



COMHAIRLE NAN EILEAN SIAR  
ACCOUNTS & PERFORMANCE INDICATORS 03/04





# ABSTRACT OF ACCOUNTS:

1<sup>ST</sup> APRIL 2003 - 31<sup>ST</sup> MARCH 2004



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# FOREWORD BY THE DIRECTOR OF FINANCE

## Financial Position and General Fund Balances as at 31 March 2004.

The net assets of the Comhairle have increased by £2.9m over the year to £9.8m. The Balance on the General Fund has risen to £8.5m while providing £0.3m in specific revenue reserves.

Council Dwellings are shown at a net book value of £11.5m based on a valuation at 1 April 2000. The Comhairle is considering voluntary stock transfer, subject to the agreement of tenants, preliminary estimates indicate that the housing stock may be overvalued and I will be discussing with the auditors when it would be most appropriate to adjust the valuation to take account of the likelihood of stock transfer.

The analysis of assets employed shows the net assets of the Housing Revenue Account to be negative to the tune of £25.3m (largely due to historic housing debt of £38.4m) whereas the General Fund shows a healthy position of over £32m net assets.

## General Fund

The General Fund enjoyed a surplus in the year of £3.1m taking the balance to £8.5m. However £4.1m of this is already earmarked for specific purposes:

	£K
Provision for Departmental Carry Forward of Overspends	617
Earmarked for Loans Fund Restructuring	619
Gratuities	18
Modernising Government Fund	331
Council Tax Improvements	7
McCrone: School Offices	90
Translation	15
Better Neighbourhood Fund	600
Net Departmental Carry Forwards	970
CFCR Committed to Capital Programme	250
Ward Priority Programme	222
Matching Fund	387
<b>Total</b>	<b>4,126</b>

Uncommitted balances therefore stand at £4.4m. The Comhairle has a policy of holding £1m of balances and taking this into account, together with the forecast budget deficits for the next two years leaves approximately £1m of free balances.

The net departmental carry forward of 970K includes 67K allocated to schools under the Comhairle's Devolved Schools Management Scheme.

The winter maintenance reserve has been increased by an underspend of £21K to £167K whilst under the new requirements for statutory trading accounts, introduced in the Local Government Act 2003, the £288K held in DSO/DLO reserves has transferred back to the General Fund.

In the first year of the new legislation the Comhairle identified four Significant Trading Operations: Highway Maintenance, Building Maintenance, Refuse Collection and the Bus Operation. With the exception of the Bus Operation, which has been subject to a new contract that started on 1 April 2004, the operations met the statutory requirements.

The Comhairle has a policy to allow underspends on revenue budgets of up to 2% to be carried forward and permits overspends of up to 1%, in the case of an overspend it has to be contained within the following year's budget. Certain other specific underspends, e.g. where specific funding has been received but not fully utilised, are also allowed to be carried forward. The only overspend outwith tolerance arose in Social Work (£298K). £105K of underspends over tolerances were returned to balances.

## Housing Revenue Account

A surplus of £51K was achieved, which has increased the HRA general balances to £398K. In addition £220K of Capital was funded from the Housing Repairs Fund, reducing the balance to £420K.

## Capital Expenditure

The Comhairle spent £23.0m on capital projects in 2003-04. The Comhairle continued to invest (£4.3m) in private sector housing while also spending a further £2.5m on its own housing stock. A total of £4.9m was spent on Arts & Leisure principally on new sports centres in Stornoway and Harris. Careful management of the programme ensured that the total spend was within tolerances in the last year of capital consent. From 1 April 2004 this has been replaced by the new Prudential Borrowing Regime.

## Local Taxation and Revenue Support Grant

The Income Accounts on pages 46 - 48 show the amounts raised from Non-Domestic Rates, Residual Community Charge, Council Tax and Revenue Support Grant.

## BCCI

The Comhairle had a total of £24.1m invested in the BCCI when it was closed by the Bank of England on 5 July 1991. By 31 March 2003 dividends totalling £17.4m had been received and £2.4m had been charged to revenue. On the 27 June 2003 the Comhairle received another dividend of £3.9m bringing the total repaid to 75% and reducing the outstanding debt to £0.4m. This will be paid in 2004-05 leaving the Comhairle free of BCCI debt.

