

ANNUAL REPORT

and

ACCOUNTS

2 0 0 0

2 0 0 1



*Dumfries
& Galloway*
COUNCIL

Welcome – Councillor Andrew R Campbell OBE DL, Convener	3
Foreword – Philip Jones, Chief Executive.....	5
The national picture and our place within it.....	7
Making change work.....	8
What we have achieved	
Education.....	10
Social Services.....	13
Environment and Infrastructure	17
Housing Services.....	20
Community Resources.....	21
Commercial Services Group	24
Community Safety.....	25
Corporate and Central Services.....	28
Central Services to the Public.....	30
Members of the Council	32
Members of the Committees.....	34
Financial Information	37
Statement of Accounts	53

There are many highpoints to look at.

The production of the first ever inter-agency Community Plan for the region;

the first ever three year budget plan;

and the unanimous agreement to radically reform the Council's

decision making structures to make them more accessible and focused



ANDREW R CAMPBELL,
OBE DL, CONVENER

Events at the end of the Annual Report period undoubtedly cloud a very positive and dynamic year for the Council and the area. The emergence of Foot and Mouth disease in our region in February 2001 has put the Council on the map not just in Scotland but internationally too and next year's Annual Report will be dominated I am sure with the aftermath of this crisis.

However this Report focuses, quite rightly, on what we have achieved since April 2000 and there are many high points to look at.

The production of the first ever inter-agency Community Plan for the region; the first ever three year budget plan; and the unanimous agreement to radically reform the Council's decision making structures to make them more accessible and

focused are three developments which are particularly significant. Each one delivers on a specific Commitment we made on taking office and demonstrates that we mean business in improving the quality of life for all our inhabitants.

The sterling work by Members and officers which is outlined in the pages that follow will stand us in good stead in the coming years in recovering from the terrible situation we are currently in. We have established a stable financial situation and know that there are many opportunities for the area. These two factors combine to make a positive future for Dumfries and Galloway. In conclusion I am personally grateful to all involved in the provision of quality services for the contribution they make to our region.

The drive for change is to streamline business and

make it more relevant and accessible to our citizens

and I am confident that the new arrangements will allow for a more responsible public authority.

As the only democratically elected body in the area

we have a moral and public duty to work with our inhabitants in a relationship built on

mutual respect and participation.



PHILIP N JONES,
CHIEF EXECUTIVE

The Convener has highlighted three key achievements of the past year - our Community Plan; the 3 year Budget; and the Scheme for Democratic Improvement.

I have been very aware that the Council has played a different role in each of these areas demonstrating the flexibility and adaptability of local government and also that we have worked closely and effectively with other partners in each case too.

For our Community Plan we have established very firm and positive relationships with partner agencies and organisations in our area. There have been difficult times and some frank exchanges but we have dealt with these in a mature and co-operative way to the great benefit of the region. The Council's role as community leader has emerged clear and strong through this process

In producing a 3 year budget we have worked with the Scottish Executive and COSLA and it provides for a degree of stability for the Council itself and our inhabitants. The budget settlement is still a challenge and a rigorous and comprehensive review and modernisation

programme for every service will be needed to deliver the budget savings necessary and continue to improve service quality.

I am also proud that the Council's work on our decision-making process has met with almost universal agreement - from the national Leadership Advisory Panel to the grass-roots Community Councils who have participated in the creation of our model. The drive for change is to streamline business and make it more relevant and accessible to our citizens and I am confident that the new arrangements will allow for a more responsive public authority. As the only democratically elected body in the area we have a moral and public duty to work with our inhabitants in a relationship built on mutual respect and participation.

These three key developments in 2000/01 give us a very firm foundation to build on in the challenging time ahead as we seek to recover from the Foot and Mouth emergency.

I am grateful to all Members and my staff for their efforts and achievements over the past year and their support during recent difficult times.



THE NATIONAL PICTURE AND OUR PLACE WITHIN IT

The Scottish Parliament is now firmly established and with that has come a focus on key policies to deliver their agenda. Fortunately it endorses the Council's Corporate Plan Targets and Priorities so there has been a mutual drive towards important aspects of improving the quality of life for all inhabitants - social inclusion, lifelong learning and economic regeneration to name three.

Dumfries and Galloway Council has been an increasingly influential participant at national level - during the course of the year our Convener Andrew Campbell was appointed by COSLA as the national local government Spokesperson for Rural

Affairs, the Chief Executive was nominated by the professional organisation SOLACE as their representative on a Ministerial Task force and the Chief Constable appointed to the national Community Planning Task Force. Each of these plus other Member and officer activities gives Dumfries and Galloway a strong voice at the national table and an opportunity to put the case for our area during discussions.

The policy initiatives we undertake have also put us at the forefront of the national agenda - we are furthest ahead in the process of Large Scale Voluntary Transfer of local authority housing stock; our Community Plan and the process of achieving it has been commended by the Chair of the National Task Force Professor Alice Brown; and the support in



place for Members of the Scottish Youth Parliament is envied by many other areas throughout the country. As the third largest Council area in Scotland it is right and proper that we take our place at the vanguard of policy making and democratic improvement.

Finally there has been an unprecedented number and level of political and Royal visits

throughout 2000/2001. Prince Charles visited the Crichton University Campus and Port Logan Botanic Gardens, Princess Alexandra attended a Gala Concert in Dumfries and Prince Philip attended the Lord Dowding Commemorative Service in Moffat. During the Foot and Mouth crisis

the Prime Minister Tony Blair, Secretary of State for Scotland Helen Liddell, Scottish Executive First Minister Henry McLeish, Deputy First Minister Jim Wallace, Minister for Enterprise and Lifelong Learning Wendy Alexander, Minister for Rural Development Ross Finnie, Deputy Minister for Tourism Alasdair Morrison and party leaders Charles Kennedy (Lib Dem), William Hague (Cons), John Swinney (SNP) all came to our region. In addition Margaret Curran Deputy Minister for Social Justice came down in February to launch the Code of Practice for tenant consultation during stock transfer proposals. Their support and interest in the lives and well-being of our inhabitants is testament to the place that Dumfries and Galloway has on the national and international stage.

MAKING CHANGE WORK

A comprehensive Strategic Management Framework was developed and agreed in December 2000 which links the main planning process together.

Corporate Planning

The last Annual Report outlined how the Corporate Plan had been drawn up and its key components. During the last year, work continued to achieve the Targets and Objectives and a formal Review was undertaken in November 2000 to measure progress. That Review reported satisfactory



performance with some additional targets identified to reflect new priorities in the fields of older people, substance misuse, green transport, property and economic regeneration.

Key elements of each Objective have been achieved:

Inclusion - Ride 4 Free concessionary travel and leisure scheme launched.

Joint working between the Council and the Health Board has increased with joint community teams set up to help adults with mental health problems, joint registration and inspection for residential and nursing homes and increased numbers of people leaving hospital and now supported in their own homes.

Economic Regeneration - 100% coverage achieved for the region in the new Objective 2 European funding arrangements. A new

Call-Centre at the Crichton site will create 250 jobs.

Quality of Life - 4 One Stop Shops have opened in Thornhill, Annan, Newton Stewart and Stranraer.

A multi-agency Substance Misuse Strategy Group launched a draft Strategy and a new Health Centre was opened at the Ryan Centre.

Lifelong Learning - A pilot project for free Internet access was rolled out to all libraries throughout the region; and as from August 2000 there were no primary school classes with more than 30 pupils.

Community Planning - A key additional feature to corporate planning is the region's first Community Plan which was launched on 1 December 2000 following months of discussion and consultation to identify priorities for the agencies and people of Dumfries and Galloway. **The themes are inclusive communities; enterprise and learning communities and safe and healthy communities.**

The Community Plan has seen some practical outputs already. An inter-agency bid for information kiosks throughout the region was successful and £72,000 is being invested in an IT network. A portal web-site directing enquiries to different agencies is in progress and agreement reached in principle to employ Co-ordinators for the different geographical areas in the region.

Financial Planning

The first ever three year budget was announced on 15 February 2001 with the Council Tax rise set at 4.9% for 2001/02. This makes the Council Tax in Dumfries and Galloway the ninth lowest in Scotland. With the following two years rise also planned for a maximum 4.9% and savings of at least 0.25% in every department, Dumfries and Galloway Council demonstrates its continued commitment to stability and prudent housekeeping.

Service Planning

Many individual services and departments of the Council produce an annual service plan which outlines the specific levels and types of service they will deliver during the year. A review of Plans was carried out by the Modernising Services Team in early 2001 and as a result of this exercise, good practise guidance is being developed.

Service Review

Over 30 service reviews were finalised over the last year and a new Review Guide produced to assist in the production of more rigorous and corporate reviews.

Performance Reporting

The past year has seen greater emphasis on reporting our progress than ever before. 'Broadcast' was published in November 2000, delivered to households in the region and highlighted the Council's achievements and targets in all aspects of our remit. In particular, it told readers of our performance in relation to other Councils so they could make a meaningful comparison of service standards and performance. Inter-agency customer consultation was agreed in principle with a detailed proposal

for research required and appropriate mechanisms are now being worked up.

Partnership Working

We have also developed partnerships with a greater number and type of organisations than ever before. The Waste Management and Recycling Public Private Partnership, the new Economic Forum and the North Channel Partnership mean commercial companies, the Council and other agencies regularly sit round the table to jointly find solutions; the Border Visions Conference saw a formal Memorandum of Agreement drawn up with six other Councils along the English/Scottish Border for better co-operation and communication; and the newly created South of Scotland Partnership saw close co-operation with Scottish Borders area on grant applications for European monies.

Together all these processes will ensure that the Council operates as efficiently and effectively as possible for the communities it serves.

WHAT WE HAVE ACHIEVED

EDUCATION

School Review/PPP

The Council is developing a bid for funding for a Public Private Partnership for the refurbishment of its school building stock and has been awarded £466k by the Scottish Executive for the initial work in this process. The intention is to have the Financial, Legal and Technical Services Team in place by the summer of 2001 and thereafter to place adverts for contractors interested in undertaking the work which is scheduled to begin in early 2003.

At the same time, a review of the overall levels of school provision is being carried out since it will be necessary to provide contractors with precise information on the schools to be included in the refurbishment package. This includes a planning exercise on the nature and standard of the schools required to serve our communities over the next 25 years in light of changes in the curriculum, in teaching and learning approaches and to take account of the impact of technology.

22% of students sitting Higher grades in year five gained 3 or more at levels A to C. The Scottish Average is 20%.

47% of students sitting standard grades in year four got 3 or more at level 1. The Scottish Average is 43%.

National Grid for Learning

The Department has entered into two managed service contracts, one for the secondary sector and one for the primary sector, in order to implement the National Grid for Learning.

All secondary schools have been provided with Local Area

Networks and sufficient PC workstations to allow them to meet the Government's target of one modern PC for every five pupils by 2002. All secondary staff and pupils have an e-mail address and access to the Internet from any networked PC. Initial problems with the new system are currently being resolved.

A similar contract, which will see the installation of the National Grid in over 100 primary schools, was signed in March 2001. In addition to the provision of networks, e-mail and Internet access, additional PCs will ensure that the primary target of one modern PC to every 7.5

pupils is met.



EDUCATION

Pre-School Provision

The level of pre-school provision within Dumfries & Galloway has increased significantly in recent years. During 2000/01 this service was provided through:

- 42 local authority nursery classes
- 47 pre-school groups in partnership with the Education Department.

The level of provision can be summarised as follows:

	4 yr olds	3 yr olds
Total children	1,639	1,666
Level of provision	1,596 97%	1,125 68%

The Department anticipates that it will be in a position to meet the Government's target of a full-time place (ie five sessions of 2 hrs per week) being available to all three and four year olds whose parents wish this by 2002. In order to achieve this target the pre-school provision is being expanded in the following locations:

- Gretna
- Creetown
- Drummore
- George Street, Dumfries
- Lincluden
- Sanquhar
- Whithorn

During 2000/01 the Department, in its Quality Assurance role, undertook an extensive Staff Development programme for both its own staff and those working for its partner groups.

SQA/Higher Still

Over the past year, Dumfries and Galloway secondary schools have made very good progress in implementing new courses for pupils mainly in Secondaries 5 and 6. This included introducing a broad range of courses to meet the needs of students and to allow progress from work achieved at the end of Secondary 4. In some schools, courses such as Psychology and Care, which are new to the Scottish Curriculum, were available. This good progress was marred to some extent by the well publicised problems surrounding the Diet 2000 national examinations administered by the Scottish Qualifications Authority. A number of Dumfries and Galloway students were affected by these difficulties and many more had their confidence shaken in the public examination system. Many of last years problems have been resolved and Scottish Qualifications Authority officials are hopeful that arrangements will run smoothly for the next Diet of public examinations.

Community Learning Plans

Whithorn Community Learning Plan, the first geographic Community Learning Plan to be developed in Dumfries and Galloway, is still very much in its infancy. The Adult Education Service, however, through working in partnership with other agencies, has made good progress in addressing the

WHAT WE HAVE ACHIEVED

EDUCATION

priority developments identified by the local community under the theme 'Health and Learning'.

Progress to date has included the development of:

- a) a Local Learning Centre, in partnership with the Department for Community Resources, the South Machars Community Centre Management Committee, Scottish Enterprise Dumfries & Galloway and Scottish Learning Network. Fitted with six on-line PCs, this Centre will enable local people (adults and young people) to improve their IT skills and access a wide range of learning opportunities through structured classes and "open" access to the on-line facilities. A formal launch of the Centre is planned for May/June 2001.
- b) Health Awareness Classes in partnership with the Department for Community Resources and the Health Board (Food Futures) to address diet, healthy eating and physical fitness.
- c) Opportunities for parents and children to learn together through the development of computing sessions for parents and children, in partnership with the local primary schools and the Family Learning Co-ordinator.
- d) In addition to the Whithorn Community Learning plan a thematic community Learning Plan to address the needs of the disadvantaged across Dumfries and Galloway is also currently under construction. This aims to build on good practice and partnership working between statutory and voluntary agencies.

Number of Schools

<i>Primary</i>	114
<i>Secondary</i>	16

Primary Class Sizes

25.4% of primary classes contain less than 20 pupils.

No P1 to P3 pupils in a class of more than 30 (1997/98 - 11.8%)



SOCIAL SERVICES

Much of Social Services' work this year has been in partnership with other agencies such as Housing Service, Education, Health Board and both NHS Trusts in Dumfries and Galloway.

Working with Older People

The Social Services Department has been working with the Primary Care Trust to develop Community Rehabilitation Services across the region. Teams have been set up in Annan and Nithsdale and the developmental work will shortly begin in Stewartry and Wigtownshire.

The Service is directed at older people who have experienced injury, illness or surgery resulting in a loss of functional ability. Teams are multi-disciplinary, including Social Work, Nursing, Occupational Therapy, Physiotherapy and Speech and Language Therapy, and by working in an integrated way they aim to restore the person's independence as much as possible.

This Augmented Support Services is a new Team being piloted for a period of 6 months until the end of June 2001 in Nithsdale and funded by new money released by the Scottish Executive, whose purpose is to:

- prevent unnecessary admission to hospital;
- arrange supported discharge from hospital;

- put services in place within 24 hours of referral.

The Team is multi-disciplinary and has a Social Work Care Co-Ordinator, Nurse, Occupational Therapist and Generic Care Workers as core members.

The Service will be evaluated at the end of the pilot period and

lessons learned from this will be used to develop a 'Rapid Response' approach to services across the region, in line with the recommendations of the 'Joint Futures Group'.

The Council had a target of 71% of looked after children to be in foster care. We have exceeded this and currently have 81% of looked after children in foster care.

In common with most Councils, Dumfries & Galloway's budgets for Community Care Services for Older People are under considerable pressure. This has meant that admissions to Residential and Nursing Home Care requiring Local Authority funding have been subject to delay. However, the average length of wait has been less than 3 months. Of the 141 persons requiring funding support between August 1999 and December 2000, 28 were placed immediately, 59 waited less than 1 month, 21 less than 2 months, 13 less than 4 months, and 5 less than 5 months, i.e. 75% were placed within a 2 month period.

WHAT WE HAVE ACHIEVED

SOCIAL SERVICES

Working with people with disabilities

The Resettlement Programme was largely completed by June 2000, by which point all the continuing care wards on the Crichton site had closed. A small number of people, 16 in total, remain to be resettled in March 2001. The majority of these are in the Royal Scottish National Hospital and the Resettlement Programme here is due to be completed by March 2002.

The aim now is to build on the success of the partnership working within the programme to develop further our committing services for people with a learning disability and people with a mental health problem throughout the region.

The Social Services Committee in December 1999 agreed to reshape the current hostel service in line with government policy objectives which emphasised the need for people with a learning disability to have increased ordinary living opportunities using mainstream local community services. Therefore, rather than people being accommodated and supported in grouped residential care settings, the new vision is for people with a learning disability to have more individualised support arrangements and live in ordinary housing.

