



From mountain to sea – the very best of Scotland

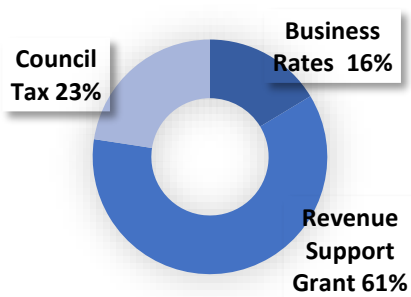
SUMMARY OF ACCOUNTS 2014/15

Introduction

Aberdeenshire Council is committed to providing residents with a summary of financial accounts which explain the main sources of council funding and how it was spent on services in 2014/15.

Council Spending is divided between Revenue and Capital with Revenue spending subdivided between Council Housing (The Housing Revenue Account (HRA)) and all other services (The General Fund).

The chart below shows the proportion of income from Council Tax, Business Rates and Revenue Support Grant.



Revenue Account

The Revenue Account presents the cost of running the council services between April 2014 and March 2015. It also shows where the money came from to finance these costs and the surplus/deficit as the year end.

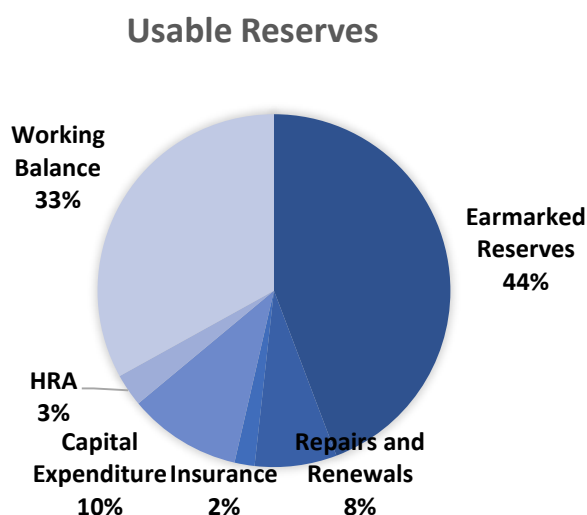
	Gross Expenditure 2014/15 £'000	Income 2014/15 £'000	Net Expenditure 2014/15 £'000
Aberdeenshire Services			
Education Services	297,247	(11,041)	286,206
Housing Services	49,161	(41,888)	7,273
HRA	77,249	(51,592)	25,657
Cultural and Related Services	30,463	(5,012)	25,451
Environmental Services	39,964	(6,530)	33,434
Roads and Transport Services	70,983	(30,628)	40,355
Planning and Development Services	33,168	(11,491)	21,677
Social Work	167,165	(28,929)	138,236
Central Services	27,831	(16,677)	11,154
Corporate and Democratic Core	11,271	(414)	10,857
Non Distributed Costs	533	-	533
COST OF SERVICES	805,035	(204,202)	600,833
Other Income			(2,201)
Less: Internal Charges for use of Council Assets			(104,735)
Add: Repayment of loans and interest on loans			40,989
Less: Other internal accounting adjustments			(974)
Amount to be met from Government Grants and Local Taxation			533,912
Revenue Support Grant			(322,390)
Council Tax			(119,270)
Business Rates			(86,359)
Net General Fund deficit for the year			5,893

Balance Sheet

The Balance Sheet represents what the Council owns and is owed. It shows that the Council is solvent and has sufficient funds to meet its obligations.

	2014/15 £'000
Buildings, Land and Equipment owned by the Council	2,107,569
Stock and Work in Progress	4,012
Cash and Investments	53,074
Money owed to the Council	31,043
Money owed by the Council	(438,860)
	1,756,838
Financed by:	
Borrowing	(526,928)
Usable Reserves	(66,764)
Unusable Reserves	(1,163,146)
	(1,756,838)

The chart below represents the Usable Reserves and the various purposes that this balance is being held for:



Cash Flow Statement

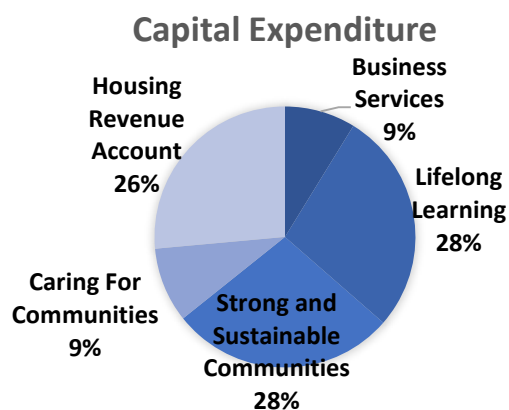
The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period.