## Euro

The nature and potential impact of the introduction of the Euro are not deemed to be significant at 31 March 2004. No estimate has yet been made of the costs to the Comhairle of the introduction of the Euro.

## Accounting Statements

The accounting statements that follow consist of:

- > Consolidated Revenue Account gives the expenditure against budget for all the Comhairle's services and the source of funding for them, this gives the surplus for the year on General Fund and the cumulative balance of the Fund.
- > Income Accounts show the gross and net income derived from council tax and non-domestic rates and the contribution to the national pool for non-domestic rates and the distribution from the pool to the Comhairle.
- > Housing Revenue Account gives the expenditure, including capital financing, for the provision of rented housing and how these costs are financed from rents, housing support grant and other income.
- > DLO / DSO Summary Revenue Accounts summarise the surpluses on each of the nine activities that the Comhairle provides having won contracts that have been subject to compulsorily competitive tendering.
- > Consolidated Balance Sheet is a consolidation of the general fund, loans fund, housing revenue account and each of the DLO / DSO balance sheets. All inter-fund balances have been eliminated on consolidation.
- > Statement of Movement in Reserves gives the major changes in each of the Comhairle's capital and revenue reserves.
- > Cash Flow Statement shows the inflows and out-flows of cash as a result of all the Comhairle's transactions, capital and revenue in all its funds.

## Thanks

I would like to thank Members of the Comhairle, my fellow Directors and their Delegated Budget Managers for their efforts during the year in ensuring that the Comhairle remains in control of its finances. I am particularly grateful for the efforts of my staff in this regard but it would not be possible without the efforts of staff throughout the Comhairle so I extend my thanks to them.

Finally, I would like to thank our external auditors for their professionalism, helpful advice and courtesy.

D E Rattray BSc CPFA [Acting Director of Finance]  
30 September 2004



# STATEMENT OF ACCOUNTING POLICIES

The following policies apply to the Accounts of Comhairle nan Eilean Siar for the year 2003-04.

## 1 General Policy

The Annual Accounts have been prepared on an Income and Expenditure basis in accordance with the Code of Practice on Local Authority Accounting in Great Britain. The service headings under which the expenditure is analysed in the Consolidated Revenue Account are those recommended by the Best Value Code of Practice.

## 2 Basis upon which Debtors and Creditors are included in the Accounts

Debtors represent amounts owed to the Comhairle charged in 2003-04 but which are still outstanding at 31 March 2004. Creditors represent amounts owed by the Comhairle for goods delivered or services carried out before 31 March 2004. Payments relating to 2003-04 made in the first three weeks of 2004-05 have been included in revenue expenditure for 2003-04 and in the figure for creditors given in the Balance Sheet. Estimates of significant amounts still due, but not yet paid by the Comhairle, has also been included in the figure for expenditure and creditors. Only significant amounts are accrued for capital.

## 3 Basis of Provision of Debt Charges

A loans fund is operated by the Comhairle under Schedule 3 Paragraph 12, of the Local Government (Scotland) Act 1975, to finance capital expenditure. Advances are recovered by a combination of equal annual instalments on debt incurred pre March 1999, and annuity on debt incurred since 1 April 1999, which approximate to the estimated life of the asset concerned. No annual instalment is recharged by the loans fund in the year in which the capital expenditure is incurred. Interest is recharged on the basis of debt outstanding on each account as at the start of the financial year with a proportionate adjustment in respect of new advances during the year. The expenses of managing the portfolio of debt have been apportioned on the same basis.

## 4 Allocation of Support Service Costs

Support Services costs, such as Finance, Legal, Administration and Engineering, have been charged to service committees by identifying the costs of each element of the Support Services and charging them on the basis of known or estimated usage. This resulted in a surplus on Support Services of £329K, which is shown under note 15 to the CRA.

## 5 Stock and Stores

Stock and stores held by the Comhairle at the year end are valued at average cost price.