As a consequence of the above, Benyellary Hostel has now closed and ex-residents are now living

in ordinary accommodation in the community either on an individual or shared tenancy basis. They continue to be supported by the same Benyellary staff with the emphasis on maximising independence and using ordinary community facilities.

Work has now started on planning service provision for the Stewartry and similar service principles will apply. Decisions as to the future use of Dunmuir Park will be made during the course of 2001.

During 2000-01 large strides have been made in the quest to provide integrated health and social care for people with a physical disability. In Nithsdale, an alternative site for the Cando service has been identified freeing up considerable monies for direct service provision.

There are now 5 jointly managed Community Mental Health Teams (CMHTs) for adults in Dumfries and Galloway. Since January 2001, the teams have been led by Team Managers who were jointly appointed by Health and Social Services and comprise of nurses, social workers, occupational therapists, psychiatrists and psychologists.



SOCIAL SERVICES

Working with young people

We have co-ordinated a multi-agency steering group to oversee the establishment of a region wide multi-agency youth offending team and the development of programmes to address offending behaviour. These developments are being funded directly by the Scottish Executive. In the first year a co-ordinator will be appointed who will audit existing activity and resources and begin to develop a programme to address the needs of persistent offenders, prior to the establishment of the multi-agency team.

During the past year we have also begun the review of the role and purpose of our remaining residential units for children. As a result the unit at Ladyacre in Dumfries is changing to provide a family support unit working more closely with families to prevent young people having to be accommodated, and to provide respite breaks when necessary.

We have been successful in recruiting more foster carers to care for children with the most complex needs for whom special fees are now payable in addition to standard expense payments. We have undertaken an independent in-depth audit of our work in this area against the National Foster Care Standards and received generally good feedback.

A multi-agency project group is taking forward plans to develop the former Netherlea unit in Dumfries into a joint Health and Social Services residential respite centre for young people with multiple disabilities. These five respite spaces significantly increases the level of service available, and complements the increasing amount of family based respite care available for children with disabilities through the Quarriers contract established last year. Quarriers have exceeded their targets in recruiting families able to offer this respite service and now support a total of 34 children in a service which now covers the whole region.

Support to Ex-Residents of Merklands

An innovative support framework was established for the ex-residents of Merklands Children's Home, many of whom had been subjected to serious abuse by the then Officer in Charge, who is currently serving a lengthy prison sentence for these crimes. The Council issued a public apology for the above and has arranged for legal, counselling and support services to be made available via a telephone Help Line run by 'Who Cares? Scotland'.

WHAT WE HAVE ACHIEVED

SOCIAL SERVICES

Comments & Complaints Process

There have been 6 Comments & Complaints Review panels held since April 2000, with the total number of complaints received being 119. So far 90 complaints have been resolved (this includes 4 withdrawn and 2 abandoned) and currently there are still 29 under investigation. Since April 2000, the panel has received 35 comments with 13 Positive and 22 negative.

Review of Child Protection Services and Action Plan

An independent report was commissioned by the Child Protection Committee, following the tragic death of a 3 year old child, which has led to a review of the child protection services provided by Social Services. A review of policies and procedures has taken place in relation to Child Protection practice. In addition a review has taken place of multi-agency training needs and a new screening and assessment process for all children in need is being introduced, this process will result in greater emphasis being placed on improving the quality and consistency of assessments.



ENVIRONMENT AND INFRASTRUCTURE

Development Planning

The Dumfries and Galloway Structure Plan was approved by the Scottish Executive in December 1999. Its main aim is "to encourage the development of sustainable communities in Dumfries and Galloway".

It provides a framework for four new Consultative Draft Local Plans for Annandale & Eskdale, Nithsdale, Stewartry and Wigtown. All four plans have been published for public comment and have attracted a considerable number of representations. These plans identify new sites for housing and industry and outline policies to guide development and protect the environment. They also cover transport, community facilities, recreation, tourism and countryside matters.

Development Control and Building Control

These services are decentralised and delivered from the Local Area Offices. In 2000/2001 2,227 building warrants were issued and 1,348 completion certificates awarded.

Last year we decided 81% of planning applications within 8 weeks. This is about average for rural local authorities.

Planning and Environment

Local Forestry Frameworks

Following a major consultation exercise, agreement has been reached with the Forestry Commission and Scottish Natural

Heritage on the future prospects for forestry in the Galloway, Langholm and Lockerbie areas. The approach developed here is now included in Government

guidance on forestry planning.

National Scenic Areas

Management Strategies are being developed to conserve and enhance the scenic beauty of the Nith Estuary, East Stewartry Coast and Fleet Valley, in a national pilot initiative with Scottish Natural Heritage. This involves extensive consultation with local interests.

Biodiversity Action Plan

A wide range of organisations and individuals are helping to implement the actions set out in this award winning plan to conserve wildlife and habitats.



WHAT WE HAVE ACHIEVED

ENVIRONMENT AND INFRASTRUCTURE

Access Strategy

Studies of path networks have been completed for Dumfries and Stranraer and assistance given to local path projects in the Machars, South Rhins, Kirkpatrick Durham, Colvend area, Gatehouse, Kirkconnel, New Abbey, Moffat,



Annan and Langholm. The path maintenance grant scheme was restarted and support given to over 25 local groups and Community Councils for new marketing and promotion strategy.

Heritage Initiatives

Wigtown Bay Habitat improvements completed with formal launch during April 2001.

Roads and Infrastructure

A total of 31 bridges and 1.5 kms of roads (Forestry Routes) were strengthened to meet the increasing demands of heavy vehicles associated with timber transport, at a total cost of £2.27m with substantial European Union funding. Some £335,000 was spent directly on Road Safety projects including Safer Routes to Schools.

Last year we disposed of 120,000 tonnes of rubbish. We collected 55,000 tonnes of household waste from 66,000 homes. It costs £43.21 per premise to collect. This compares favourably with other local authorities where it costs £37 in Scottish Borders but £53.61 in Argyll and Bute.

The Blackparks Phase 2B, Stranraer industrial site works commenced in association with Scottish Enterprise Dumfries & Galloway and European Union funding.

Replacement of Street Lighting, on Health & Safety grounds, was carried out to the value of £103,000. Maintenance of public roads is a recurrent national problem and the ongoing investment need is recognised by the Council.

Waste Collection and Disposal Service

The Council is continuing to promote waste minimisation through its subsidised compost bin project. Some 9% of households in Dumfries and

Galloway now have compost bins and the project has been relaunched to take advantage of the coming spring and summer seasons. The project has also been extended into schools with many schools participating in a compost competition. The Council is also working in partnership with other agencies on various waste minimisation projects

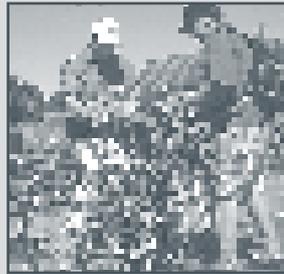


ENVIRONMENT AND INFRASTRUCTURE

Public Transport, Cycling and Walking

A £2.8m integrated transport package for Dumfries is 80% complete.

A funding partnership including Sports Scotland, The Lottery Sports Fund, Solway Heritage, Sustrans, the Millennium Commission, the Scottish Executive, Scottish Natural Heritage, the European Union and Dumfries and Galloway Council has enabled a £3.5m project to provide cycle facilities across the region. This includes some 144 miles of the National Cycle Route with community links. Some 14 miles of off-road paths and new cycle/pedestrian bridges over A75 trunk road and over the River Nith have been provided. A cycle/pedestrian bridge is also to be built over the River Annan. A complementary National Byway Route is also being progressed in partnership with Scottish Enterprise Dumfries and Galloway.



A £2.35m Public Transport Interchange Project funded from the Scottish Executive Public

Transport Fund is being progressed in Stranraer. Partnership with the Rail Industry has enabled improvements to Kirkconnel and Annan stations to be completed.

A £1m Integrated Transport Package is being progressed for Stranraer. This includes cycling/walking and improved bus facilities and is funded from the Scottish Executive Public Transport Fund.

Rural bus services have been continued under the Rural Transport Initiative.

The Local Transport Strategy has been submitted to the Scottish

Executive. This demonstrates closer links with rail, ferry, bus and freight transport industry.

Last year 8 million journeys were made on local buses. Most services are procured by the Council.

PURT
ILLIAM 415

Stagecoach
BUS SERVICES

T35 YCS

WHAT WE HAVE ACHIEVED

HOUSING

Licensing of Houses in Multiple Occupation

The Scottish Parliament approved a mandatory licensing scheme for Houses in Multiple Occupation in June 2000. It has been introduced to increase the protection given to private tenants in shared rented accommodation, by ensuring that licensed landlords provide safe and suitable housing for student accommodation, temporary homeless accommodation, bed sits, etc.

Under the scheme, the Council is able to withhold or reject licence applications where there are concerns over fire safety, disrepair, sanitation etc. The scheme has proven to be an effective mechanism for raising the standard of rented accommodation throughout the region.

The department has exceeded its forecast for licence applications this year and is currently dealing with future applications to ensure the continued success of this essential scheme.

Rent Deposit Scheme

Housing Services and the Health Board worked in partnership to help homeless people get access to the private rented sector. Each organisation committed £15,000 to fund a rent deposit scheme that will be administered by Nithsdale Council of Voluntary Services. This money will help some of the most vulnerable members of

Last year the Council received 80 applications for mutual exchanges. 37 were approved

society get a permanent home by guaranteeing their deposit to their landlord. The Health Board also intend to

evaluate the health impact of this scheme on the people who use the service. This will provide valuable information on the link between the health of people and homelessness locally

Large Scale Voluntary Transfer

The Council is at the forefront of Scottish local authorities actively exploring Large Scale Voluntary Transfer (LSVT). This means that the Council is looking at transferring its entire 13,000 housing stock across Dumfries and Galloway to a newly created Registered Social Landlord called Dumfries and Galloway Housing Partnership (DGHP).

DGHP is currently consulting tenants and working up proposals for inclusion in its 30 year Business Plan which will be presented to the Council in the summer.

If the Council accepts these proposals and agrees to proceed with LSVT then a ballot of tenants will take place in autumn 2001.

If the majority of tenants vote "Yes" to a transfer to DGHP, the transfer will take place in March 2002.

Two thirds of Council homes are houses rather than flats.

Last year the council carried out 42,500 day to day repairs on Council homes

The Council spent over £600,000 on improvement and repair grants to individuals last year.

WHAT WE HAVE ACHIEVED

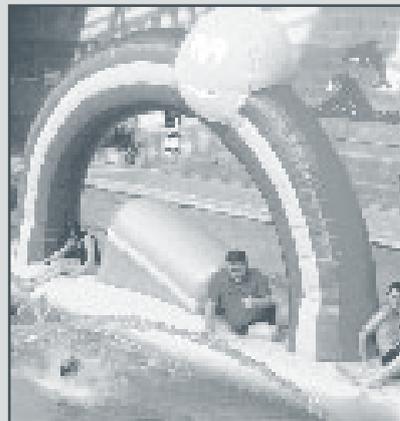
COMMUNITY RESOURCES

Community Resources provides some of the most popular and widely used Council services. The Department's responsibilities cover libraries, leisure and sport, museums, the arts, community development and local economic development, making a major contribution to the quality of life for the people of Dumfries and Galloway.

The year 2000/01 saw many examples of improvements to services and facilities, often achieved through working in partnership with local communities or other agencies.

Re-opening of Ryan Centre Swimming Pool, Stranraer.

An extensive total refurbishment of the Swimming Pool was completed at a total cost of £700,000. In addition to infrastructure works, a range of new features have been provided within the pool together with new changing accommodation and a first floor spectator viewing gallery. These works have re-affirmed the Ryan Centre's place as the region's top leisure centre.



Economic Development Funding

Working closely with Scottish Enterprise Dumfries and Galloway, a new £100,000 Economic Development Fund was used to help attract key inward investment projects, helping to create hundreds of new call centre jobs at the Crichton, Dumfries, and securing the future of one of Langholm's largest textile businesses.

Lottery Success

Community Resources was closely involved in securing a number of major Lottery awards for

local projects. A Heritage Lottery Fund award of almost £1million meant that the long awaited refurbishment of Wigtown County Buildings could go ahead as part of a wider Townscape project. An award of

£500,000 was secured from sportscotland towards improved leisure and school facilities at Douglas Ewart High School, Newton Stewart.

Libraries, Information and Archives get over 1 million visits a year and lend over 1.1 million items.

WHAT WE HAVE ACHIEVED

COMMUNITY RESOURCES

Museum Treasures

With the support of a substantial Millennium Festival Fund grant the Museums Service created and sent on tour a major exhibition, Treasures - Celebrating 2000 Years of Dumfries and Galloway, which drew together the best of the Museums Service's collection in an imaginative way. The exhibition attracted large numbers of visitors and demonstrated the strong interest local people have in their heritage.

Record Attendances for Arts Events

The Council supported "The Homecoming" exhibition of Kirkcudbright Artists which drew over 22,000 visitors to the Town Hall in August. Back in May the Ice Bowl in Dumfries hosted a special Millennium performance of Verdi's Requiem before an audience of 1,100. The Council is the major source of funding support for the arts in Dumfries and Galloway, working closely with Dumfries and Galloway Arts Association.

Stranraer Youth Cafe

This community cafe opened in summer 2000 in Agnew Park, Stranraer, and is run by a Management Committee of young people. It operates as an education project for 11 to 25 year olds, assisted by training staff from the John Niven Campus, and offers a range of summer activities as well as catering services.

Learning Opportunities in Libraries

Our libraries today offer an expanded and enhanced range of services, including access to ICT-based learning materials. Over 20,000 learners have now taken up learning opportunities through the local library network.

Leisure and Sport Strategy

The first Leisure and Sport Strategy for Dumfries and Galloway was launched by Depute Convener Beth Gordon in March. The Strategy provides a framework for the development of leisure and sport across Dumfries and Galloway for the next four years and it has been warmly welcomed by sportscotland.

Technology Showcase

Over 1,200 people visited the third Technology Showcase Exhibition and Trade Fair, organised by our Economic and Community Development section. The two-day event at Castle Douglas in November 2000 allowed local companies to promote their business, and also offered free computer taster sessions, demonstrations of video conferencing and e-commerce business seminars.



WHAT WE HAVE ACHIEVED

COMMUNITY RESOURCES

North West Dumfries Community Impact Project

Following the launch of Dumfries and Galloway's Community Plan, North West Dumfries was selected as the first Community Plan pilot project in the area. Community Resources staff are supporting this project which aims to improve the provision and co-ordination of services from all public agencies in North West Dumfries.

Area Regeneration Strategies

Community Resources, in collaboration with a number of partner agencies, has developed Area Regeneration Strategies linked to EU Objective 2 funding in North West Dumfries, Upper Nithsdale and Wigtownshire. The completion of these strategies will open the way for EU funds to be channelled to support a range of community-based projects in the three areas.

Beautiful Scotland in Bloom

The town of Dumfries won the coveted title of large town for Beautiful Scotland in Bloom in 2000. Dumfries will now represent Scotland in Britain in Bloom 2001.

Leisure and Sport Needs for the Dumfries Area

A study into future leisure and sport needs for the Dumfries area, looking at sites and funding options, was undertaken. Recommendations for action, including proposals to replace the existing Dumfries Swimming Pool, will now be brought forward for the Council to consider.

Community Play Provision

A number of community partnerships were developed to provide play equipment at locations across Dumfries and Galloway. The Grove play area at Heathhall, Dumfries, was officially opened in August 2000 following an award of £89,000 to the local community by the National Charities Lottery Board.

Support for Tourism

The Council continued to provide core funding for Dumfries and Galloway Tourist Board, with an additional contribution to assist the upgrading of the Board's IT systems. The Council was also closely involved in the production of a new Tourism Strategy for Dumfries and Galloway.

WHAT WE HAVE ACHIEVED

COMMERCIAL SERVICES GROUP

Some 2,500 employees within Commercial Services deliver a range of essential front-line services to the community on a day to day basis. They maintain the roads and properties, look after the amenity areas and flower beds, clean the schools and offices, provide meals for the schools and elderly, collect and dispose of the rubbish and manage and maintain the Council's fleet of vehicles. When emergencies arise, it is Commercial Services employees who respond to burst pipes, flooded or icy roads, fallen trees and provide that welcome cuppa and a hot meal in the emergency rest centres. The services we provide are routine, dependable public services which make a very real contribution to the quality of life.

Traditionally, our services have been structured on a purchaser-provider split under the legacy of compulsory competitive tendering. That philosophy is gradually disappearing as Best Value takes hold. A sensible re-integration of services now beckons in some quarters, and already the process has been completed for grounds maintenance and building cleaning works. The Group welcomes the transfer of colleagues from the client side to work with us in seeking continuous improvement in our

The Council collected 5000 tonnes of street litter last year

services. The changes have already delivered worthwhile savings to the Council.

