Summary of accounts 2007/08

Details of the Council's spending during 2007/08

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Dumfries & Galloway COUNCIL

Introduction

This is a quick guide to the Council's financial position for the 12 months ended 31 March 2008.

This summary is based on the information in the full version of the accounts. The figures in this summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications have been made to provide meaningful information. The full accounts have been independently assessed by Audit Scotland and certified as reliable. A full copy of the 2007/08 audited accounts is available on request.

The accounts can also be found on our website - www.dumgal.gov.uk/annualaccounts

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Summary Operating Financial Review 2007/08

In the year to 31st March 2008 the Council had an overall surplus of £10.25 Million, resulting in total year end General Fund Balances of £39.6 Million. However it is important to recognise that this figure includes significant amounts which have been set aside to support the affordability of major long term projects including the Waste Management/ Recycling PFI Scheme (£7.2 Million), the Smarter Schools PPP Project (£10.2 Million), Regeneration and Housing (£3.6 Million) and a range of other partnership projects. The level of Unallocated Balances, which represent the funds available to the Council to support general financial management and to meet unexpected demands (such as responses to major emergencies), increased by £1 Million over the course of the year.

A range of major projects have been progressed by the Council during the course of the year. These include significant urban regeneration projects, such as the completion of the breakwater at Stranraer Harbour, new paving on Friars Vennel in Dumfries and restoration work on the Midsteeple in Dumfries.

Work has begun on building 10 new schools across Dumfries & Galloway as part of the newly signed Smarter Schools PPP Project.

Work progressed during 2007/08 on the DGOne Leisure Centre, which opened in May 2008.

A summary of the statements outlining the Council's financial performance for the year ended 31st March 2008 are provided on the following pages.

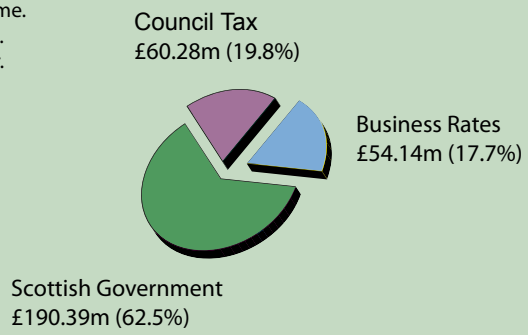
Further copies of this leaflet and full copies of the Audited Annual Accounts can be obtained from our website www.dumgal.gov.uk/annualaccounts or by emailing dir.finance@dumgal.gov.uk or by calling 030 33 33 3000

Account of our services for 2007/08

The accounts below show the cost of running our services for the 12 months between April 2007 and March 2008, where the money came from to finance these costs, and the year end position.

	Expenditure £000	Income £000	Net Expend £000
Education & Community Services	280,918	80,151	200,767
Planning & Environment	31,684	7,178	24,506
Combined Services	31,411	2,415	28,996
Corporate Services	18,098	1,766	16,332
Executive Unit & Area Management	13,391	2,595	10,796
Financial Services & Benefits	36,450	29,437	7,013
Police	40,339	22,985	17,354
Fire	10,212	735	9,477
Corporate & Democratic Core	4,648	0	4,648
Non Distributed Costs	4,095	0	4,095
Trading (surpluses)/deficits	1,047	0	1,047
Equal Pay	1,228	0	1,228
Less Central Support Recharges			(23,188)
Net cost of services			**303,071**
Repayment of loans and interest on loans			19,426
Transfer to reserves and other internal accounting			(27,930)
Amount to be met from Government grants and local taxation			**294,567**
Financed by:			
Revenue Support Grant			190,390
Business Rates			54,148
Council Tax			60,279
Total Income			**304,817**
Surplus for year			**(10,250)**
General Fund at the end of March 2007			29,357
General Fund at the end of March 2008			39,607

We had a total income in 2007/08 of £305 million. As the diagram shows most of this came from the Scottish Government (62.5%). Under one fifth of the Council's income comes from rates levied on business premises, the levels of which are controlled by the Scottish Government.
Council Tax contributes to about one fifth of total income.
This is the only part over which the Council has control.
The Council had a surplus of £10.25 million for the year.