## 6 Basis of Valuation of Fixed Assets

The District Valuer valued Council Dwellings, Land and Buildings at 1 April 2000. The valuations for Asset purposes have been undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual often referred to as "The Red Book" and having regard to the supplementary guidance provided by CIPFA. The value in the Accounts reflects this valuation plus any capital expenditure incurred between 1 April 2001 and 31 March 2004. Depreciation has been charged on the basis of assets estimated useful life on a straight-line basis.

The valuation of Infrastructure Assets was based on debt outstanding as at 1 April 1996. Since then, Infrastructure additions have been reflected in the accounts at historic cost and depreciation has been charged on basis of the estimated useful lives. Vehicles, Plant and Equipment are valued at historic cost and are depreciated over their useful economic life.

Improvements on leased assets reflect the capital contributions to the new Stornoway library, directly financed by the Comhairle and amortised over the period of the lease for the library.

Community Assets are valued at their historic cost. These assets have been depreciated on an assumed 20 year life.

Fixed Assets are divided into Operational and Non-Operational Assets. The valuation of Operational Assets has been based on the Open Market Value for their existing use and Non-operational assets are stated at Open Market Value.

No assets with a value of less than £6,000 are capitalised.

## 7 Investments

Investments of the Comhairle are recorded at cost.

## 8 Deferred Charges

Deferred charges are items that have been charged to the capital account of the authority, but which do not result in the acquisition of a tangible asset for the authority. In line with best accounting policy the 2003-04 additions have been fully depreciated in the year.

## 9 Asset Rentals

Service accounts are charged rentals for the use of capital assets. There is no charge in the year of acquisition but a full charge is made in the year of disposal. Asset rentals are based on a depreciation charge plus notional interest. Depreciation is calculated on a straight line basis over the estimated lifetime of the asset. There is no depreciation charged on non-operational assets, for example land awaiting development and commercial properties. Notional interest is charged at 4.625% for infrastructure and community assets and 3.5% for other assets. Asset rentals are designed to give a fairer cost of providing services. Any difference between asset rental and debt charges is adjusted in the asset management account and appropriations to reserves so that the Comhairle's overall surplus/deficit is unaffected by the asset rentals.

For the Housing Revenue Account assets, capital charges are equal to the loan charges.

## 10 Public Works Loan Board Quota

Entitlement to borrow from The Public Works Loan Board is specified in an annual letter and is calculated for authorities in Scotland as the sum of:-

- > Capital Consent allocations
- > Plus Repayments of principal due in the year on loans borrowed from the Board
- > Less Scheduled debt amortisation.

## 11 Provisions

Separate provisions have been made for bad and doubtful debtors under the headings:

- > Community Charge
- > Council Tax
- > Non-Domestic Rates
- > Rents
- > Sundry Debtors
- > Business loans

The source for these provisions is the appropriate Income Account with regard to Community Charge, Council Tax, and Non-Domestic Rates, the Housing Revenue Account for Rents and the various service accounts on the basis of throughput for sundry debtors. (See Balance Sheet Notes).



## 12 BCCI

On 5 July 1991 the Bank of Credit and Commerce International (BCCI) was closed by the Bank of England. At that time the Comhairle had a sum of £23,062,400 deposited with BCCI. Interest to the level of £1,022,675 had been accrued but not paid at that date. £85,075 of the interest was charged to the 1991-92 Revenue Accounts and £24,000,000 was capitalised. The capitalised amount was funded by additional borrowing and is being amortised on an annuity basis over a period of 30 years. At 31 March 2004 £177,121 of the initial amount remains outstanding and is included in long-term borrowing. This will be written out of the books in 2004-05.

## 13 Premia and Discounts on Redemption of Loans

Premia and discounts arising from matched restructuring transactions are taken to revenue in the relevant year while premiums where debt restructuring is unmatched are carried forward to be released to revenue in future years. Gains or losses on restructured debt are recognised over the life of the replacement borrowing in line with LAAP Bulletin 26.

## 14 Covenant Scheme

The Comhairle entered into a covenant agreement on 31 March 1988 relating to various civil engineering works. A total of £3,948,834 was drawn down under the agreement and at 31 March 2004 £3,410,000 of this had been repaid and £250,000 transferred to a parallel loan. The Comhairle entered into a second covenant agreement on 7 October 1994 for the financing of the harbour facility at Brevig. A total of £2,500,000 was drawn down under the agreement. At 31 March 2004 £972,216 of this had been repaid.