Additionally, the move away from the contract culture is also allowing our Area Committees to have a greater input into local services, in line with the Council's decentralisation policy.

In November 2000, the Home Care Service joined CSG bringing a further 450+ employees and an additional £4.5M of turnover into the Group. Home Care has emerged from a period of uncertainty, and we now aim to rebuild the service and the confidence of its highly skilled and highly committed workforce. This will be an area of growing importance in the years to come, as demographic trends amply illustrate.

2000/1 was another year of steady progress for the Group. Turnover continued to grow, and the Group ending the year with a healthy surplus on its trading account, enabling it to return £750,000 to the General Fund to help reduce the burden on the Council tax payer. At the same time, the Group remain

We have the highest take-up of school meals of any mainland Scottish Authority

firmly wedded to empowered, decentralised management and sound financial disciplines in order to deliver key quality public services in a cost-effective and business-like manner.

Last year we bedded out 550,000 plants, helping Dumfries win the Scotland in Bloom competition

COMMUNITY SAFETY

Environmental Health

65 presentations on food safety have been given to various voluntary/charity groups including childminders, day centres, play groups and village hall committees.

17 food safety training courses were organised in partnership with Dumfries and Galloway College, fully funded by the Council and attended by 272 candidates from various food businesses within Dumfries and Galloway. The food safety training course notes have been translated into Turkish for distribution to premises.

The department has purchased Cantonese food safety manuals from the Hong Kong Food Council to supplement the training course completed in 1999.

46 butchers' licences were issued during the year, 3 businesses ceased trading and 2 others are selling only raw meat which does not require a licence.

Police

The Council completed the installation of CCTV cameras in Moffat, Langholm, Lockerbie, Gretna, Annan, Castle Douglas, Dalbeattie and Newton Stewart secured through partnership funding with the community and Scottish Executive. Whilst the Council fund the ongoing maintenance of the systems the Police operate them. A full evaluation will be carried out on the effects of CCTV on community safety, crime and the fear of crime. Initial evaluation shows a marked drop in town centre crime where CCTV is installed.

Due to increases in specific budgets an increase of 16 officers has been achieved making a force strength as at 31 March 2001 of 454 (full time equivalents). In addition 9 additional operational posts have been created by the utilisation of civilian staff. This increase in staff has allowed for the creation of new posts in Community Policing, Drug Education and enforcement and quality assurance.

In May 2000 Dumfries and Galloway Constabulary and Dumfries and Galloway Council received unique awards from the National Crime Victim Service of the United States Department of Justice. The awards were in recognition of responses made by all organisations to the Lockerbie Air Disaster.

At the end of the year the Police were also heavily involved in the response to the Foot and Mouth Disease outbreak as one of the Major Emergency Scheme partners.

Emergency Planning and Community Safety

Throughout the year the Emergency Planning Team were heavily involved in an unprecedented number of emergency events. During the fuel crisis in September following the blockade of fuel storage depots the team co-ordinated Council departments preparations and identification of essential users. The benefit of the Council's partnerships with other agencies was evident in the positive response by all organisations involved. Indeed partners offered to share limited stocks of fuel with essential services had that proved necessary.

WHAT WE HAVE ACHIEVED

COMMUNITY SAFETY

During the summer the team also co-ordinated the updating of all the callout arrangements for the Nith Flooding Good Neighbours cascade scheme.

A multi agency team brought together by the Community Safety Team developed a protocol for responding to incidents of unauthorized camping by travelling people. The protocol clarifies the responsibilities, actions and expectations of all parties.

The issues that arise when unauthorized encampments are established are complicated and can be emotive. The impact of the Human Rights legislation makes the issue even more significant. The protocol ensures a joint and pro-active approach to the matter.

In January 2001 the Manx Government dedicated a memorial to the victims of the loss of the Solway Harvester. The Team made travel arrangements for the families of the victims and their supporters.

At the end of February the Major Emergency Scheme (MES) was activated to deal with the severe weather conditions in the East of the region. Heavy falls of snow meant that roads were blocked and people were trapped in cars and in their homes for long periods.

As the successful MES response to the severe weather was stood down, the Chief Executive implemented the scheme in response to the onset of Foot and Mouth Disease. During the first month of the crisis the Council's Emergency Centre became the nerve centre of the response to Foot and Mouth. MES partners from all sectors of the community, the Scottish Rural Affairs Department,

Ministry for Agriculture, Fisheries and Food and the Army worked together to contain and eradicate the disease. The Emergency Planning Manager supported the response team to ensure the implementation of policies made and strategies adopted. Other members of the Emergency Planning Team supported the Welfare Team, Emergency Support Team, Communications Team and acted as liaison at the SERAD offices in Ayr.

Trading Standards

Trading Standards year ended with a sting in the tail as the full impact of Foot and Mouth work swamped our service. From advising worried farmers and the general public, to enforcing rules about moving animals – an extremely busy staff worked long hours in this community crisis.

Other aspects of the Trading Standards service were naturally affected however all requests were dealt with eventually. Routine inspections of trading premises were suspended in the heat of the battle.

During the rest of the year, the new partnership approach to working, especially with Police, Customs and Excise and Software Intelligence Companies proved of great value. Substantial amounts of computer software, DVDs, clothing and even some second-hand cars were taken away for test and examination.

Trading Standards were also involved in the Proof of Age Council initiative at Stranraer Academy and follow-up visits to local retailers will help us evaluate the effectiveness of the scheme in reducing access to age-restricted products.



COMMUNITY SAFETY

Fire Brigade

The Brigade continued, throughout the year, to deliver its services to residents and visitors in line with legislation, "best value" principles and its Charter Mark commitments

Operations

The new Major Rescue Vehicle, developed through a review of emergency support needs, was brought into service and based at Dumfries Station. This versatile appliance and its comprehensive equipment has greatly increased that support capacity, in line with identified needs and public expectations.

The upgrade of cutting and rescue equipment across the Brigade area, the introduction of a new generation of "fireground" radio equipment and the upgrade of all personal protective firefighting uniform have also increased the Brigade's efficiency.

Fire appliance replacements and the programmed upgrading of local Fire Stations (at Moffat, Kirkcudbright and Gretna), to maintain the Brigade's readiness and operational efficiency, have been met from within capital resources.

Support Services

The Brigade offers fire safety training to commercial, industrial and public sector organisations. This year the Department trained over 500 employees from various organisations to be more aware of the risks from fire and more confident in dealing with fire safety issues.

Fire safety

During the last year the Fire Safety Department has carried out an

extensive programme designed to deliver on the commitments in the Council's Corporate Plan. The programme is designed to educate and inform the residents of the region

A growing number of nursery schools are requesting visits by the Community Fire Safety Department to introduce the 3-5 year olds to the Fire Service and the dangers of fire. The visit usually involves demonstrating the fire fighting kit and showing a short video, Frances the Firefly, which teaches them not to play with matches.

All Primary 6 schoolchildren in the region received a 90 minute talk on fire safety. This involved 114 schools and 3,974 children.

The Community Fire Safety Department and the Education Department agreed on a programme of fire safety education for all third year pupils in secondary education in our region. Dumfries Academy was the first school to participate. In the year 2001-2002 the department will be extending the this Programme to all secondary schools in the region when timetables permit.

'Limited ability' groups at the region's six Activity and Resource Centres were given a talk about fire safety in the home. The Centre managers regard these visits as a valuable addition to the services offered to the centres' clients.

During the year, training was given to 120 carers employed by a number of Care Providers in the region. The training of the carers ensures that they are able to give basic fire safety advice to those they care for and to be aware of the signs of dangerous habits and practices.

WHAT WE HAVE ACHIEVED

CORPORATE AND CENTRAL SERVICES

Information Services

Information Services delivers telephone and internet services to the public, plus a wide range of additional support services to Council departments.

Incoming telephone calls handled through the switchboard number around 18,000 per week. Since the foot and mouth outbreak, this has risen to around 21,000 per week. Wherever possible, callers receive a full response from the telephonists, which saves time and inconvenience.

In September, the CareCall service for vulnerable people transferred into IS from Social Services. It has a client base of 3500 and handles around 2000 calls each week. Around 200 represent emergencies that require us to alert families, helpers or urgent medical attention. We are further developing CareCall to provide back-up to Council employees working alone.

The software development team has provided new time recording systems to most Council departments and continues with the development of a sophisticated support system for Social Workers. The Scottish Executive has asked us to develop a version of our Criminal Justice system for use by other councils across Scotland. Our web site has been judged to be one of the 20 best in a review of over 400 council sites in the UK. Since the outbreak of foot and mouth disease, the site has been developed to provide a wealth of information for farmers, vets,

the press and the public - and it is used as a reference source by other councils. This one section of the site receives an average of 4000 hits daily and has won much praise from its users.

The Council has about 2500 PCs and over 100 servers. Purchasing, installation and support services are provided by Technical Support, while our extensive network is supported and developed by the Communications team. Both teams have been especially busy during the foot and mouth outbreak, ensuring that the emergency response teams have the necessary ICT support. All users of networked PCs are provided with access to electronic mail and other office support services. As in previous years, the support teams provided organisational support and the technical facilities for Technology Showcase Three in Castle Douglas.

In an innovative move, we combined the graphic design resources of other parts of the Council into a corporate Graphics Team that combines with the Print Unit to provide a one-stop service to all departments. We produced over 8 million photocopies in the year as well as 2 million offset pages. A colour press was installed in October 1999 and newly installed digital copiers will soon enable us to capture originals for direct publication on the internet.

The Business Support team have devised a web-based induction system, primarily for new employees. This has been very



CORPORATE AND CENTRAL SERVICES

successful within the department and will probably be adopted by other departments.

Information Services is very active in developing the Council's strategy and plans for 21st Century Government. Towards the end of 2000 we were awarded £72,000 from the Scottish Executive's Modernising Government Fund to enable us to pilot the use of public information kiosks.

Legal Services

Legal Services is now part of Finance and Corporate Services which provides legal advice to all Departments within the Council. This

small Department has gone through many changes since re-organisation and is now a fully computerized and progressive Department within the Council.

Many high profile matters across the whole of the Council were supported by Legal Services to ensure the Council met its legal obligations and achieved its aims, such as the sale of the Cuckoo Bridge, Dumfries site to Sainsbury's, the completion of the Sports Complex and Playing Field Development at Langholm, the acquisition of land for the National Cyclepath route, being a member of the Council's PPP Education Project team and other projects across the whole of Dumfries and Galloway.

Last year the Council collected 93.5% of Council Tax within the period. It costs around £9 per house to collect. This compares favourably with other Councils where it costs around £10 in Scottish Borders and up to £15 in Perth and Kinross

Ongoing and time consuming legal work assists with the possible transfer of the Council's 12,000 houses to the Dumfries & Galloway Partnership. On behalf of Housing Services 1,200 court cases for rent arrears, and the sale of 431 Council houses were carried out last year. Legal Services also work very closely with the Social Services Department in relation to child care law, and fostering and adoption.

Solicitors have been actively involved in training for Headteachers, other educationalists, Housing Officers and Social Workers. On the wider training

front Legal Services have been involved in training departments in relation to the impact of Human Rights Legislation on the Council. They have also been involved in the regular training of Health Visitors and Nursing Staff. They also work on a national basis with other Local Authority solicitors across a whole range of issues involving education, police and social services.

Property Services

Following the Review of Corporate Property, the department underwent a period of transition from January 2000 which saw the conclusion and transfer of functions and services dealing with operational

WHAT WE HAVE ACHIEVED

CORPORATE AND CENTRAL SERVICES

maintenance management and the introduction of approved strategic core services for the newly named Property Services. The department was allocated additional funding and charged with protecting the Council's long-term interests in property by offering a full range of property services to departments:

- A comprehensive Building Safety Strategy was devised to ensure the safety of all buildings' users, to comply with significant new legislation, and advise tenants on their operational role. This included Asbestos Registers for all Council premises.
- We produced and circulated a Lead Tenant Guide for shared administration properties to clarify issues on property maintenance and give all parties clear guidelines on responsibilities and procedures.
- Income was generated during the year by Estates Management Services who increased the rate of marketing and disposal by 53% and realized a capital receipts totalling £2.6M.
- The Energy Management Section completed a Best Value review and was successful in achieving an additional saving of £270,000 per annum as a result of electricity tendering.
- The Property Services Team has played a vital role in developing the Schools' Public/Private Partnership bid.

Finance

Council Tax

The in-year collection level for 2000-2001 is 93.5%, the highest ever attained by the Council. The equivalent figure for 1999-2000 was 92%. The Council has now achieved the target collection level set by the Accounts Commission for Scottish Local Authorities. This success is attributable to the Council's collection strategy which involves promoting efficient payment methods (i.e. direct debit and lump sum) at every opportunity and taking earlier and tougher action against defaulters. The council now has around 53% of all taxpayers paying by direct debit and around 8% paying early in a single lump sum. During the year, the Council also collected around £2.75 million in respect of previous years arrears. Collection levels for all other years are 95.4% or greater.

Rates

The in-year collection level for 2000-2001 is 98%. The equivalent figure for the previous year (1999-2000) was 98.2%.



CORPORATE AND CENTRAL SERVICES

Assessors

The Assessor has a statutory duty to compile and maintain the Non-Domestic Valuation Roll, the Register of Electors and the Council Tax Valuation List. .

At the start of the financial year, the Valuation Roll contained 9147 entries with a total rateable value of £71.07 million.

The Register of electors in force for the year from 16 February 2000 contained 116,808 names.

The Valuation List which was published on 1 April 2000 contained 69,217 properties together with their respective valuation bands.

Registration of births, deaths and marriages

In 2000 there were 1395 births (2.5% decrease on 1999) and 1806 deaths (1.6% decrease on 1999) registered in the 21 registration districts of Dumfries and Galloway.

However, 2000 proved to be a popular year for marriages, with 6364 taking place around the region, which was an increase of 1.8% on last year. Gretna registration district still has the busiest office in the United Kingdom for civil marriages, and there were 5279 marriages celebrated in the district, which was an increase of 1.5% on last year.

In 2001 the genealogy research facilities in Dumfries and Stranraer will be improved, to provide internet access to the numerous ancestry research sites

on the world wide web as well as on-line access to the national indices for births, deaths and marriages in Scotland since 1855.

Personnel

This year the Council recruited 869 posts. This was a decrease in the level of recruitment from the previous year. Over 8200 people applied for these posts and over 2800 were shortlisted.

Personnel Services developed and enhanced the absence management policy to provide a more focused and prescriptive approach which both provided effective management of absence and supported sick employees.

During the year the Council further supported the Skillseekers programme by offering two additional training programmes; Early Years Care and Education SVQ Level 2 and European Computer Driving Licence. There are currently 52 trainees registered on the Skillseekers programme and placed in a wide range of departments across the Council.