	2014/15 £'000
Cash in Bank April 2014	53,915
Cash in	97,113
Cash Out	(108,031)
Cash in Bank March 2015	42,997

Capital Expenditure

Capital Expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets such as roads and buildings. The Council receives the benefit from capital expenditure over a longer period of time. In 2014/15 the Council spent £155,508,000 on capital expenditure, below is a summary of the projects undertaken:

Project	Expenditure 2014/15 £'000
Cycling and Walking	1,049
Street Lighting	1,431
New family Centre, Victoria St, Inverurie	1,263
Blythewood Care Home, Inverurie	7,108
Harbours, Coast and Flooding	1,408
Aberdeen Western Peripheral Route	17,387
Vehicles	5,982
Bridges and Structures	1,322
Roads Resurfacing and Reconstruction	12,358
New Waste Collection Service	1,288
Ellon Academy	19,543
Mearns Academy	5,144
Alford Complex including Primary, Secondary School and Pool Replacement	2,787
Kemnay Academy Refurbishment and Extension	5,115
School Enhancements	1,065
Drumoak Primary School	3,358
Office Accommodation	6,043
ICT	2,735
Other	18,008
	114,394
Housing Revenue Account:	
Housing Stock Improvements	24,127
New Builds	14,861
Very Sheltered Housing Conversions	1,376
Other	750
	41,114



Housing Revenue Account

The Housing Revenue Account (HRA) is a ring-fenced account for the provision and maintenance of Council owned houses. It is managed and monitored separately from the Council's General Fund. The figures are also included in the Council's Core Financial Statements, but there is a requirement to present it separately as a supplementary statement in the Annual Accounts.

HOUSING REVENUE ACCOUNT	2014/15 £'000
Income	
Council House Rents (Gross)	(42,218)
Other Income	(9,409)
Total Income	(51,627)
Expenditure	
Repairs and Maintenance	17,150
Supervision and Management	7,328
Capital Financing Costs	6,630
Other Costs	23,255
Total Expenditure	54,363
Net HRA Deficit for the year	2,736
Transfer from Reserves	(2,736)
Movement on HRA Balance	-
Balance on HRA at 1 April 2014	(2,000)
Balance on HRA at 31 March 2015	(2,000)

The Council owned the following types and numbers of houses as at 31 March 2015:

Types of dwellings:	2014/15
- Sheltered Housing	1,535
- 1 apartment	13
- 2 apartment	3,643
- 3 apartment	5,094
- 4 apartment	2,453
- 5 + apartment	139
Total Housing Stock as at 31 March	12,877

Summary Operating Financial Review

The following statement by the Head of Finance describes some of the key points from the Council's stewardship of public funds.

Financial Performance

During the year, the Council incurred a deficit of £68,266,000 on the provision of services. When a net surplus of £48,316,000 on the revaluation of non current assets and actuarial losses of £28,819,000 on the pension liabilities are taken into account, this gives total net expenditure of £48,769,000.

When the net surplus is adjusted to take account of transactions that have been included on an accounting basis and income and expenditure that is required to be included on a funding basis under statute, there has been a reduction in the Council's usable reserves of £16,323,000 from £83,087,000 to £66,764,000. This was a deliberate strategy employed by the Council as many of these balances had been set aside for specific purposes.

Summary Operating Financial Review (Continued)

Revenue Account

During the year, the Council budgeted to spend £516,677,000 on the provision of General Fund services. Actual expenditure was £515,813,000 or £864,000 lower than anticipated. Expenditure on other items such as Capital Financing Costs, Trading Accounts for internal management purposes and transfers to and from various Council Balances was budgeted at £10,158,000. Actual expenditure was £5,913,000 or £4,245,000 lower than anticipated. Income from Revenue Support Grant, Business Rates and Council Tax was budgeted at £523,132,000. Actual income was £528,019,000 or £4,887,000 higher than anticipated. Taking all this into account gives net expenditure for the year which is £9,996,000 lower than anticipated.

Council Housing

The Housing Revenue Account (HRA) budget for monitoring purposes for 2014/15 was a net surplus of £12,510,000. The final outturn for the year to 31 March 2015 was a net surplus of £15,459,000. The increase in surplus was as a result of savings in Capital Financing Costs of £1,228,000 partly offset by an increase in the provision on doubtful debts of £661,000 for the year. The savings in the HRA were used to fund capital expenditure, thereby saving on future borrowing costs.

Capital Expenditure

In 2014/15, the Council set an ambitious capital programme by budgeting for capital expenditure of £208,403,000, after taking account of slippage of £10,584,000. Total capital expenditure was £155,508,000. A breakdown of the projects undertaken is provided within this document.

Statement

This summary is based on the information in the full version of the audited accounts. The figures in this summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications have been made to provide easier to understand and meaningful information. A full copy of the Council's Annual Accounts can be found at www.aberdeenshire.gov.uk/council-and-democracy/about-us/annual-accounts/