## 15 Government Grants

Revenue grants are matched to the expenditure to which they relate. Capital grants, ie. grants for the acquisition of fixed assets, are credited to the capital grants deferred account and written off over the same period that the assets for which they were received are depreciated.

## 16 Pensions

The cost of providing pensions for teachers retiring early is treated as an unapportionable central overhead and is included in corporate management (See note 12 to the Consolidated Revenue Account.)

## 17 Budget

The budget figures shown are the revised budgets as at 31 March 2004 as these reflect policy decisions taken during the year. Reference to major budget changes is included in budget performance notes.

## 18 Capital Expenditure

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis, providing the fixed asset yields benefit for more than one year to the authority and the services it provides. Routine repairs and maintenance of fixed assets is charged directly to service revenue accounts.

## 19 Capital Receipts

Capital receipts maybe utilised either to fund capital expenditure or to reduce the Comhairle's borrowing requirement. At 31 March 2004 all capital receipts had been applied for one of these purposes.

## 20 Operating Leases

Rents payable under operating leases are charged to revenue on a straight line basis over the term of the lease.

## 21 Grants

Revenue grants are credited to the appropriate revenue account. Capital grants are credited to the deferred grants account and released to asset management revenue account on a straight-line basis over the life of the asset.

## 22 Retirement Benefits

Pensions for all employees with the exception of teachers are accounted for in accordance with Financial Reporting Standard 17 (FRS17). The calculations have been carried out in accordance with Guidance Note36: Accounting for Retirement Benefits under FRS 17 issued by the Institute and the Faculty of Actuaries. The disclosures have been drafted in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2003 – A statement of Recommended Practice issued by the CIPFA / LASAAC Joint Committee. For teachers the amounts included are the contributions due to the fund in 2003-04.

These accounting policies represent a change to those applied in prior years. Previous policy was to recognise liabilities in relation to retirement benefits only when employer's contributions became payable to the pension fund or payments fell due to the pensioners for which we were directly responsible. The new policies better reflect our commitment in the long-term to increase contributions to make up any shortfall in attributable net assets in the pension fund.

The change has had the following effects in the results and current periods

- > The overall amount to be met from government grants and local taxation has remained unchanged, but the replacement of employer's contributions has increased the net operating expenditure by £13k or 0.014%.
- > The requirement to recognise the net pensions liability in the balance sheet has reduced the reported net worth of the authority by 40%.

## 23 Significant Trading Operations

The Local Government Scotland Act 2003 required Local Authorities to report "separately on significant trading operations". The Comhairle has decided that the following are the only significant trading operations:

- > Fuel at fishery piers
- > Refuse collection
- > Building Maintenance
- > Highways
- > Buses

## 24 Revenue Reserves

The surplus on the winter maintenance account has been transferred to the winter maintenance fund. With the introduction of Significant Trading Operations in accordance with best practice the balances on DLO and DSO at 1 April 2003 reserves were returned to the General Fund.