The new staff suggestion scheme "Winning Ideas" was launched. This competition is open to all employees of the Council to pit their skills of innovation against each other for cash prizes. The aim of the scheme is to secure ideas which will be valuable to the conduct and operation of the Council's business

MEMBERS OF THE COUNCIL

2000/2001



ANDREW R CAMPBELL
Convener
(Castle Douglas - Urr)



SANDRA McDOWALL
(Wigtown)



JOHN W FORTEATH
Leader
(Marchmount)



ANTHONY W GILBEY
(Stewartry West)



BETH GORDON
Depute Convener
(Lochar)



PATSY GILROY
(Kirkcudbright - Tarff)



ROBERT J HIGGINS
Depute Leader
(Stranraer East)



JANE S MAITLAND
(Kirkcudbright - Bengairn)



DR JOAN MITCHELL
Depute Leader
(Cree)



GEORGE N PRENTICE
(Stewartry North)



GRAHAME A FORSTER
(Rhins South)



JOCK PURDIE
(Castle Douglas - Dee)



JOHN AGNEW
(Rhins North)



KATHLEEN DAVIDSON
(Dalbeattie - Craginair)



THOMAS K SLOAN
(Stranraer North)



HELEN BELL
(Dalbeattie - Milton)



WILLIE SCOBIE
(Stranraer South)



MICHAEL THOMSON
(Criffel)



FRED B MURRAY
(Luce)



ALLAN G WRIGHT
(Cairn Valley)



ALISTAIR GEDDES
(Whithorn)



JAMES H DEMPSTER
(Sanquhar & District)



BERT SAUNDERS
(Kirkconnel)



NEIL MCKAY
(Mid Nithsdale)



DAVID J MCKIE
(Lincluden)



WILLIAM G NIMMO
(Lochside)



GEORGE L MCBURNIE
(Palmerston)



DONALD R URQUHART
(Maxwelltown)



THOMAS A
McAUGHTRIE
(Troqueer)



THOMAS E HOLMES
(Loreburn)



KENNETH CAMERON
(Heathhall)



IVOR A HYSLOP
(Nithsdale East)



BRIAN D CONCHIE
(Georgetown)



IAN CALLANDER
(Lochvale)



BILLY LITTLE
(Caerlaverock)



ANDREW O BELL-
IRVING
(Hoddom &
Kinmount)



WILMA R PATERSON
(Annan West)



TONY TURNER
(Annan Central)



JOHN RAMAGE
(Annan East)



SEAN W MARSHALL
(Chapelcross)



DAVID A SWORD
(Solway Border)



JOHN G DINWOODIE
(Canonbie & Kirtle)



DENIS R MALE
(Langholm & Upper
Eskdale)



LAVINIA VAUGHAN
(Dryfe & Lockerbie
East)



MARJORY O
McQUEEN
(Lockerbie & Upper
Annandale)



IAN A PENNIE
(Lochmaben)



WILLIAM B LOCKHART
(Moffat)

MEMBERS AND COMMITTEES

Member			CPS	CR	CS	ED	EI	EX	H	MC	PP	SS
Grahame A Forster	ww	Lab			•		•				•	
John Agnew	ww	Ind	•		•				•			
Thomas K Sloan	ww	Lab	•			C		•	•			•
Willie Scobie	ww	Lab		•	VC			•	•			
Robert J Higgins (DLC)	ww	SNP	•	•			•	•				•
Fred B Murray	mg/ww	SNP	•		•	VC		•		•		
Alistair Geddes	mg	SNP		•			•		•			
Sandra McDowall	mg	LibDem		•		•	•					
Dr Joan Mitchell (DLC)	mg	LibDem				•		•	•	•		•
Anthony W Gilbey	mg/s	Con	•				•	•				•
Patsy Gilroy	s	Con							•	•	•	•
Jane S Maitland	s	Ind	•			•						•
George N Prentice	s	Ind	C			•	•	•				
Jock Purdie	s	Ind		•							•	VC
Andrew R Campbell (CC)	s	Ind	•	•	•	•	•	C	•	•	•	•
Kathleen Davidson	s	SNP							•		•	•
Helen Bell	s	Ind		•		•						•
Michael Thomson	dlN	Ind			•		VC				•	
Allan G Wright	mun	Con	•		•			•				•
James H Dempster	mun	Lab			•	•			•	•		
Bert Saunders	mun	Lab		•			•				•	•
Neil McKay	mun	Con	•			•		•	•			
David J McKie	dlN	Lab	•					•	•			C
William G Nimmo	dlN	Ind				•			•			•
George L McBurnie	dlN	Lab			•	•		•	VC			•
Donald R Urquhart	dlN	Ind	•		C			•	•			
Thomas A McAughtrie	dlN	Lab	VC	•	•	•						
Thomas E Holmes	dlN	Ind						•	C		•	•
John W Forteath (LC)	dlN	Lab	•	•	•	•	•	•	•		•	•
Beth Gordon (DC)	dlN/mun	Ind			•			VC	•			•
Kenneth Cameron	dlN	Ind			•		•	•			•	
Ivor A Hysop	dlN	Con		•		•	•					
Brian D Conchie	dlN	Lab	•				•	•				C
Ian Callander	dlN	Ind		•		•	•			•		
William Little	dlN	SNP			•	•		•		•	VC	
Andrew O Bell-Irving	lae/uae	Con			•	•				•	•	
Wilma R Paterson	lae	Lab				•		•			•	•
Tony Turner	lae	LibDem	•	•			C	•		•		
John Ramage	lae	LibDem			•				•		•	
Sean W Marshall	lae	Lab	•	•			•			•		
David A Sword	lae	Lab		•			•				•	
John G Dinwoodie	lae/uae	LibDem			•		•				•	
Denis Male	uae	LibDem	•	C				•				•
Lavinia Vaughan	uae	Con		•			•		•			
Marjory O McQueen	uae	Con		•	•			•			•	
Ian A Pennie	dlN/uae	Ind	•	•				•		C	•	
William B Lockhart	uae	Ind		VC		•	•					

Area Committees - ww = Wigtown West, s = Stewartry, dlN = Dumfries & Lower Nithsdale, uae = Upper Annandale & Eskdale, mg = Mid Galloway, mun = mid & Upper Nithsdale, lae = lower Annandale & Eskdale

C = Chair of Committee, VC = Vice Chair, CC = Council Convener, DC = Depute Convener, LC = Leader of the Council, DLC = Depute Leader of the Council

CPS-Corporate Services; CR-Community Resources; CS-Commercial Services; ED-Education; EI-Environment & Infrastructure; EX-Executive; H-Housing Services MC-Members Conduct; PP-Police, Fire & Public Protection; SS-Social Services



Councillors and Heads of Service





on Dumfries and Galloway

COUNCIL SERVICES

General Fund Services.....	39
Education.....	40
Social Services.....	42
Public Protection.....	44
Environment and Infrastructure.....	45
Community Resources.....	46
Central Services to the Public.....	47
Central Support and Overheads.....	48
Housing Services.....	50



FINANCIAL INFORMATION

GENERAL FUND SERVICES

GENERAL FUND SERVICES

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
79,588	Education	85,554	85,516
34,101	Social Services	34,204	34,619
18,645	Public Protection	19,963	20,070
24,849	Environment and Infrastructure	25,687	25,700
14,192	Community Resources	16,226	16,420
6,838	Central Services to the Public	6,323	6,665
15,175	Central Support	17,273	17,477
3,898	Other Housing Services	3,595	3,109
4,220	Corporate and Democratic Core	3,785	3,782
-15,175	less Central Support and Overheads Recharged	-17,273	-17,477
186,331	Net Cost	195,337	195,881
HOW THE COSTS WERE INCURRED			
119,730	Staff Costs	126,756	126,216
13,608	Property Costs	14,310	14,034
31,026	Supplies and Services	33,521	34,151
6,029	Transport Costs	6,368	6,157
13,942	Administrative Costs	18,354	17,201
65,933	Other Payments	64,750	64,193
18,624	Capital Charges	22,184	22,178
-15,175	Less Central Support and Overheads Recharged	-17,273	-17,477
253,717	Gross Cost	268,970	266,653
-67,386	Income	-73,633	-70,772
186,331	Net Cost	195,337	195,881

Revenue Expenditure

In 2000/2001 net operational expenditure on General Fund Services amounted to £195.337M representing an underspend of £544k against the outturn budget of £195.881M. This net underspend resulted from a range of factors including the receipt of unanticipated interest on revenue balances held during the year, the receipt of additional Government grant and underspends in several departments. On the other hand, Housing Benefit payments in 200/2001 exceeded the budget available by over £500k while the Environment and Infrastructure department were overspent on

Waste Collection and Disposal and had to offset this through achieving savings elsewhere within the operational budget available.

Capital Expenditure

The Council undertook a range of significant capital projects in 2000/2001 including the development of the Langholm Academy Sports Complex, the extension of cycle routes across the region and the Wigtown County Buildings Restoration Project. Many of the Council's capital projects were undertaken in partnership with a wide range of external organisations and in many cases were supported through the receipt of external funding.

FINANCIAL INFORMATION

EDUCATION

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
302	Nursery Education	644	689
25,556	Primary Schools	26,493	26,524
30,236	Secondary Schools	31,243	31,318
8,550	Special Education	8,703	8,634
8,651	Other School Costs	11,664	11,637
2,551	Conveyance of Children	2,630	2,612
-7	Staff and Let Property	0	0
1,426	School Meals Service	1,390	1,440
139	School Boards	127	148
415	Instrumental Instruction	440	411
255	Outdoor Education	277	263
78,074	Total Schools Sector	83,611	83,676
Further Education Sector			
24	Further Education - Residual Bursaries	2	15
564	Further Education - Adult Education	563	570
588	Total Further Education Sector	565	585
Other			
2,708	Departmental Administration	3,561	3,451
53	Dumfries and Galloway Training	63	58
161	School Crossing patrols	169	162
2,922	Total Other Costs	3,793	3,671
81,584	Total	87,969	87,932
-1,996	less specific grant	-2,415	-2,416
79,588	Net Cost	85,554	85,516
HOW THE COSTS WERE INCURRED			
56,312	Staff Costs	59,178	58,101
8,209	Property Costs	8,032	7,744
4,022	Supplies and Services	3,960	5,712
2,999	Transport Costs	3,141	2,902
2,722	Administrative Costs	3,284	2,584
3,336	Other Payments	4,217	4,452
8,151	Capital Charges	11,127	11,127
85,751	Gross Cost	92,939	92,622
-6,163	Income	-7,385	-7,106
79,588	Net Cost	85,554	85,516

Revenue Expenditure

Expenditure for the Education Service was £38k more than the budget allocation, a variance of approximately 0.04% of the overall budget.

The Education Service budget has been actively managed throughout the year to ensure that a "break even" position was maintained. However, inevitably some budget variances are illustrated in the adjacent table. Generally, where expenditure exceeds the budget provision this highlights those budgets which have been under severest pressure and where expenditure is below budget provision this highlights those budgets where compensating savings have been achieved in order to attempt to "balance" the budget. Unanticipated year end charges in respect of Architectural Services have impacted on the variances shown for Primary and Secondary sectors and unanticipated year end charges for Procurement Support account for £13k of the overspend against Direct Administration, these two late unanticipated charges contributed significantly to the net Education Service overspend.

The Education Service budget is managed through over 2000 cost centres and inevitably there are a significant number of individual variances. Summarised below is a broad explanation of sectoral variances illustrated in the adjacent table exceeding £30k.

The under spend of £45k in the Nursery sector has arisen through late payment of ERDF grant for which a compensating enhancement of the budget is planned in 2001/02.

The saving of £31k in the Primary sector and £75k in the Secondary

sector can be attributed primarily to savings on rates, cleaning and refuse collection.

The over spend of £69k on Special Education mainly relates to increased transport costs.

The saving of £50k on School Meals relates mainly to energy costs.

The overspend of £110k on Direct Administration incorporates the late charge for Procurement support, essential equipment replacement costs to meet National Grid for Learning compatibility requirements and higher than anticipated charges for e-mail and internet access throughout the department

The Government has continued to support the development of pre-school provision and a range of other initiatives such as Early Intervention, Classroom Assistants, New Community schools etc. through additional grant funding. Funding of over £4.5m has been received through these initiatives and has contributed to the development and maintenance of a quality Education Service in Dumfries and Galloway.

Capital Expenditure

The Council was able to progress through the capital programme a number of developments to education facilities including the Langholm Academy Sports Complex, in partnership with the Eskdale Foundation and supported with Lottery Funding, and the continuation of the refurbishment of Stranraer Academy.

Education have also been able to develop science laboratories and to significantly improve schools IT facilities across the region through the New Deal for Schools and the National Grid for Learning initiatives.

FINANCIAL INFORMATION

SOCIAL SERVICES

1999/00 actual £000		2000/01 actual £000	2000/01 budget £000
WHAT THE SERVICES COST			
415	Service Strategy and Regulation	448	555
8,608	Children Services	9,213	9,162
17,864	Elderly Peoples	16,956	17,187
2,242	People with a Physical or Sensory Disability	2,329	2,338
4,195	People with a Learning Disability	4,421	4,423
703	People with Mental Health Needs	705	769
41	People with Drug/Alcohol Abuse Problems	93	124
33	Offenders Services	39	61
34,101	Net Cost	34,204	34,619
HOW THE COSTS WERE INCURRED			
14,928	Staff Costs	15,255	15,448
577	Property Costs	597	590
1,219	Supplies and Services	1,099	1,255
1,068	Transport Costs	1,098	1,002
1,599	Administration	1,893	1,758
26,945	Payment to Other Bodies	29,043	29,244
416	Capital Charges	546	546
46,752	Gross Cost	49,531	49,843
INCOME			
-1,918	Government Grant	-1,956	-1,726
-6,366	Fees and Charges	-7,022	-7,205
-4,367	Other Income	-6,349	-6,293
-12,651	Total Income	-15,327	-15,224
34,101	Net Cost	34,204	34,619





FINANCIAL INFORMATION

Revenue Expenditure

Expenditure incurred by Social Services was £415,000 less than the budget allocation. This underspend was the result of the late distribution of additional grant, amounting to £654,000, made available from the Scottish Executive for specific initiatives. This accounted for £16,000 of the underspend on Service Strategy and regulation and £60,000 of the underspend on older people's services. It also reduced the overspends in children's services and physical disabilities by £99,000 and £150,000 respectively.

In addition expenditure on support services was £175,000 less than budgeted (£90,000 of which related to additional grant) with this underspend being distributed over the client groups.

This year saw significant overspends on fostering and on home care for adults with physical and learning disabilities. These overspends were matched by underspends on a number of areas, including out of region placements for children, staffing costs for adult fieldwork teams, hostels and adult resource centres and a delay in the start of the Stranraer Drugs project

Capital Expenditure

Social Services have a relatively small capital programme with the main item of expenditure being the purchase of equipment to assist individuals with special needs.

FINANCIAL INFORMATION

PUBLIC PROTECTION

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
10,587	Police Service	11,416	11,476
120	Emergencies Planning	206	206
5,993	Fire Service	6,317	6,317
579	Trading Standards	588	595
1,366	Environmental Health	1,436	1,476
18,645	Net Cost	19,963	20,070
HOW THE COSTS WERE INCURRED			
27,475	Staff Costs	28,758	28,805
984	Property Costs	1,153	1,095
943	Supplies and Services	2,277	2,222
910	Transport Costs	1,141	1,170
1,475	Administrative Costs	1,216	1,098
656	Other Payments	9	11
1,499	Capital Charges	1,684	1,677
33,942	Gross Cost	36,238	36,078
-15,297	Income	-16,275	-16,008
18,645	Net Cost	19,963	20,070

Revenue Expenditure

The Police revenue account for 2000/2001 shows an underspend of £60,000 due to the timing of expenditure with planned spending on protective equipment not yet being incurred. An earmarked reserve to fund expenditure on protective equipment has been created from this underspend and when this transfer is taken into account the Police revenue expenditure total matches the 2000/2001 grant aided expenditure (GAE) allocation.

Environmental Health and Trading Standards achieved underspends of £40,000 and £7,000 respectively, in 2000/2001 due primarily to savings in staff costs. Earmarked reserves have been created for both these services from the underspends achieved.

Both the Fire Brigade and Emergency Planning achieved a balanced budget in 2000/2001.

During the last month of the financial year officers from Emergency Planning, Police and Fire were heavily involved in the control and eradication of the Foot and Mouth outbreak.

Capital Expenditure

The Police capital programme 2000/2001 included works to refurbish and modernise both Stranraer and Lockerbie police stations and also provided for the purchase and replacement of computers to enhance the Force's IT network.

The Fire Service were able to undertake refurbishment works, mainly to station roofs at both Moffat and Thornhill and were also able to replace and upgrade items of equipment.



ENVIRONMENT & INFRASTRUCTURE

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
684	Burial service	718	731
1,458	Planning and Building Control Service	1,612	1,562
513	Public Convenience Service	522	493
2,403	Public Transport Service	2,502	2,525
13,670	Roads and Infrastructure	13,784	14,184
1,296	Street and Other Cleansing Service	1,346	1,309
4,825	Waste Collection and Disposal	5,203	4,896
24,849	Net Cost	25,687	25,700
HOW THE COSTS WERE INCURRED			
6,458	Staff Costs	6,703	6,681
570	Property Costs	631	654
18,385	Supplies and Services	19,138	18,597
403	Transport Costs	384	400
995	Administrative Costs	1,001	999
1,359	Other Payments	1,598	1,340
3,438	Capital Charges	3,654	3,655
31,608	Gross Cost	33,109	32,326
-6,759	Income	-7,422	-6,626
24,849	Net Cost	25,687	25,700

Revenue Expenditure

The Environment and Infrastructure Service achieved an overall underspend of £13,000 in 2000/2001 although a number of variances were balanced within this net total.

The Waste Collection and Disposal Service was overspent by £307,000 due mainly to increased contract costs and landfill tax payments while the Planning and Building Control service was overspent by £50,000 due mainly to a reduction in the receipt of income from property enquiries. These overspends were accommodated through the holding back of expenditure on the Roads and Infrastructure service.

Capital Expenditure

Environment and Infrastructure were able to develop a range of initiatives as part of the 2000/2001 capital programme including the extension of Cycle Routes across Dumfries and Galloway. The Council's commitment to this initiative has been supported through a number of sources including, European Community grants and Lottery Funding.

Other capital projects undertaken included a range of bridge strengthening works, improvements to forestry routes, the development of safer routes to schools and roads structural maintenance.

