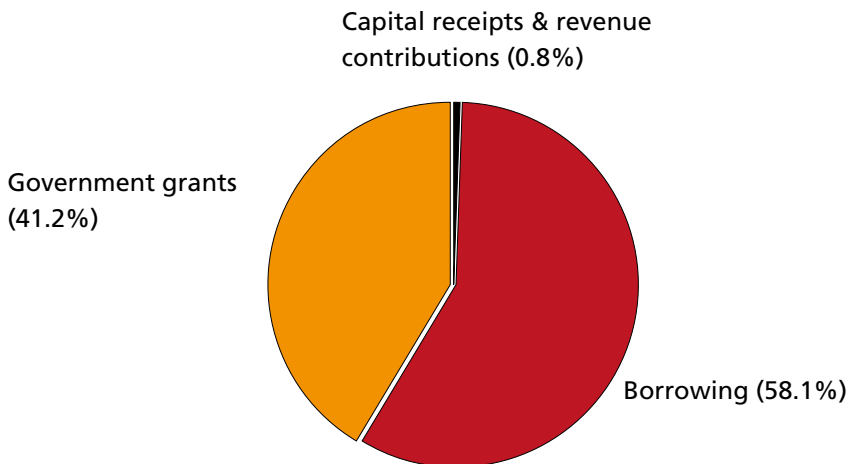
Capital Expenditure

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 2014/15

| | £000s |
|---|---------------|
| Property works on Council properties | 10,296 |
| New Build of Schools | 3,326 |
| Infrastructure maintenance | 13,696 |
| Various information technology projects | 1,563 |
| Vehicles and operational equipment | 3,494 |
| Regeneration projects | 2,955 |
| Miscellaneous capital projects | 2,272 |
| Total | 37,602 |

Capital Funding 2014/15





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**