## CONSOLIDATED REVENUE ACCOUNT

2002-03		2003-04			
Actual Net £000	Service	Actual			Budget Net £'000
		Expenditure £'000	Income £'000	Net £'000	
17,385	Individual School Budgets (Note 1)	19,179	(141)	19,038	19,044
18,155	Centrally Held School Budgets (Note 2)	20,257	(3,698)	16,559	16,891
557	Non-School Funding (Note 3)	563	(18)	545	526
(6)	Education Holding Accounts (Note 4)	1,593	(1,694)	(101)	133
4,287	General Fund Housing (Note 5)	9,459	(4,571)	4,888	5,183
(330)	Housing Revenue Account (Page 32)	7,491	(7,542)	(51)	63
4,763	Cultural & Related Services (Note 6)	5,538	(1,421)	4,117	4,124
3,229	Environmental Services (Note 7)	5,346	(1,906)	3,440	3,550
12,647	Roads & Transport Services (Note 8)	14,105	(1,474)	12,631	12,840
2,607	Planning & Development Services (Note 9)	4,724	(1,628)	3,096	3,214
12,775	Social Work (Note 10)	18,002	(4,082)	13,920	13,736
2,479	Corporate & Democratic Core (Note 11)	2,984	(136)	2,848	2,865
476	Non Distributed Costs (Note 12)	240	0	240	236
955	Central Services to the Public (Note 13)	1,258	(268)	990	962
3,841	Other Operating Income & Expenditure (Note 14)	4,124	(25)	4,099	4,209
229	Central Support Services (Note 15)	9,201	(8,872)	329	139
0	Unallocated Contingency			0	337
(16)	Centrally Held Budgets			0	3,425
<b>84,033</b>	<b>NET COST OF SERVICES</b>	<b>124,064</b>	<b>(37,476)</b>	<b>86,588</b>	<b>91,477</b>
(254)	Significant Trading Accounts (Page 51)			(239)	(130)
856	Trading Services (Note 16)			566	743
(172)	Interest Receivable			(277)	(250)
(825)	Pensions			291	291
331	Net (gains) / losses on debt restructuring			875	0
(3,601)	Asset Management Revenue Account (Note 17)			(3,720)	(648)
<b>80,368</b>	<b>NET OPERATING EXPENDITURE</b>			<b>84,084</b>	<b>91,483</b>
0	Surplus transferred to HRA (Page 49)			51	188
91	Contribution to/(from) Housing Repairs Fund (Page 49)			(220)	(351)
288	Contribution to/(from) DSO reserves (Page 42)			(288)	0
146	Contribution to/(from) Winter Maintenance reserve			21	0
585	Contribution to/(from) Pension Reserve			(183)	(170)
(73)	Provision for Debts			9	0
1,529	Debt Repayment to Capital Financing Reserve			4,079	2,024
283	Capital Financed from Current Revenue			273	153
<b>83,217</b>	<b>AMOUNT TO BE MET FROM GOVERNMENT GRANT AND LOCAL TAXPAYERS</b>			<b>87,826</b>	<b>93,327</b>
(7,127)	Council Tax Income (Page 46)			(7,540)	(7,549)
(69,783)	Revenue Support Grant (Page 46)			(74,216)	(74,207)
(9,173)	Non-Domestic Rates (Page 46)			(9,425)	(9,424)
<b>(2,866)</b>	<b>(SURPLUS)/DEFICIT FOR THE YEAR</b>			<b>(3,355)</b>	<b>2,147</b>
2,284	Balance b/fwd from Previous Year			5,150	5,150
2,866	Surplus/(Deficit) for the Year			3,355	(2,147)
<b>5,150</b>	<b>BALANCE AT 31 MARCH 2004</b>			<b>8,505</b>	<b>3,003</b>



## Note 1: Individual School Budgets

2002-03		2003-04	
Actual £'000	Individual School Budgets	Actual £'000	Budget £'000
7,392	Devolved Budgets - Primary	8,398	8,434
9,993	Devolved Budgets - Secondary	10,640	10,610
<b>17,385</b>	<b>TOTAL NET EXPENDITURE</b>	<b>19,038</b>	<b>19,044</b>

### > Budgetary Performance

Overall this service underspent by £6K. Expenditure on some Devolved Primary and Secondary budgets is interactive. In combined Primary and Secondary, where an overspend occurs on Primary there is often an offsetting amount in Secondary, for example in cleaning or communications. The key variances contributing to the overall underspend of £6K are savings on employee costs (£211K) and supplies and services (£48K) combined with reductions in repairs (£145K) and other premises costs (£71K). The year on year increases in budgets (£1,662K) are mainly due to staffing costs (£1,362K), premises costs (£227K), support service costs (£190K) and additional income (£140K).