FINANCIAL INFORMATION

COMMUNITY RESOURCES

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
3,467	Economic and Community Development	4,090	4,260
2,281	Libraries, Information and Archives	2,517	2,522
479	Arts	555	552
853	Museums	977	965
6,238	Leisure and Sport	7,146	7,162
874	Service Support	941	959
14,192	Net Cost	16,226	16,420
HOW THE COSTS WERE INCURRED			
4,564	Staff Costs	4,799	4,866
1,632	Property Costs	2,112	2,107
4,684	Supplies and Services	4,847	4,548
168	Transport Costs	180	202
1,170	Administrative Costs	1,164	970
1,603	Other Payments	1,935	1,934
2,358	Capital Charges	3,543	3,543
16,179	Gross Cost	18,580	18,170
-1,987	Income	-2,354	-1,750
14,192	Net Cost	16,226	16,420

Revenue Expenditure

Community Resources achieved a budget underspend amounting to £194,000 in 2000/2001. This underspend resulted primarily due to staff costs savings across various sectors of Community Resources and an increase in rental income, due mainly to the receipt of rent arrears, achieved by the Economic and Community Development service.

It should be noted that, although achieving a small budget underspend, the Leisure and Sport service suffered from a reduction in income due to the temporary closure of two of its main facilities for maintenance and repairs.

Capital Expenditure

The main capital projects undertaken by Community Resources in 2000/2001 included the refurbishment of the Ryan Leisure facility, the new All Weather Multi Sports facility at Thornhill and the Wigtown County Buildings Restoration Project. Improvement works were also carried out on the Loreburn Hall roof and on the Windmill Tower at Dumfries Museum.

CENTRAL SERVICES TO THE PUBLIC

CENTRAL SERVICES TO THE PUBLIC

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
WHAT THE SERVICE COST			
1,124	Assessor	1,064	1,124
1,295	Collection of Local Tax	1,167	1,051
1,103	Council Tax - Incentives and benefits	877	877
-87	Registrars	4	10
-7	Licensing	16	23
86	District Courts	121	115
3,324	Miscellaneous Services	3,074	3,465
6,838	Net Cost	6,323	6,665
HOW THE COSTS WERE INCURRED			
2,789	Staff Costs	2,681	2,732
137	Property Costs	140	162
489	Supplies and Services	685	342
51	Transport Costs	47	56
1,860	Administrative Costs	1,845	1,837
3,162	Other Payments	3,251	3,179
31	Capital Charges	42	42
8,519	Gross Cost	8,691	8,350
-1,681	Income	-2,368	-1,685
6,838	Net Cost	6,323	6,665

Revenue Expenditure

There were several contributory factors to the net underspend on Central Services to the Public including savings on staff costs within the Assessors Service and increased income generation by the Registrars Service. The overspend on the Collection of Local Tax was due to increased debt recovery fees paid to Sheriff Officers while the net underspend on Miscellaneous Services was largely due to interest generated on the Council's revenue balances over the year.

Capital Expenditure

Central Services has only a small capital programme with the main project in 2000/2001 being the continuation of the development of CCTV Schemes at various sites across the region.

Revenue Expenditure

Central Support Services

Expenditure on Central Support Services was underspent against the budget available due mainly to savings in staff costs as several services operated below the level of their budgeted staff complement. A further contributory factor to the underspend was the fact that monies set aside specifically to address the Council's response to the demands of 'Single Status' were not fully utilised but these monies will be required in 2001/2002.

A number of service developments took place within Central Support Services in 2000/2001 including the creation of a new Modernising Services Team (MoST) tasked with developing the Council's approach to Best Value and with assisting in the development of the Council's activities to ensure that services are responsive to public needs and address the policy objectives of the Council.

Shared Central Services

The Council's Shared Central Services operate on a trading basis with expenditure recovered from client departments. The activities of these Central Trading Services are demand led and each Service fully recovered its costs in 2000/2001 through charging for their activities.

Capital Expenditure

The development of One Stop Shops in Dumfries and Galloway continued in 2000/2001 as part of the council's capital programme with works undertaken in several towns including Annan, Newton Stewart and Stranraer. In addition, a range of health and safety works at various council properties were undertaken during the year.

FINANCIAL INFORMATION

HOUSING SERVICES

Year ended 1999/00 actuals £000		31 March 2001	
		actual £000	budget £000
	Expenditure		
7,253	Repairs and Maintenance	7,995	8,164
3,982	Supervision and Management	3,892	3,838
10,691	Capital Charges	9,984	10,700
380	Void Rents	513	515
165	Provision for Doubtful Debts	122	110
22,471	Total Expenditure	22,506	23,327
	Income		
-23,904	Council House Rents	-23,875	-23,870
-328	Other Rents	-331	-331
-22	Housing Support Grant	0	0
-761	Interest on Revenue Balances	-740	-222
-32	Other Income	-45	-26
-25,047	Total Income	-24,991	-24,449
2,576	Surplus for year	2,485	1,122
-4,115	CFCR	-4,493	-4,811
8,904	Reserve Brought forward	7,171	7,171
0	Transfer to General Fund	-127	-127
-194	Earmarked Reserve	-29	35
7,171	Accumulated Balance at 31 March 2001	5,007	3,390

GENERAL FUND HOUSING

1999/00 actuals £000s		2000/01 actuals £000s	2000/01 budget £000s
	WHAT THE SERVICE COST		
-24	House Purchase Loans	-34	-10
119	Homelessness	99	123
1,716	Housing Benefit	2,569	2,040
50	Travelling Peoples Sites	54	35
188	Aged Persons Garden Scheme	227	224
16	Other Services	4	21
1,833	Capital Charges	676	676
3,898	Net Cost	3,595	3,109



Revenue Expenditure

The Housing Revenue Account achieved an underspend of £1.617M against the agreed budget due to a number of factors including reduced loan charges and the receipt of interest on revenue balances held during the year. In addition, the level of revenue funding used to support the HRA Capital programme was lower than budgeted although the unused funding will be required to support capital spending in 2001/2002.

The overspend on General Fund Housing related specifically to Housing Benefits payments and arose from the failure to realign the budget for these payments to previous years expenditure trends.

Capital Expenditure

The HRA capital Programme in 2000/2001 included a wide range of repairs and improvement works to council housing across the region.

The main elements of General Fund Housing Capital Programme were improvement and repairs grants to private tenants and care and repair grants to people with special needs.



STATEMENT OF ACCOUNTS

Explanatory Foreword by Director for Finance and Corporate Services	55
Statement 1 - Statement of Responsibilities	57
This statement explains the responsibilities of the Authority and the Director for Finance and Corporate Services for the statement of accounts.	
Statement 2 - Accounting Policies	58
The purpose of the statement is to explain the accounting conventions and policies used in arriving at the figures in the Accounts.	
Statement 3 - Consolidated Revenue Account	60
This statement shows the costs incurred in running Council services and identifies where the money comes from to pay for these.	
Statement 4 - Housing Revenue Account	63
This statement shows the costs incurred in running the service and identifies how costs are financed from rent and other income.	
Statement 5 - Commercial Services	64
The Council has a statutory obligation to account separately for Direct Labour and Direct Services Organisations. A more detailed annual report and financial statement is published separately, however the purpose of Statement No. 5 is to summarise the DLO/DSO financial activity and to identify where appropriate their performance against prescribed financial targets.	
Statement 6 - Leisure Management	66
Similar to Statement 5 but summarises the financial performance of the Council's in-house Leisure contractor.	
Statement 7 - Council Tax and Non-Domestic Rates	68
This statement shows income raised from Council Tax and Non-Domestic Rates	
Statement 8 - Consolidated Balance Sheet	70
Shows the value of Council Assets, the level of balances and reserves together with the Council's long term borrowing.	
Statement 9 - Cash Flow Statement	74
This statement summarises the cash movements from transactions external to the Council.	
Statement 10 - Statement of Total Movement in Reserves	76
This statement outlines the movement to and from the Council's main reserves.	
Statement 11 - Trust Funds	78
This statement summarises the financial performance and activity of a number of funds administered by the Council.	
Statement 12 - Common Good	79
Common Good Funds are used for the benefits of specific communities and the statement provides a summary of the financial status of the Funds administered by the Council	
Statement 13 - Pension Fund	80
Summarises the financial position of the fund and the spread of investments.	
Auditors' Certificate	82



EXPLANATORY FOREWORD

BY DIRECTOR FOR FINANCE AND CORPORATE SERVICES

The purpose of the explanatory foreword is to give the reader an easily understood overview of the most significant matters reported in the Accounts.

It is not the purpose of this foreword to comment on the policies of the Council but rather to provide commentary on the major influences affecting the Authority's income and expenditure.

The Accounts follow the format established over recent years and fully comply with the Code of Practice on Local Authority Accounting in Great Britain.

The Financial Statements following this foreword present the Council's summarised financial position for the year ended 31 March 2001.

General Fund

Examination of the Consolidated Revenue Account shows that the General Fund achieved a surplus for the year of £1.994m which when added to the balance brought forward from the previous financial year gives a General Fund balance as at 31 March 2001 of £8.251m.

The outturn position should be compared to the budget set by the Administration on 9th March 2001 when it was agreed to apply £1.673m of balances to support the budget thereby restricting the Council Tax increase to 6.7%

The Council is therefore some £3.667m better off than originally budgeted.

While there were a number of Service budget variances during the year the main factor contributing to the improved financial position was the reduction in debt charges. Shortly after the Council tax was set for the year the Council undertook a major debt rescheduling exercise, which resulted in significant interest savings. The interest saving together with the revised accounting treatment for covenant scheme repayments resulted in an overall saving on debt charges of £3.3m.

Of the relatively minor variances arising elsewhere the main area to note was an overspend of £529k on housing benefit which arose from the failure to realign the HB budget to previous years' expenditure trends. This overspend however was offset by an additional sum of £450k being returned to the General Fund by the Commercial Services Group.

Towards the end of the financial year Dumfries and Galloway was badly hit by the outbreak of foot and mouth disease. In response the Council implemented its emergency planning arrangements and committed both physical and financial resources to support the Government in their efforts to control and eradicate the disease. As at 31 March 2001 direct costs of £1.44m had been incurred on behalf of the Scottish Executive and MAFF. Full provision has been made within the accounts for the recovery of this sum.

At the time of writing this foreword the Council have continued to support the Government's efforts and have committed further financial resources of approximately £5m. The Council have also made strong representations to the Scottish Executive regarding the significant detrimental impact that the disease is having on the economy of Dumfries and Galloway. An economic impact study has been prepared and presented to the Scottish Executive in the hope of securing significant investment to address the economic and social issues arising from the outbreak.

Council Tax performance during the year improved considerably with incentive schemes encouraging early and prompt payment with the resultant tangible benefits of improved cash flow and collection. Council Tax in-year collection rate went up from 92% in 1999/2000 to 93.5%.

Council Tax yield for the year was £43.470m with a further £129k being collected from outstanding Community Charge.

Housing Revenue Account

The Housing Revenue Account statement shows a surplus of £2.485m before providing for contributions to capital expenditure and appropriations to provisions and reserves. The surplus is £1.8m greater than that originally budgeted for primarily as a result of the savings in debt charges and additional interest on revenue balances.

During the year £100k was transferred from HRA balances to the general fund to support the issue of repair grants to former tenants.

Taking into account the balance

brought forward from the previous financial year the accumulated reserve on the Housing Revenue Account at 31 March 2001 is £5.007m.

Direct Services Organisations

The separate financial statement for the Commercial Services Group shows that all of the Group's defined activities achieved the statutory rate of return.

Particular attention is drawn to the Roads outturn which shows a dramatic improvement from an £8k surplus in 1999/2000 to £552k.

The significant improvement in the trading position of the Roads unit helped to increase the Group's overall surplus from £858k in 1999/2000 to £1.478m for the year ended 31 March 2001.

As a consequence of the better than expected outturn the Group returned £750k to the General Fund instead of the budgeted contribution of £300k. The balance of the surplus was used to support the Group's capital expenditure programme and to increase the general reserve from £459k to £882k.

A separate statement is provided for the Leisure Management Contracts which are not managed by the Commercial Services Group.

Examination of the statement shows that the Leisure Management Contracts generated a surplus of £164k with £137k being used to fund capital expenditure and £27k appropriated to an earmarked reserve.

Capital Programme and Borrowing Facilities

The notes to the balance sheet provide a more detailed explanation of the financial performance of the Capital Programme. The total funding available for the Council's capital programme was £33.723m. The total capital spend amounted to £31.055m leaving a balance of £2.668m to be carried forward into financial year 2001/2002.

There are a number of sources available to the Council to fund capital expenditure. A summary of the sources used to fund the 2000/2001 capital programme is shown in note 1 to the balance sheet. Where the Council borrow money to fund capital expenditure the principal lending source is the Public Works Loans Board (PWLB) although UK Banks and other financial institutions can be used if required.

Reserves and Provisions

A number of additions have been made to earmarked reserves which are set aside for specific purposes. The Council's bad debt provision has been increased from £12.347m to £12.979m.

Appreciation

My thanks to Members and Colleagues for their assistance and support throughout the year in maintaining and promoting a sound financial management and control framework. In particular I would like to express my grateful appreciation to those staff who worked tirelessly to produce these accounts within an exceptionally tight timescale.



J M Cowie
Director for
Finance
21 June 2001

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer in the year to 31 March 2001 was the Director for Finance and Corporate Services
- to manage its affairs, to secure economic, efficient and effective use of resources and safeguard its assets.

The Director for Finance & Corporate Services Responsibilities

The Director for Finance and Corporate Services is responsible for the preparation of the authority's statement of accounts. CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain requires the Council to present fairly the financial position of the Authority and its income and expenditure for the year ended 31 March 2001.

In preparing this statement of accounts, the Director for Finance and Corporate Services has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Director for Finance and Corporate Services has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT NO.2

ACCOUNTING POLICIES

1. **General** - The Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting, which have been approved by the Local Authority (Scotland) Accounts Advisory Committee.
 2. **Accounting Convention** - The accounts are maintained on a receipts and payments basis during the year. At the year end this is converted to an income and expenditure basis by including outstanding transactions relating to the accounting year.
 3. **Valuation of Stocks** - Stocks have been valued at the lower of actual cost and net realisable value. Stock quantities are either based on physical stock at the end of the year or on a perpetual inventory throughout the year.
 4. **Accounting for Fixed Assets** - To comply with the Code of Practice on Local Authority Accounting in Great Britain fixed assets including council houses, have been valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Examples and Guidance Notes issued by the Royal Institute of Chartered Surveyors. The only exception to this relates to the valuation of Vehicles and Plant which are valued at Depreciated Replacement Cost.
- All appropriate assets have been depreciated in accordance with the recommendations contained in the Accounting Code of Practice. Note 1 to the Balance Sheet gives further details.
5. **Proceeds from Disposals** - Where proceeds are generated through the sale of capital assets the amounts received are used to augment the Council's capital programmes. The only exception to this relates to the sale of Housing assets where Scottish Executive guidelines require that 75% of the proceeds of Council house sales and 50 % of the proceeds of housing land sales must be used to redeem external debt.
 6. **Capital Charges** - General Fund Services are charged for the use of fixed assets by way of a 'Capital Charge' or 'Asset Rental'. The charge is made up of interest, at prescribed rate, on the value of the asset and if appropriate an element of depreciation. The Housing Revenue Account is charged with the principal, interest and expense elements of debt charges.
 7. **Redemption of Debt** - A Loans Fund is operated under the Local Government (Scotland) Act 1975 to finance the capital expenditure of the authority. Debt redemption is calculated on an annuity basis.

- 8. Deferred Charges** - A deferred charge arises where expenditure is charged to capital and met from borrowing but there is no asset. Deferred charges are charged to revenue over an appropriate period depending on the nature of the expenditure.
- 9. Internal Interest** - Interest is charged or given to the General Fund Revenue Account and Housing Revenue Account on the basis of the average level of revenue balances. Interest is also credited to Trust Fund investments and a number of other internal provisions. Interest is calculated on the average seven day borrowing rate in the London money markets.
- 10. Grants** - Grants have been credited to the appropriate revenue and capital accounts of the Council. Where applicable outstanding grants due at 31 March 2001 have been accrued.
- 11. Pensions** - The Council operates a Superannuation Fund on behalf of administrative and manual workers, the operation of which is outlined in the statement on the Superannuation Fund. The superannuation of teachers is dealt with on a national basis by the Scottish Office Pensions Agency. The pension schemes for policemen and firemen are unfunded and costs are met directly from the appropriate service revenue account.
- 12. Allocation of Costs of Central Departments** -The costs of the Central Support Departments, for example Legal, Finance, and Personnel have been fully re-charged to service departments depending on usage. To help finalise the accounts, the re-charges to departments are based on estimates. The costs which are attributable to the Corporate Management process and the political structure of the Authority have been separately identified in accordance with the definition in the Best Value Accounting Code of Practice.
- 13. Valuation of Investments** - Investments of the Superannuation Fund are based on market value. Investments held on other accounts are shown at actual cost.
- 14. Provisions, Reserves and Earmarked Funds** -
- Provisions:** are amounts set aside for liabilities or losses likely to be incurred but uncertain as to the precise amounts or dates they will arise.
- Reserves:** are amounts set aside for purposes sitting outside the definition of provisions (i.e. to meet general rather than specific future expenditure). The authority maintains a number of Reserve Funds. The purpose of these is explained in the notes to the Consolidated Balance Sheet.
- Earmarked Funds:** are funds set aside for non-recurring future expenditure and to smooth expenditure patterns on items such as repair and renewal of plant and equipment.
- 15. Covenant Schemes** - Indebtedness arising from covenant schemes is recorded in the balance sheet as a liability. Payments to the financial institution score against the Council's capital borrowing consent. Repayment of borrowing in respect of covenant schemes is based on an annuity calculated over the appropriate life of the asset.