Balance Sheet

What the Council owns and is owed as at 31st March 2008

	31 March 2008 £000
Land, buildings, vehicles, machinery and infrastructure we own	478,471
Stock of materials	959
Money we are owed	63,847
Cash in the bank	12,699
Money the Council owes	(67,072)
Net Pension Fund Liability	(265,456)
	223,448
Financed by:	
Borrowing	164,667
Non-distributable reserves (see note 1 below)	(3,762)
Distributable reserves (see note 2 below)	62,543
	223,448

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

Note 2: Distributable reserves - these funds are available to spend on our services.
The figure for distributable reserves is made up of:

General Fund Balances - unallocated reserves	8,926
- allocated service reserves	29,671
- devolved school management reserve	1,010
Usable Capital Receipts Reserve	14,748
Repairs & Renewals Fund	1,842
Capital Fund	3,671
Insurance Fund	2,675
	62,543

Of the General Fund Balances, £23.42m has been allocated to specific projects as follows:

Strategic Waste Fund funding for the Waste Management PFI project	7,226
Schools PPP Project sinking fund	10,179
Regeneration & housing issues	3,587
Carried forward Revenue Support Grant	2,429
	23,421

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

Cash Flow

	£000
Cash in/ (owed to) bank at 31 March 2007	7,394
Cash in	34,689
Cash out	(29,384)
Cash in/(owed to) bank at 31 March 2008	12,699

How has Financial Services performed?

Section	Measure	2005-06	2006-07	2007-08
Treasury	Loans fund interest rate	4.89%	4.84%	4.60%
Creditors Payments	Number of invoices paid	181,555	153,000	154,000
	Percentage paid within 30 days	90.0%	91.0%	89.0%
	Percentage paid within 30 days (Scottish average)	85.1%	85.8%	see note
Payroll Processing	Value	£190,571,853	£189,740,762	£189,493,798
	Number of pays processed	252,368	252,005	248,874
	Percentage correctly processed	99.92%	99.96%	99.98%
Employee Numbers	Total employees of the Council	8,890	8,421	8,240

Note: This figure will not be available until January 2009 when Audit Scotland releases its national report.

Council Tax

	2005-06	2006-07	2007-08
Population of Dumfries & Galloway	148,340	148,030	148,300
Band D equivalent properties	54,600	55,700	56,200
In year collection - Dumfries & Galloway	94.1%	94.8%	95.0%
In year collection - Scotland	93.3%	93.8%	see note
Number of direct debit payments	39,252	42,159	41,913
Value of direct debit payments	£40,436,499	£43,588,609	£46,149,056
Percentage of direct debits of total collection value	66%	65%	65%

Note: This figure will not be available until January 2009 when Audit Scotland releases its national report.

Financial Management

	2005-06	2006-07	2007-08
Annual accounts presented on time	✔	✔	✔
Free from audit qualification (figure independently confirmed as reliable)	✔	✔	✔

Capital Expenditure

Capital expenditure generally represents money spent by the Council on the purchasing, upgrading and improving of assets such as buildings and roads. The Council receives the benefit from capital expenditure over a long period of time.
The following table outlines the capital investment made during 2007/08.

		£000s
Education & Community Services	Dumfries & Galloway Leisure Complex	7,679
	Property works on schools	6,901
	Property works on Community Services properties	609
	Schools - new builds	691
	ICT projects	688
	Social Work vehicles	68
	Miscellaneous projects	68
		16,704
Planning & Environment	Transportation projects	2,139
	Regeneration projects	2,049
	Infrastructure maintenance	2,025
	Contaminated land	56
	Miscellaneous projects	128
		6,397
Combined Services	Property works	812
	Purchase of vehicles	181
	Burial ground development programme	52
	Miscellaneous projects	11
		1,056
Corporate Services	Miscellaneous information services projects	1,775
	DDA compliance works	881
	Broadband project	697
	Property works	657
	Miscellaneous projects	35
		4,045
Police	Vehicles	438
	Other ICT Projects	158
	Airwave	143
	Miscellaneous projects	193
		932
Fire and Rescue	Property Works	446
	Information Technology	139
	Vehicles	126
	Operational Equipment	27
		738
	Total	**29,872**