## Note 2: Centrally Held School Budgets

2002-03		2003-04	
Actual £'000	Centrally Held School Budgets	Actual £'000	Budget £'000
11,618	Schools Strategic Management	9,791	10,170
352	Non-Devolved School Grants	466	489
1,158	Pre-Primary Education	1,253	1,319
2,320	Special Education	2,396	2,305
2,707	School & Pupil Support	2,653	2,608
<b>18,155</b>	<b>TOTAL NET EXPENDITURE</b>	<b>16,559</b>	<b>16,891</b>

### > Budgetary Performance

Overall the Centrally Held School Budgets service underspent by £332K (2.0%). Schools Strategic Management was under budget by £379K. Whilst staff costs were overspent (£197K) there were savings on operating costs (£266K) and support services (£210K) and additional income (£100K). The year on year reduction is mainly due to lower capital charges (£1,996K), together with reduced income due to the ending of one off project funding including PPP (£85K) and Lottery funding (£166K). The year on year increase Non-Devolved School Grants is attributable to increased staff (£42K), operational (£55K) and capital costs (£61K), offset by a reduction in support service costs (£44K). The underspend in Pre-Primary Education mainly relates to the voluntary sector (£43K), though spend against this heading has increased by £23K since 2002-03. The other notable year on year increases are in Rural Provision (£35K), Very Young Provision (£27K) and the Childcare Partnership (£21K). In Special Education the year on year increase is largely due to Alternative Curriculum Education (ACE) project (£73K) whilst the overspend relates mainly to staffing adjustments across Special Education, including ACE. Transport Related Expenses and Agency & Contracted Services overspent by £29K and £79K respectively. This, when netted off against underspends on Supplies & Services (£24K) and additional income (£28K) makes up the bulk of the £45K variance on School & Pupil Support. The year on year reduction related primarily to one off expenditure on water coolers in 2002-03.



### Note 3: Non-School Funding

2002-03		2003-04	
Actual £'000	Non-School Funding	Actual £'000	Budget £'000
6	Support For Students	8	20
551	Community Learning	537	506
<b>557</b>	<b>TOTAL NET EXPENDITURE</b>	<b>545</b>	<b>526</b>

#### > Budgetary Performance

Overall this service overspent by £19K (3.6%). The overspend on Community Learning is mainly due to increased spend on the Community Education service (£21K).

### Note 4: Education Holding Accounts

2002-03		2003-04	
Actual £'000	Education Holding Accounts	Actual £'000	Budget £'000
(6)	Education Management and Support	(101)	133
<b>(6)</b>	<b>TOTAL NET EXPENDITURE</b>	<b>(101)</b>	<b>133</b>

#### > Budgetary Performance

Overall this service was £234K (175.9%) underspent. Lower than budgeted Employee Expenses (£247K) and operating costs (£114K), together with lower support service charges (£139K) and income (£265K) led to the underspend on this budget. The year on year change is attributable to the over recovery of income related to this underspend.

### Note 5: General Fund Housing

2002-03		2003-04	
Actual £'000	General Fund Housing	Actual £'000	Budget £'000
240	Housing Strategy	368	348
39	Housing Advances	38	38
3,506	Private Sector Housing Renewal	4,076	4,070
59	Homelessness	40	47
51	Housing Benefit Payments	47	56
207	Rent Rebates	143	174
140	Housing Benefits Administration	92	306
(12)	Other Council Property	(16)	0
57	Housing Management & Support Services	100	144
<b>4,287</b>	<b>TOTAL NET EXPENDITURE</b>	<b>4,888</b>	<b>5,183</b>

#### > Budgetary Performance

Overall this service underspent by £295K (5.7%). The year on year increase in Housing Strategy reflects the additional work undertaken in relation to the New Housing Partnership (NHP) and Local Housing Strategy, the main component being consultancy fees (£261K) along with increases in capital charges (£43K) support services (£42K) and staff costs (£37K) though these are offset by additional income (£248K). The overspend is mainly due to unrecoverable costs associated with NHP (£15K). The year on year variance in Private Sector Housing is mainly due to increases in Capital Charges, reflecting housing grant activity in the year (£536K) together with related running costs (£34K). The year on year change in Homelessness reflects a reduction in expenditure on the Homelessness Strategy. The acquisition of properties in accordance with the strategy is recorded in Capital. The budget and year on year variations in Housing Benefit Payments and Rent Rebates are due to changes in the amount of benefits paid. The year on year reduction in Housing Benefit Administration is mainly due to the change in funding of Housing Benefit Admin Grant to be fully funded by the Department of Work and Pensions. The in year underspend is mainly due to additional income (£116K) and recharges (£84K). The underspend in Housing Management and Support is largely due to additional income from recharges (£46K) and charges (£14K) offset by additional staff costs (£30K). The year on year increase relates to staff (£29K) and running costs (£16K).