STATEMENT NO.3

CONSOLIDATED REVENUE ACCOUNT

1999/00 Actuals £000		Year Ended 31st March 2001			Out-turn Budget £000
		Gross Expenditure £000	Income £000	Net Expenditure £000	
79,588	Education	92,939	7,385	85,554	85,516
34,101	Social Services	49,531	15,327	34,204	34,619
	Public Protection				
10,587	Police	27,097	15,681	11,416	11,476
5,993	Fire	6,689	372	6,317	6,317
120	Emergency Planning	266	60	206	206
579	Trading Standards	615	27	588	595
1,366	Environmental Health	1,571	135	1,436	1,476
24,849	Environment and Infrastructure	33,109	7,422	25,687	25,700
14,192	Community Resources	18,580	2,354	16,226	16,420
	Central Services				
1,124	Assessor	1,068	4	1,064	1,124
1,295	Collection of Local Tax	1,553	386	1,167	1,051
1,103	Council Tax Incentives and Benefits	877	0	877	877
-87	Registrars	513	509	4	10
-7	Licensing	170	154	16	23
86	District Courts	740	619	121	115
3,324	Miscellaneous Services	3,770	696	3,074	3,465
3,898	Other Housing	24,871	21,276	3,595	3,109
4,220	Corporate Democratic Core				
	Democratic Representation & Mgmt.	2,534	123	2,411	2,408
	Corporate Management	1,374	0	1,374	1,374
15,175	Central Support and Overheads	18,376	1,103	17,273	17,477
-15,175	Less Recharged to other Departments	-17,273	0	-17,273	-17,477
186,331	General Fund Services	268,970	73,633	195,337	195,881
-2,741	Housing Revenue Account	22,506	24,991	-2,485	
183,590	Net Cost of Services	291,476	98,624	192,852	
	Commercial Services Operating surplus				
-858	Commercial Services Group			-1,478	
-121	Leisure Direct			-164	
182,611	Net Operating Costs			191,210	
-9,132	Asset Management Revenue Account			-7,554	
13,102	Appropriation to Capital Financing Reserve			8,684	
239	Miscellaneous Adjustments			152	
	Appropriations to				
-1,568	HRA Balance			-2,163	
384	Commercial Services Reserves			423	
274	Earmarked Reserves			254	
185,910	Amount to be met from grants and tax payers			191,006	
	Financed By :				
103,904	Revenue Support grant			101,566	
41,423	Non Domestic Rates			47,835	
40,603	Council Tax			43,470	
143	Community Charge			129	
186,073				193,000	
-163	Surplus for Year			-1,994	
-6,094	Balance from previous year			-6,257	
-6,257	General Fund Balance at 31st March 2001			-8,251	

Additional Information on Consolidated Revenue Account

1. The costs of Central Support Services are mainly charged to Service Departments on the basis of usage. However, costs which are considered to be part of the corporate management and the political structure of the Council are not recharged to services but are shown against Corporate & Democratic Core. The definition of Corporate & Democratic Core was redefined in 2000/2001 leading to a revision of the approach to Central Support recharges in order to comply with the Best Value Accounting Code of Practice.

2. With the exception of the Council's DLOs and DSOs for which separate appropriation statements (Statement 5 Commercial Services and Statement 6 Leisure Management) are included in these accounts there are no formal trading operations within the Council.

3. The Council is required by Section 5(1) of the Local Government Act 1986 (Part II) to keep a separate account of its expenditure on publicity. Such costs have been included in the expenditure of the services shown in the Consolidated Revenue Account. The following statement summarises the costs incurred

Advertising for staff	£194,371
Booklets, publications, leaflets	£133,252
Statutory Notices	£54,701
Other	<u>£241,345</u>
	£623,669

4. Section 83 of the Local Government (Scotland) Act, 1973

Section 83 empowers local authorities to incur expenditure which in their own opinion is in the interests of their area or its inhabitants and for which they have no other specific powers. During 2000/2001 no expenditure was incurred under this section.

5. Local Government Superannuation (Scotland) Scheme

The Scheme works by the Council making a contribution on behalf of each Scheme member with each member also making a contribution from his or her salary or wages. The scheme is fully funded as these contributions are invested in the Superannuation Fund that pays for each member's retirement costs.

The total pensions costs charged to the revenue account in 2000/2001 amounted to £6,379,922, this being equivalent to 12.6 % of employee's pensionable pay for APT&C staff and 10.5% for manual staff. Employees contribute at a rate of 6% except manual staff in the fund prior to April 1998, who contribute at 5%.

The total discretionary payments made to Council staff in 2000/2001 amounted to £21,886.

In addition, the 2000/2001 cost of "added years" pensions agreed during the year amounted to £5,471.

The capital cost of these discretionary added years payments awarded during 2000/2001 amounted to £205,000. The capital cost of discretionary added years payments awarded prior to 2000/2001 for which payments are still being made amounts to £17,287,000.

Further Information on the Superannuation Scheme is contained in the notes to Statement 13 – Superannuation Fund.

6. Police and Fire Services Pension Scheme

Both of the above Schemes are unfunded. This means that the net cost of pensions and other retirement benefits require to be met from current revenues after allowing for the pensions contributions paid by staff during the course of the year.

The total pensions costs which have been incurred in respect of Police Officers during the year amounted to £3,494,681. Contributions at 11% of pensionable pay amounting to £1,293,807 were received from Police Officers with a further £1,122,446 being funded through Police grant. This resulted in a deficit of £1,078,428 which was charged to the Police revenue account in 2000/2001.

The total pensions costs paid in respect of Firefighters during the year amounted to £938,534. Contributions amounting to £278,343 were received from Firefighters at 11% of pensionable pay and through transfers from other authorities' funds. This left a deficit of £660,191 to be funded from revenue resources in 2000/2001.

7. Teachers Superannuation Scheme

The Teachers Superannuation Scheme is administered by the Scottish Executive Pensions Agency on behalf of teachers employed by Education Authorities. Deductions from Teachers' pay are made at a rate of 6% and the Council contributes a further 6.9% of Teachers' pay. The amounts paid to the Pensions Agency amounted to £2,446,040 being deducted from employees and £2,772,200 funded by the Council as employer. The total discretionary payments paid to teachers in 2000/2001 amounted to £13,694.

8. Operating Leases

In 2000/2001 the Council incurred expenditure of £1.8M on operating leases in respect of vehicles, computers, plant and equipment. The remaining payments on these leases amount to £5.1M.

9. Employee Earnings

The following table shows the number of employees whose taxable pay including taxable expenses fell into each bracket

Earnings Bandings £	Total Number
90,000 - 99,999	2
80,000 - 89,999	1
70,000 - 79,999	2
60,000 - 69,999	17
50,000 - 59,999	18
40,000 - 49,999	86
	126

10. Members Allowances

There were 47 Members serving Dumfries and Galloway Council during the year 2000/2001, each receiving a basic allowance of £5,989. In addition, Special Responsibility allowances were paid to Members who held additional responsibilities throughout the year. In total £521,442 was paid to Members and was made up of two elements:-

Basic allowances totalled £281,483 for the year and were paid to Members in recognition of time spent on Council duties and to cover incidental cost incurred in the course of these duties. The rate is determined by the Scottish Executive.

Special responsibility allowances of £239,959 were paid to individual Members who held additional responsibilities during 2000/2001. These responsibilities included duties for serving as the Convenor, Depute Convenor, Leader of the Council, Depute Leader of the Council, Chairman and Vice-Chairman of Main Service committees, Chairman and Vice-chairman of Area Committees and Chairman of the Licensing Board. The rates are set on or below those recommended by COSLA.

11. Miscellaneous Adjustments

Miscellaneous adjustments amounting to £0.152M were required in 2000/2001 due mainly to a need to correct the outstanding balance on the Council's EASE Loans.

12. The Asset Management Revenue Account

	£000s
Capital Charges	-32,427
Depreciation	6,037
Loans Fund Interest & Expenses	18,836
	-7,554

13. Appropriation to the Capital Financing Reserve

	£000s
Loan Charges Principal / Depreciation Adjustment	2,982
CFCR	9,008
Grant Received to Fund CFCR	-2,188
Improvement & Repairs	
Grants Adjustment	-1,118
	8,684

14. Related Parties

There have been no other significant related party transactions other than those listed below or disclosed elsewhere in the accounts.

	£000
Dumfries & Galloway Tourist Board	350
Annandale & Eskdale Sports & Leisure Trust	334

The grant payable to the aforementioned organisations is conditional on the organisations agreeing to provide a minimum level of service as determined by the Council.

15. Local Authority (Goods & Services) Act 1970

Name of Body	Purpose of Work	Income (£000)	Expenditure (£000)
Dumfries & Galloway Health Board	Providing social care for those who would previously have been in long-term hospital care.	6,297	6,297
Scottish Executive	Improvement and maintaining the trunk road network in south west Scotland in conjunction with six other authorities	3,946	3,946
British Kidney Patients Association	Funding home care for kidney patients	12	12
Loreburn Housing Association	Property & Grounds Maintenance	60	58
Irvine Housing Association	Property Maintenance	28	27
Home in Scotland	Property & Grounds Maintenance	44	42
West of Scotland Water Authority	Vehicle Maintenance	71	68
Dumfries & Galloway College	Fleet Management	9	8
Dumfries & Galloway Tourist Board	Property Maintenance	1	1
Forestry Enterprise	Grounds Maintenance	11	10
Historic Scotland	Grounds Maintenance	33	32
Health Trusts	Grounds Maintenance	21	20

16. Foot and Mouth Disease

Towards the end of the financial year the Dumfries and Galloway area was badly affected by the outbreak of Foot and Mouth disease.

In response to the outbreak the Council activated its Emergency Planning Scheme and deployed both physical and financial resources in support of the Government efforts to control and eradicate the disease.

The Council incurred additional costs of £1.44M. These costs will be recovered from the Scottish Executive and MAFF and provision for the recovery has been made within the accounts.

Over and above the direct additional costs the Council deployed staff and other resources to support the Government. The cost of this support, which at the time of writing this report, has not been quantified, will be absorbed by the Council.

STATEMENT NO.4

HOUSING REVENUE ACCOUNT

1999/00 Actuals £000		Year ended 31 March 2001	
		Actual £000	Budget £000
	Expenditure		
7,253	Repairs and Maintenance	7,995	8,164
3,982	Supervision and Management	3,892	3,838
10,691	Capital Charges	9,984	10,700
380	Void Rents	513	515
165	Provision for Doubtful Debts	122	110
22,471	Total Expenditure	22,506	23,327
	Income		
-23,904	Council House Rents	-23,875	-23,870
-328	Other Rents	-331	-331
-22	Housing Support Grant	0	0
-761	Interest on Revenue Balances	-740	-222
-32	Other Income	-45	-26
-25,047	Total Income	-24,991	-24,449
2,576	Surplus for year	2,485	1,122
-4,115	CFCR	-4,493	-4,811
8,904	Reserve Brought forward	7,171	7,171
0	Transfer to General Fund	-127	-127
-194	Earmarked Reserve	-29	35
7,171	Accumulated Balance at 31 March 2001	5,007	3,390

Additional Information on the Housing Revenue Account

1. Council Housing Stock

The Council Housing Stock is made up of a mixture of houses and flats. The movement in stock during the year was:-

2000/01

Stock at 1 April 2000 (per 1999-2000) accounts	13,193										
Adjustment	-3										
Houses added to stock	1										
Houses sold RTB	367										
Stock at 31 March 2001	12,824										
		<table> <tbody> <tr> <td style="font-size: 2em;">}</td> <td>Flats</td> <td style="text-align: right;">4,136</td> </tr> <tr> <td></td> <td>Houses</td> <td style="text-align: right;"><u>8,688</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">12,824</td> </tr> </tbody> </table>	}	Flats	4,136		Houses	<u>8,688</u>			12,824
}	Flats	4,136									
	Houses	<u>8,688</u>									
		12,824									

2. Rent Arrears

Rent Arrears at 31 March 2001	£425,549
Rent Arrears as a percentage of the Gross Annual Debit	1.79%
No. of tenants in arrears	3,364

3. Average Rent

On a 52 week basis the average rent for a council house at 31 March 2001 was	£35.44
--	--------

STATEMENT NO. 5

COMMERCIAL SERVICES GROUP

The statutory financial target for Direct Labour and Direct Service Organisations is to break even after allowing for capital charges that comprise depreciation and notional interest on capital employed.

During 2000/01, all trading units within the Commercial Services Group achieved their statutory financial targets. Total operational surplus amounted to £1,478k, together with an additional sum of £466k that was refunded to the Group as the net difference between capital charges and loan charges. From this total sum £734k was invested in the Group's capital assets; £750k returned to the General Fund; and £460k retained by the Group for future capital investment.

At Unit level, the Vehicle Maintenance DSO recovered from its loss of £45k in 1999/00 to return a surplus of £53k. The main reason for this was more effective procurement at Unit level, and in particular more effective negotiation of prices with its main suppliers. The Group's recruitment of a joint venture partner for vehicle provision and maintenance and fleet management is entering its

second phase, with the relocation of the Fleet Management Unit to the premises of the Group's main existing provider of leased vehicles in Dumfries. Further development to encompass joint working on Vehicle Maintenance should also help to sustain that DSO's recovery.

The Supplies Unit, which is not covered by CCT legislation, also recovered from a loss of £4k last year, returning a net surplus of £15k.

The surplus on Grounds Maintenance work fell as the Group returned funds to the function for investment in the service to the public. The Roads DLO returned higher than anticipated surplus this year (£552k), emphasising the beneficial impact of improved scheduling of works in conjunction with the client department. Property Maintenance DSOs continued to perform well, with a return of £409k, or 5.5% of turnover.

Further information on the financial performance of the Commercial Services Group can be obtained from the Director for Finance and Corporate Services.

COMMERCIAL SERVICES GROUP

Summary Revenue & Appropriations Account 2000/01

1999/00 Actuals £000		Total DSO's/DLO's 2000/01 Actuals £000
37,808	Income	40,079
	Expenditure	
16,281	Employee costs	16,853
641	Property costs	792
10,079	Supplies and services	10,524
8,189	Transport costs	8,372
950	Administration costs	1,145
810	Central support	915
36,950		38,601
858	Operating Surplus	1,478
	Appropriations	
-457	Refunded from General Fund	-466
457	Net appropriation to Vehicle and Plant Reserve	37
540	CFCR	734
-73	Contribution to DLO/DSO General Reserve	423
391	Contribution to Council General Fund	750
858		1,478

Key Financial Performance

The statutory financial target of DLOs and DSOs subjected to Compulsory Competitive Tendering (CCT) is to achieve a minimum of a break even position after having accounted for capital financing charges.

1999/00 £000		Income £000	2000/2001 Expenditure £000	Surplus/(Deficit) £000
	CCT Services			
	DLO's			
	Trunk Roads	2,337	1,954	383
	Other Roads	7,797	7,628	169
8	Total Roads	10,134	9,582	552
	DSO's			
376	Property Maintenance	7,480	7,071	409
178	Grounds Maintenance	4,756	4,679	77
134	Refuse Collection	4,721	4,637	84
-23	Street Cleaning	1,332	1,291	41
142	Cleaning	3,079	2,977	102
59	School & Welfare Catering	3,129	3,058	71
4	Other Catering	52	50	2
-45	Vehicle Maintenance	1,345	1,292	53
833		36,028	34,637	1,391
	Non-CCT Service			
29	Fleet management	3,097	3,025	72
-4	Supplies	954	939	15
25		4,051	3,964	87
858	CCT/Non CCT Services	40,079	38,601	1,478

STATEMENT NO. 6

LEISURE MANAGEMENT CONTRACT SERVICES

Management of Leisure Facilities

Summary Revenue Account for the 12 month period to 31 March 2001

1999/00		2000/01
Actuals		Actuals
£000		£000
	Income	
2,181	Charges for work done	2,151
	Expenditure	
1,133	Employees	1,127
553	Property	489
241	Supplies	202
20	Transport	25
113	Overheads	144
2,060		1,987
121	Surplus for the period	164
	Appropriations	
0	CFCR	137
117	Earmarked Reserves	27
4	Transfer to General Fund	0

Management of Leisure Facilities by Contract

Revenue Account for the 12 month period to 31 March 2001

1999/00		Dumfries Swimming Pool	Ice Bowl Hillview Leisure Centre	Leisure Direct (Wigtownshire)
£000		£000	£000	£000
	Income			
2,181	Charges for work done	617	504	1,030
	Expenditure			
1,133	Employees	395	240	492
553	property	146	145	198
241	Supplies	54	70	78
20	Transport	2	4	19
113	Overheads	32	33	79
2,060		629	492	866
121	Surplus/(Deficit) for the period	-12	12	164

Dumfries and Galloway Council is continuing to run three of the Leisure Management Contracts established under CCT legislation. These are the Dumfries Swimming Pool, the Ice Bowl, joined with Hillview Leisure Centre, and Leisure Direct (Wigtownshire).

