

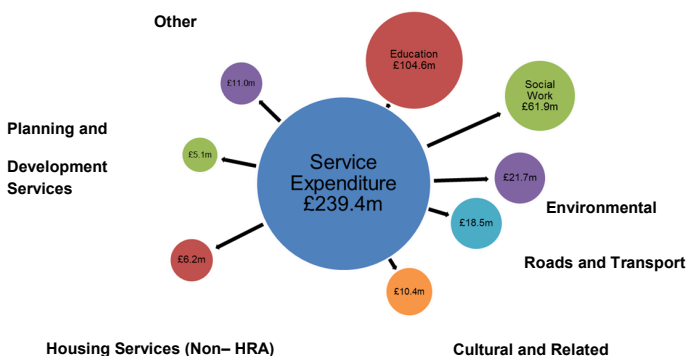
An outline of Argyll and Bute Council's financial position during the 2014/15 period, highlighting the key issues over the year.

## Revenue expenditure—the day-to-day costs of delivering our services

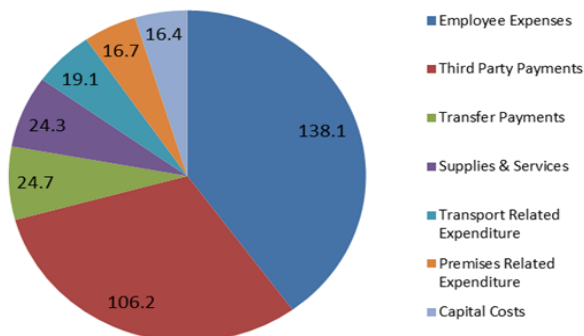
	Actual 14/15 £m
Net cost of services	239.4
Other operating income and expenditure	0.9
Finance and investment income and expenditure	20.8
Total expenditure	261.1
Taxation and non specific grants	(265.7)
<b>(Surplus)/deficit on provision of services</b>	<b>-4.6</b>
Statutory adjustments	2.6
<b>(Increase)/decrease in General Fund Balance</b>	<b>(2.0)</b>

- During 2014/15 we spent £239.4m on services.
- Most of this was spent on Education and Social Work which account for 70% of the net cost of services.
- The gross cost of services was £345.5m with the cost of employing staff and payments to contractors and outside agencies representing the 2 biggest costs and 71% of the gross cost.

### What the money was spent on? £'m



### How the money was spent £'m



## Capital expenditure—spending on our assets

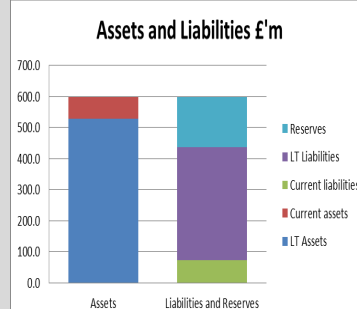
Capital expenditure is the money spent on acquiring or enhancing fixed assets like buildings, land, roads and equipment. It is funded by income from sales of assets, government grants and contributions from reserves and the revenue budget with the balance coming from borrowing. During 2014/15 capital expenditure was £36.3m with capital funding of £17.8m resulting in borrowing of £18.5m.

	Actual 14/15 £m
Gross capital expenditure	36.3
Capital funding	17.8
Borrowing	18.5

## Balance Sheet—our assets and liabilities

Long term assets include buildings, land, roads and equipment. Current assets are mainly monies owed to the council and cash held in bank accounts or on investment. Current liabilities are sums we are due to pay within the next financial year. Long term liabilities include long term borrowing, future payments for NPDO and pension liabilities.

Net assets (comprising long term and current assets less current and longer term liabilities) is represented by the council's reserves. The council's net assets are £161.0m.

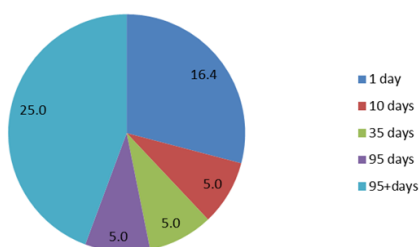


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## Treasury management—our borrowing and investments

Treasury management is taking care of our borrowing, cash flow and investments. We have to make sure that these bring the best possible returns so that the council can continue to deliver its essential services, while at the same time managing and planning for any risks.

Investments by Maturity Period £m



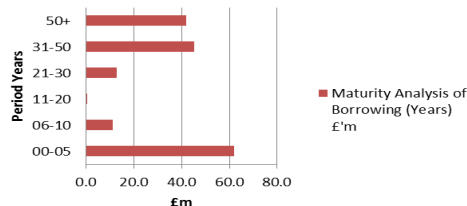
Our investment strategy aims to optimise the rate of return. This helps us to ensure we have money available to make payments when we need to, and also to make sure that the money invested is repaid to the council in full.

To achieve this we place money with a number of different banks for periods ranging from overnight to one year, depending on the credit rating of the bank and the limits relating to that institution and set out within our investment strategy.

### Borrowing

At 31st March 2015, the total sum of money borrowed from external sources was £173.4m. Most of this was financed by the Public Works Loan Board (£100.2m) with the rest coming mainly from the money market.

Maturity Analysis of Borrowing (Years) £'m



## Reserves—amounts set aside for specific purposes

Reserves can be usable or unusable. Usable reserves are those backed by actual resources and can be applied to fund expenditure or reduce local taxation. Unusable resources are required purely for accounting purposes—they do not represent resources available for the council to use. The council holds a total of £161.0m in reserves. Usable reserves sit at £50.5m.

Unusable reserves have decreased by £15.8m to £110.5m, due to an increase in the pension liability, a surplus on revaluation reserve and a transfer for capital grants.

	31 March 2015 £m
Unusable reserves	110.5
Capital fund	3.7
Renewal and repairs fund	0.7
General fund – Contingency	3.7
General fund – Strategic Housing Fund	7.7
General fund – Schools Capital	3.0
General Fund –Other earmarkings	19.4
General fund – Unallocated	12.4
<b>Total reserves</b>	<b>161.0</b>

Useable Reserves 2015 £m