The Dumfries Swimming Pool recorded an operating loss during

the year due mainly to increased maintenance costs.

The Ice Bowl and Hillview leisure Centre achieved an operating surplus.

Leisure Direct (Wigtownshire) achieved an operating surplus of £164,000. The majority of this has been used to fund capital repairs leaving a further £27K to be appropriated to reserves to fund capital works.



STATEMENT NO.7

COUNCIL TAX AND NON-DOMESTIC RATE INCOME ACCOUNT

Council Tax Base

The number of chargeable dwellings in each valuation band and the equivalent number of band D dwellings in 2000/01 were as follows.

Band	Weighting Factor	No of Dwellings	Band D Equivalent £
A	6	11,513	7,675
B	7	22,399	17,421
C	8	10,198	9,065
D	9	8,624	8,624
E	11	8,627	10,544
F	13	3,593	5,190
G	15	1,699	2,832
H	18	147	294
		66,800	61,645
Estimates of discount and exemptions			7,025
			54,620
2.6% allowance for bad debt			1,420
Council Tax Base			53,200

Estimated Net Tax Base

The total sum to be raised through Council Tax was £43.464M. The Band D equivalent tax base of 53,200 was used to calculate the Band D tax by dividing this into £43.470M. The Council Tax charge per Band D household was therefore £817. Charges for other bands within the range A to H vary according to a variable formula, which makes A equal to 6/9 of the band D charge (£544.67) with Band H equivalent to 18/9 of the Band D charge (£1,634).

Declared Levels of Council Tax 2000/2001

Dumfries and Galloway Valuation Band	£
A (up to £27K)	544.67
B (£27K to £35K)	635.44
C (£35K to £45K)	726.22
D (£45K to £58K)	817.00
E (£58K to £80K)	998.56
F (£80K to 106K)	1,180.11
G (£106K to £212K)	1,361.67
H (over £212K)	1,634.00

Community Charge

Action continues to be taken to collect outstanding Community Charge. During the year the amount of Community Charge outstanding was reduced by £128,600.

Community Charge Account 2000/01

	£000
Adj to bad debt provision	129
Balance to Revenue Account	129

Council Tax Account 2000/01

	£000
Gross Charge	50,825
Less deductions	
Exemptions	(1,518)
Disabled relief	(44)
Discounts	(4,636)
Provision for bad debts	(830)
Previous years' adjustments	(327)
Total Council Tax income	43,470
Net Cost of Council Tax benefits	550
Discount for prompt payment	193

Non Domestic Rates

The Non Domestic Rating system continues to be used to raise local tax income on non-domestic properties. The rate is set by the Scottish Executive. In 2000/01 poundages were split according to valuation, with a rate of 44.8p on valuations under £10,000 and 45.8p on valuations of £10,000 and above.

Non-Domestic Rate Account 2000/01

	£000
Gross Rates Charged	38,321
Less deductions	
Vacant properties	(1,537)
Mandatory relief	(1,108)
Discretionary relief	(693)
Provision for bad debts	(425)
Disabled relief	(609)
Total Non Domestic rate income	33,949
Interest on appeals	(4)
Contribution to National Non Domestic Rate Pool	33,945
Contribution from National Non Domestic Rate Pool	47,835
Net Contribution from National Non Domestic Rate Pool	13,890
Adjustment for years prior to introduction of NDR Pool	8

Additional Information on Consolidated Balance Sheet

Note 1: Movement of fixed assets

	Balance at 1 April 2000	Adjustments	Acquisitions & Enhancements	Revaluations	Disposals	Depreciation	Balance at 31 March 2001
	£000	£000	£000	£000	£000	£000	£000
Council dwellings	205,781	-73	2,000	3,953	-6,067	-13	205,581
Other land and buildings	235,615	-249	140	15,937	-78	-4,839	246,526
Vehicles and plant	4,568	0	1,208	0	-134	-923	4,719
Infrastructure	49,588	20	0	17	0	0	49,625
Community assets	3,929	-180	0	373	0	-94	4,028
Total operational assets	499,481	-482	3,348	20,280	-6,279	-5,869	510,479
Non operational assets	10,675	-676	1,963	315	-2,261	-168	9,848
Total	510,156	-1,158	5,311	20,595	-8,540	-6,037	520,327

In compliance with the Code of Practice on Local Authority Accounting in the United Kingdom, the valuations of the Council's fixed assets are undertaken by MRICS qualified valuers within the Council's internal Property Services department. Valuations are undertaken as part of a Rolling Programme which has been designed to ensure that each of the Council's fixed assets is revalued at least once every 5 years in line with statutory requirements. These valuations are undertaken in line with the Royal Institute of

Chartered Surveyors' Appraisal and Valuation Manual, otherwise known as The Red Book. The only exception to this relates to the valuation of Vehicles and Plant which are valued at depreciated replacement cost.

The Council is not aware of any material change in value that would impact on the valuations of fixed assets currently held in the balance sheet.

In line with a change in the Code of Practice on Local Authority Accounting in the

United Kingdom, the Council has widened its approach to the depreciation of fixed assets. In the past depreciation has been deducted only from the Council's Vehicles and Plant but, from 2000/01, depreciation has been provided for on all fixed assets with a finite useful life which can be determined at the time of acquisition or revaluation. The depreciation methods used and the useful lives of each category of fixed assets has been determined by the Council's internal valuers in line with RICS recommended practice.

Control of Capital Expenditure by Central Government

The capital expenditure of the Council is subject to Central Government control under Section 94 of the Local Government (Scotland) Act 1973 which effectively empowers the Secretary of State to impose a ceiling on the amount of capital expenditure which may be incurred in a financial year. As in previous years, the limits were imposed in the form of 4 block allocations for the Composite Programme, which covers all Council services excluding Police, Fire and Housing, the Police Programme, the Fire Programme and the Housing Programme. A summary of the allocations for 2000/2001 is shown below in the section headed 'Budget Performance'.

Enhancement of Consents

The Council is able to enhance the block allocations available for its capital programmes in a number of different ways. Firstly, the consent available may be enhanced through the carry forward (subject to certain restrictions) of underspending and unapplied capital receipts from the previous financial year. This carry forward enhanced the consent available for 2000/2001 by £1,003,000 between the 4 programmes.

The Council is also able to increase its allocation through the generation of usable capital receipts. Usable capital receipts can be generated from a number of sources such as the proceeds arising from the sale of capital assets and grants from the

National Lottery, European Structural Funds and other external bodies. Usable capital receipts totalling £7,775,000 were raised between the 4 programmes in 2000/2001.

Finally, the Council can also fund capital expenditure from revenue resources and this source of funding contributed £9,008,000 to the Council's Capital Programmes in 2000/2001.

The Council was thus able to enhance its 2000/2001 capital allocation by £17,786,000 as a combined result of carry forwards from 1999/2000, the generation of capital receipts and support from revenue resources.

Budget Performance

	Section 94 Consents 2000/01	Enhancement of Consents	Total Consent 2000/01	Capital Expenditure Chargeable to Consent	Consent Carried Forward to 2001/2002
	£000	£000	£000	£000	£000
Block Allocations					
Composite	10,005	10,910	20,915	18,259	+2,656
Police	705	344	1,049	1,037	+12
Fire	475	17	492	492	0
Housing	4,752	6,515	11,267	11,267	0
	15,937	17,786	33,723	31,055	+2,668

Budget Performance

The underspend on the Composite Programme has enabled unused funding to be carried forward to enhance the 2001/2002 Capital Programme. However, it should be noted that this carried forward funding has already been committed to various projects which have not yet been completed and as such requires to be 'ring fenced' to accommodate the outstanding spending on these projects.

Analysis of Capital Expenditure and Capital Financing

	2000/01 £000
Capital Expenditure During the Year	
Council Dwellings	9,553
Other Land & Buildings	8,055
Infrastructure Works (ie roads, bridges etc)	6,247
Community Assets (ie parks, playgrounds etc)	9
Vehicles, Plant, Machinery & Equipment	4,459
Improvement Grants	1,118
Lending for Capital Purposes	100
	29,541
Financed as Follows	
Proceeds from Sale of assets	8,536
Government Grants	1,181
European Structural Funds	1,415
Revenue Contributions	9,008
Other Capital Receipts	2,552
Advance from Loans Fund	6,849
	29,541

1. The capital accounts record expenditure on land, buildings, equipment and other assets from which benefits will accrue over several years as distinct from benefits accruing to one single year when they are treated as revenue costs.

2. The total expenditure recorded in the capital accounts does not correspond to the total chargeable against Section 94 Consent as shown in the Budget Performance Table. The explanation for this is that the figure of £29,541,000 reflects the cost of **capital expenditure (inclusive of accrued amounts)** incurred in 2000/2001 while the charge against Section 94 Consent represents the value of **capital payments (exclusive of accrued amounts)** made during the year.

Note 2: Deferred Charges

Deferred Charges can be defined as capital expenditure which does not result in the creation of a fixed asset. The guidance contained in the Statement of Recommended Accounting Practice recommends that Deferred Charges should only be included in the balance sheet where it can be shown that there is a continued benefit to the Authority. Based on this guidance, all capital

grants, including improvement grants, are now charged to the Service Revenue Accounts in the year in which the expenditure is incurred and the only deferred charge remaining on the balance sheet is that relating to debt rescheduling charges. Movements in Deferred Charges in 2000/2001 can be summarised as follows:-

	Opening Balance £000	Expenditure £000	Charged to Revenue £000	Balance at 31/3/2001 £000
Improvement Grants	0	675	-675	0
Other Capital Grants	0	443	-443	0
Debt rescheduling	5,086	462	-696	4,852
Total	5,086	1,580	-1,814	4,852

Note 3: Long Term Debtors

These are monies owed to the Council from a variety of sources.

	Balance at 31 March 2001 £000
EASE Loans	442
Home Loans - Individuals (Non HRA)	77
Home Loans - Housing Assoc (Non HRA)	145
Home Loans - Individuals (HRA)	582
Staff Car Loans	1,022
Staff PC Loans	53
Other Loans	61
Total	2,382

Note 4: Long Term Borrowing

The Council's long term debt at 31 March 2001 may be analysed as follows:

	Loans Outstanding 31 March 2001 £000
Sources of borrowing	
Public Works Loan Board	215,955
UK Banks & Other	
Financial Institutions	23,034
European Investment Bank	4,666
	243,655

Maturity Pattern of Long Term Debt

	Amount of Debt £000	Average Rate %
As at 31 March 2001		
Loans Outstanding		
Repayable between 1 and 2 years	10,415	8.3
Between 2 and 3 years	7,946	8.5
Between 3 and 4 years	675	9.8
Between 4 and 5 years	1,561	9.7
Between 5 and 10 years	11,118	8.7
Between 10 and 15 years	18,341	7.1
Over 15 years	193,599	6.1
	243,655	

Percentage of Debt Maturing in	
Less than 5 years	8.45%
More than 5 years	91.55%
Average loans fund interest rate	6.40%

Note 5: Free Life Cover Scheme

Separate to the Pension Scheme the Council operates a Free Life Cover Scheme. This scheme covers all employees of the Council (including Police, Fire and Teachers) providing their pay is paid directly into a bank account or building society account.

When a death occurs to an employee whilst in service, the Council will pay an amount equivalent to the final years earnings to a nominated beneficiary/s (or failing this, to a person identified at the discretion of the Council).

Note 6: Fixed Asset Restatement Reserve

	£000	
Opening Balance Brought Forward	134,297	The Fixed Asset Restatement Reserve is increased or decreased with surpluses or deficits arising on revaluation and is written down by the net book value of assets as they are disposed of. This reserve does not represent resources available to the Council.
Revaluations	20,595	
Less Expenditure not adding to Fixed Asset Valuations	-23,012	
Adjustments	-1,158	
Less Disposal of Fixed Assets	-8,540	
	122,182	

Note 7: Capital Financing Reserve

	£000		
Opening Balance Brought Forward	83,490	The Capital Financing Reserve is effectively a balancing account reflecting capital financing transactions. Appropriations to and from this reserve are required in respect of the difference between loans fund principal repayments and the amount of depreciation provided in the accounts, for revenue contributions to capital expenditure (CFCR) and for capital receipts either used to redeem debt or applied to finance capital expenditure.	In addition, the Accounting Code of Practice recommends that the charge in the Service Revenue Accounts in respect of Deferred Charges should be matched by an offsetting adjustment, an appropriation to the Capital Financing Reserve, to ensure that the charge does not impact on Council Tax levels.
Set Aside Capital Receipts	5,185		
Applied Capital Receipts	6,344		
CFCR	9,008		
Improvement & Repairs			
Grant Adjustment	-1,118		
Repayment of Principal Adjustment	2,982		
	105,891		The Capital Financing Reserve does not represent resources available to the Council.

Commitments Under Capital Contracts

The Council had undertaken the following significant capital commitments at 31 March 2001:

Project	£000
Eskdale Sports Complex	233
Whithorn Primary School, Nursery Alterations	248
Council Housing, External Rendering etc, Ecclefechan	276
Council Housing, Central Heating Installations, Stewartry	210

Note 8: Insurance Fund

Dumfries and Galloway's policy is self insurance in respect of all Liability claims intimated against the Council and all Motor Claims involving the Council's fleet, (both own damage and third party claims). This means that the first £50,000 arising on each and every claim is payable by the Council. In order to limit the total cost to the Council in any one financial year, a stop - loss policy exists with the Insurers. This policy meets the surplus cost of any claim settling above the £50,000 excess, and the full value of claims where total claims in an insurance year exceed £500,000 for Liability and £325,000 for Motor.

The main purpose of the Insurance Fund is to meet the cost to the Council of the self-insured claims and their associated costs, e.g. legal fees. Year on year surpluses can be set aside for future years when the Council may have a bad claims experience. An Insurance Fund can only be utilised for the purpose of Insurance.

STATEMENT NO. 9

CASH FLOW STATEMENT

1999/2000 £000		2000/01 £000	2000/01 £000
	Revenue Activities		
	Expenditure		
141,165	Cash paid to and on behalf of employees	147,668	
83,547	Other operating cash payment	93,515	
9,947	Housing Benefit paid out	10,290	
0	Non domestic rate paid to national pool	0	
<u>234,659</u>		<u>251,473</u>	
	Income		
-13,015	House rents	-13,149	
-34,847	Council tax and Community Charge	-38,115	
-7,459	Non-Domestic rate receipts from national pool	-13,890	
-33,305	Non-Domestic rate receipts	-34,168	
-105,382	Revenue Support Grant	-101,518	
-26,223	DSS subsidy for benefits	-26,476	
-19,262	Other Government Grants	-20,612	
-34,990	Cash received for goods & services	-41,463	
-58	Other income	-50	
<u>-274,541</u>		<u>-289,441</u>	
<u>-39,882</u>	Net cash in-flow from revenue activities		-37,968
	Servicing of Finance		
	Cash outflow		
22,536	Net interest paid loans fund	16,497	
158	Expenses	148	
	Cash inflow		
-2,261	Income other interest	-428	
<u>20,433</u>	Net cash out-flow from Servicing of Finance		<u>16,217</u>
	Capital Activities		
	Cash outflow		
5,004	Acquisition of Assets etc	2,985	
21,808	Other Payments	27,252	
773	Covenant	773	
	Cash inflow		
-6,257	Sale of assets	-8,536	
-1,494	Capital grants	-3,222	
-3,541	Other	-1,283	
<u>16,293</u>	Net cash out-flow from capital activities		<u>17,969</u>
	Management of Liquid Resources		
-10,307	Net increase/decrease in short term deposits		<u>1,793</u>
<u>-13,463</u>	Net cash inflow before financing		<u>-1,989</u>
	Financing		
	Cash outflow		
132,144	Repayment of amounts borrowed	102,596	
	Cash inflow		
-115,912	New loans raised	-100,323	
<u>16,232</u>	Net decrease in loans		<u>2,273</u>
<u>2,769</u>	Net cash out-flow after financing		<u>284</u>
	Net movement in cash equivalents		
-2,771	Movement in Bank	-291	
2	Movement in Cash	7	
<u>-2,769</u>			<u>-284</u>

Additional Information on Cash Flow Statement

	£000	£000
Note 1 - Reconciliation of Consolidated Revenue Account Surplus to Net Cashflow from Revenue Account		
Net cash inflow from revenue activities		-37,968
Items on an accruals basis		
Movement in stock, revenue debtors and creditors	1,084	
Provision and appropriations	886	
		1,970
Capital and Financing transaction		
Principal repayments	9,019	
Interest and Expenses	20,551	
Capital from Current Revenue	9,008	
Improvement Repairs Grant Adjustment	-1,118	
Internal loans fund interest	-1,716	
		35,744
		-254
Surpluses/(deficits) from financial statements		
Housing	-2,163	
Commercial Services	423	
General	1,994	
		254

Note 2 - Reconciliation of Movement in Net Debt

	2000/01 £000
Decrease in cash	-284
Movement in borrowing	-2,995
Change in Net Debt	-3,279
Opening Debt at 1 April 2000	268,572
Closing Debt at 31 March 2001	265,293

Analysis of Movement in Debt

	Balances at 1 April 2000 £000	Cash Flow £000	Balance at 31 March 2001 £000
Cash			
Bank	3,134	-291	2,843
Imprests	-36	7	-29
	3,098	-284	2,814
Borrowing			
Short term advances from other funds	5,287	-2,122	3,165
Short term loans	29,011	-17,092	11,919
Long term loans	226,613	17,042	243,655
Covenant	4,563	-823	3,740
Total Net Debt	268,572	-3,279	265,293

Note 3 - Analysis of Government Grants

Government Grants	£000
Revenue Support Grants	101,518
NDR Receipts from National Pool	13,890
Education	3,287
Social Services	1,865
Environment and Infrastructure	1,365
Emergencies Planning	59
Police	13,433
Information Services	36
Housing Benefit	26,476
Housing Benefits Administration	567
	162,496

STATEMENT NO. 10

STATEMENT OF TOTAL MOVEMENT IN RESERVES

Provisions, Earmarked Funds and Reserves

The following provisions and reserves have been made in the accounts:-

	CAPITAL RESERVE			REVENUE RESERVES			TOTAL 2000/01 £000	Total 1999/2000 £000
	Fixed Assest Restatement Reserve £000	Capital Financing Reserve £000	Usable Capital Receipts & Reserves Reserve £000	Other Funds & Reserves £000	General Fund Balance £000	Housing Revenue Account £000		
Balance 1 April 2000	134,297	83,490	1,338	5,742	6,257	7,171	238,295	258,767
Net Surplus/(Deficit) for the year				515	1,994	-2,164	345	-954
Unrealised losses on revaluation of fixed assets	-2,417						-2,417	-33,456
Effects of disposals of fixed assets								
Net book value of disposals	-8,540						-8,540	-6,423
Proceeds of disposals			8,536				8,536	1,053
Net (deficit)/surplus on disposals	-8,540		8,536				-4	-5,370
Financing of fixed assets		19,419	-7,445				11,974	17,360
Other movements	-1,158	2,982					1,824	-13,644
Balance 31 March 2001	122,182	105,891	2,429	6,257	8,251	5,007	250,017	222,703

Other Funds & Reserves

	Earmarked Reserves £000	Pensions Provision £000	Devolved School Management Reserve £000	Free Life Cover £000	Commercial Services Group £000	TOTAL £000
Balance 1 April 2000	2,490	2,217	425	151	459	5,742
Appropriations Out	-1,140	-616	0	-86	0	-1,842
Appropriations In	1,489	386	59	0	423	2,357
Balance 31 March 2001	2,839	1,987	484	65	882	6,257

Fixed Asset Restatement Reserve

The system of capital accounting requires the establishment of a Fixed Asset restatement reserve. It reflects the valuation surplus which is the difference between the book value prior to implementation of capital accounting and the revalued amounts and subsequent adjustments to valuations from then on. This reserve is not available for use by the Authority.

Capital Financing Reserve

The system of capital accounting requires the creation of a Capital Financing Reserve which reflects all capital financing transactions. This reserve is not available for use by the Authority.

Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve is available to be spent on capital projects and other approved expenses.

General Fund Balance

General Fund balances are a fundamental part of prudent financial management and represent funds set aside to resource unforeseen expenditure demands in the short term and to assist cash flow management.

HRA Balance

Under the Housing (Scotland) Act 1987 the Council is required to maintain a Housing Revenue Account. The balance shown is the accumulated surplus on that account.

Earmarked Reserve

Earmarked reserves are set aside for non-recurring future expenditure. The reserve is created from Service Departments budget surpluses and from funding made available for specific Government initiatives.

Pension and Other Provision

Provisions have been set-up for Police and Fire pensions. In the case of Police the provisions exist to provide for the lump sum's of the officers who are due to retire but have chosen to continue to work. For Fire, wide fluctuations in year on year expenditure means a provision is necessary to smooth expenditure patterns. Other provisions exist to provide for future liabilities which will be incurred, but where the amounts and timing are uncertain.

Devolved School Management Reserve

The devolved school management reserve is operated under the terms of the approved DSM scheme to permit the carry forward of underspends and overspends on individual school budgets. In 2000/01 accumulated underspends increased by £59,000.

Free Life Cover Scheme

The Authority operates a non-contributory insurance scheme for those employees whose wages/salaries are paid directly to bank/building society accounts. Payments are made to beneficiaries of those members of the staff who die in service on the basis of earnings in the previous twelve months.

Commercial Services Group

The general reserve has been created from surpluses arising from the operation of the Council's Commercial Services Group. The reserve may be used to offset any future losses.

STATEMENT NO. 11

TRUST FUNDS

Revenue Account for year ending 31 March 2001	Trust Funds 2000/01		
	Educational	Welfare	Charitable
	£000	£000	£000
Balance in Trusts at beginning of year	176	15	756
Revenue:			
Income	36	1	66
Expenditure	(25)	(1)	(44)
Return of External Loan	(0)	(0)	(116)
Balance in Trusts at end of year	187	15	662
Balance:			
Being Invested	151	-	93
Debtors	7	-	-
Creditors	-	-	-
Temporary Deposit with Loans Fund	29	15	569
	187	15	662

Balance Sheet at 31 March 2001	£000	£000
Investments:		
Charitable Trust	93	
Educational Endowments	151	
Welfare Trusts	-	244
Current Assets:		
Debtors	7	
Creditors	-	
Temporary Advances to Loans Fund	613	620
Net Assets		864
Financed by:		
Balance at Credit of Trust Funds		864

Revenue Account for year ending 31 March 2001	2000/01 £000
Balances in Trust at beginning of year	92
Revenue:	
Income for year	21
Expenditure for year	(18)
Capital:	
Loss on sale of Investments	(9)
Transfer from Dumfries and Galloway Loans Fund	2
Balances in trust at end of year	88

Balance Sheet at 31 March 2001	£000
Assets:	
Investments	330
Current Assets - Cash at Bank	12
	342
Financed by	
Donation from Lockerbie air disaster Fund	250
Retained Surplus as at 31/3/2001	88
Dumfries and Galloway Loans Fund	4
	342

Notes

1. In its capacity as Trustee, the Council administers a number of Educational, Welfare and Charitable Trusts usually provided from legacies of former school pupils, donations to Social Services' Children's Homes and other centres, and residents of particular areas within the region.

2. The income from the investments of the Education Trusts is used to provide educational grants, school equipment and prizes whilst that of the Welfare Trusts' investments is used for the well-being of the residents of Children's Homes and the users of Adult Resource Centres and Family Centres. The income from Charitable Trusts is used for the benefit of local people according to the specifications of the Trust Deeds.

3. The bequests are usually invested in high interest earning investments or placed with the Council's Loans Fund and earn interest accordingly. In 2000/01 the temporary placement of balances with the Loans Fund amounted to £29,000 on Educational Trusts, £15,000 on Welfare Trusts and £569,000 on Charitable Trusts.

4. The £116,000 marked as 'Return of External Loan' in the accounts relates to a temporary deposit with the Council of funds from an external Trust which was returned to the Trust during the year.

Lockerbie and Syracuse University Scholarship Trust

The Council administers the Lockerbie and Syracuse University Scholarship Trust. This Trust was established in the wake of the Lockerbie Air Disaster with its purpose being to send two Lockerbie students to Syracuse University on an annual basis. The monies administered by the Council are used to meet the college fees and everyday expenses of the two scholars.

STATEMENT NO. 12

COMMON GOOD

These funds are held for the benefit of residents of the former Burghs of Kirkcudbright, Castle Douglas, Gatehouse, Annan, Lochmaben, Lockerbie, Stranraer, Whithorn, Wigtown, Dumfries and Sanquhar.

The assets of the funds are the former Burghs properties and monies invested largely in the Council's Loans Fund.

The funds' expenditure is on maintenance of properties or grants to local organisations.

The funds' income comes from the rent of properties and from interest on investments.

During the year some properties were revalued and the balance sheet heritable property and revaluation reserve adjusted as appropriate. Kirkcudbright Common Good sold two houses at Low Boreland Farm for a total of £125,750. As a consequence these properties were written out of the balance sheet and the capital balance increased by the sale price.

Common Good Funds 2000/01

	Kirkcudbright	Castle Douglas	Gatehouse	Annan	Lochmaben	Lockerbie	Stranraer	Whithorn	Wigtown	Dumfries	Sanquhar
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue Account											
Opening balance*	379	24	15	302	15	24	912	90	44	250	26
Adjustment*	-273	0	0	-156	0	-1	-675	-77	-43	-155	-9
Opening balance (revised)	106	24	15	146	15	23	237	13	1	95	17
Income	32	19	3	21	1	6	36	2	0	59	2
Expenditure	21	8	1	13	1	6	58	1	0	66	2
Closing balance*	117	35	17	154	15	23	215	14	1	88	17
Balance Sheet											
Heritable Property	308	113	25	235	0	65	795	100	58	883	162
Loans Fund - Capital	398	0	0	0	0	0	138	0	5	0	6
Loans Fund - Revenue	116	35	17	153	11	23	212	14	1	98	17
Loans (external)	0	0	0	0	4	0	134	0	0	0	0
Investment	1	0	0	1	0	0	0	0	0	0	1
Debtors	0	0	0	0	0	0	3	0	0	1	0
Creditors	0	0	0	0	0	0	0	0	0	-11	0
Capital Balances	-398	0	0	0	0	0	-272	0	-5	0	-7
Revenue Balances	-117	-35	-17	-154	-15	-23	-215	-14	-1	-88	-17
Revaluation Reserve	-308	-113	-25	-235	0	-65	-795	-100	-58	-883	-162

* Note: the adjustment to the opening balances corrects some inconsistencies of accounting treatment between funds and removes the book value of 'Heritable Property' and 'Loans Fund - Capital' from the 'Opening Balance' to leave a purely revenue balance. The adjustment is one of accounting treatment and in no way affects the level of funds held.

PENSION FUND

Revenue Account & Net Asset Statement 2000/01

1999/00 Actual £000		2000/01 Actual £000	
Revenue Account for Year ended 31 March 2001			
Income			
3,150	Employees contributions	3,436	
6,565	Employers contributions	7,146	
1,377	Transfer values	1,354	
11,092			11,936
Expenditure			
8,399	Pensions	8,523	
722	Retirement Grants	682	
251	Death Benefit Grants	269	
43	Payments in respect of members leaving scheme	59	
1,046	Transfers	1,333	
194	Expenses	263	
10,655			11,129
437	Net additions from dealing with Members		807
Returns on Investments			
8,026	Investment Income	8,983	
36,715	Change in Market Valuation	-32,124	
-726	Investment Management Expenses	-743	
44,015	Net Returns on Investments		-23,884
44,452	Net Increase/(Decrease) in the Fund during the year		-23,077
270,231	Net Assets 31 March 2000		314,683
314,683	Net Assets as at 31 March 2001		291,606
Net asset statement as at 31 March 2001			
Fixed Interest			
18,258	UK - public sector	18,418	
22,021	- other	37,463	
17,469	Overseas - public sector	16,656	
Equities			
158,264	UK - listed	131,540	
6	- unlisted	7	
10,383	- managed (unit trusts)	9,626	
53,495	Overseas - listed	54,794	
20,155	- unit trusts	12,952	
10,060	UK Property Unit Trust	7,910	
156	Cash	53	
4,914	Debtors	3,247	
-498	Sundry Creditors	-1,060	
314,683			291,606

Additional Information on Superannuation Fund Revenue Account & Net Asset Statement

1. Scheduled and Admitted Bodies

The Council in its capacity as Trustee, administers the Superannuation Fund for most of the employees of the Council (excluding teachers, policemen and firemen) and Dumfries and Galloway College and Barony College. There are also 7 admitted bodies:- Dumfries and Galloway Tourist Board, Dumfries and Galloway Area Arts Association, Crichton Development Trust, Solway Heritage, Dumfries Town Centre Management, Community Integrated Care and Annandale and Eskdale Sports and Leisure Trust.

2. Fund Membership

The Superannuation Fund receives contributions from employees (contributors) and employers together with investment income and pays out pensions and other benefits. The contributor profile as at March 2001 was as follows:

Contributors

Scheduled Bodies

Dumfries and Galloway Council	4,145
Dumfries and Galloway College	108
Barony College	42

Admitted Bodies

Dumfries and Galloway	
Arts Association	2
Dumfries and Galloway	
Tourist Board	18
Crichton Development Trust	22
Solway Heritage	5
Dumfries Town Centre Management	3
Community Integrated Care	106
Annandale and Eskdale Sports and Leisure Trust	9
	4,460

Pensions in Payment

Scheduled Bodies	2,380
Admitted Bodies	21

3. Fund Management

The Director for Finance and Corporate Services is responsible for the management of the fund and reports to an investment sub-committee. The sub-committee appointed Deutsche Asset Management to undertake discretionary balanced management of the fund's portfolio. The sub-committee meets quarterly to review the performance of the Managers and consider investment strategy. The WM Company provides performance statistics on a quarterly basis. 3 trade Union representatives have observer status on the sub-committee and in practice are free to participate in discussion on a non-voting basis.

4. Accounting Policies

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting. The Net Asset Statement analyses the investment at 31 March 2001 according to asset class and market values. Values of purchases and sales were £87M and £77M respectively (excluding temporary deposits of surplus cash). At 31 March 2001 the fund was owed £1.3M by the Loans fund, this being included as a Debtor. The fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

Miscellaneous expenses:	£
Computer systems costs	56,000
Other expenses	28,000
Central administration charge	179,200
(representing time spent by Finance, Personnel & Legal Depts on administering the Fund)	

The Market Values of the funds under the control of Deutsche Asset Management represents quoted market prices as of 31 March 2001. The reduction in the market valuation of investments reflects the prevailing stock market conditions as at 31 March 2001. Such a reduction in market value does not have an immediate impact on the overall performance of the fund. It is only when investments are realised that there could be an impact on fund performance. Such issues, amongst others, are factored into the triennial valuation and may or may not result in changes to the employers' contribution rate.

5. Actuarial Position of the Fund

The employees' contributions are fixed by statute. The employers' contributions are determined every 3 years by actuarial valuation.

Results from the 31 March 1999 valuation showed that the fund was slightly in surplus. The long term employers contribution rate was estimated at 230%. Increases to this rate will be stepped, with contributions being 210% for the year to March 2001, 220% to March 2002 and 230% to March 2003.

Assumptions used in the 1999 valuation were:

Investment returns - equities	6.3% pa
Investment returns - bonds	5.1% pa
Earnings growth	4.3% pa
Pension increases	2.8% pa

6. Debtors

	£000
Dumfries and Galloway Council	1,306
Other	1,941
	<u>3,247</u>

Audit Certificate

To the members of Dumfries and Galloway Council and the Accounts Commission for Scotland

As auditors, appointed under statute by the Accounts Commission for Scotland, we have audited the accounts of Dumfries and Galloway Council for the year ended 31 March 2001, an abstract of which is set out on pages 60 to 81.

Respective responsibilities of management and auditors in relation to accounts

As described on page 57, the management of the authority is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on the abstract of accounts and to report that opinion to you.

Basis of Opinion

We have conducted our audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973 and of the Code of Audit Practice approved by the Commission. An Audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by management in the preparation of the accounts and of whether the accounting policies are appropriate to the authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit of the accounts so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the abstract of accounts presents fairly, in accordance with the accounting policies set out on pages 58 to 59, the financial position of the authority as at 31 March 2001 and its income and expenditure for the year then ended.

Deloitte & Touche
Chartered Accountants and
Registered Auditors
Lomond House
9 George Square
Glasgow. G2 1QQ

23 January 2002