## Note 6: Cultural & Related Services

2002-03		2003-04	
Actual £'000	Cultural & Related Services	Actual £'000	Budget £'000
1,419	Culture & Heritage	1,242	1,244
870	Library Service	885	904
2,076	Recreation And Sport	1,931	1,846
407	Tourism	203	203
(9)	Service Management & Support	(144)	(73)
<b>4,763</b>	<b>TOTAL NET EXPENDITURE</b>	<b>4,117</b>	<b>4,124</b>

### > Budgetary Performance

Overall this service underspent by £7K (0.2%). The year on year decrease in Cultural and Related Services relates mainly to a reduction in capital charges (£266K) and additional income (£64K) that disguise an overall increase in expenditure (£156K), including £77K for arts development and £50K towards the MOD. The year on year increase in the library service relates mainly to the implementation of the People's Network (£15K). The in year variance is largely due to savings in operational costs at Stornoway Library. The overspend in Recreation and Sport is mainly attributable to Capital Charges associated with capital grants (£66K). The year on year reduction is due to a combination of increased staffing costs (£76K), the removal of one off funding from the Scottish Executive (£110K), more accurate allocation of grants to the arts (£37K), reduced recharges (£39K) and increased capital charges (£168K). All offset by additional income (£215K) of which £171K related to more accurate charges to Education for use of facilities by schools. The year on year reduction in Tourism is due to the end of the HISTP funded Niche Marketing project. The year on year increase in Service, Management and Support is due to an increase in departmental recharges. The in year variances are due to reduced central recharges (£24K) and the under allocation of the central premises budgets (£40K).

## Note 7: Environmental Services

2002-03		2003-04	
Actual £'000	Environmental Services	Actual £'000	Budget £'000
208	Cemetery, Cremation & Mortuary	198	191
208	Coast Protection	211	223
535	Environmental Health	632	640
271	Trading Standards	302	293
333	Other Cleaning (Non-Roads)	387	379
829	Waste Collection	746	722
893	Waste Disposal	971	1,049
(48)	Service Management & Support Services	(7)	53
<b>3,229</b>	<b>TOTAL NET EXPENDITURE</b>	<b>3,440</b>	<b>3,550</b>

### > Budgetary Performance

Overall the service was underspent by £110K (3.1%). The year on year increase in Environmental Health mainly relates to the Choose Life project (£65K) and additional support service charges (£32K). Other Cleaning (Non-Roads) has been allocated Quality of Life funding (£40K) which together with a reduction in income (£9K) account for most of the year on year increase in expenditure. The overspend in Waste Collection is mainly due to lower than anticipated skip income for the year (£36K). The year on year reduction relates mainly to additional income received in 2003-04 (£68K) associated with the first phase of the waste management strategy. The underspend in Waste Disposal is mainly due to additional income in the form of government grants (£40K) and charges (£43K). The year on year increase reflects increased activity with associated staff (£45K) and operating costs (£117K) offset by reduced capital charges (35K) and increased income (£40K). The Service Management and Support variance was due to underspends mainly in staff (£17K) and central support services (£36K). The year on year change reflects more accurate allocation of this service in 2003-04.



## Note 8: Roads & Transport Services

2002-03		2003-04	
Actual £'000	Roads & Transport Services	Actual £'000	Budget £'000
11,034	Roads	10,620	10,651
36	Network & Traffic Management	117	127
43	Parking Services	7	29
1,517	Public Transport	1,876	2,034
17	Management & Support Services	11	(1)
<b>12,647</b>	<b>TOTAL NET EXPENDITURE</b>	<b>12,631</b>	<b>12,840</b>

### > Budgetary Performance

Overall this service underspent by £209K (1.6%). The year on year reduction in Roads is mainly due to reduced capital charges (£852K) and the removal of one off government funding (£366K), whilst staff and operating costs have increased (£88K). Network and Traffic Management spend has increased largely in respect of traffic calming work (£82K). Much of this is carried forward from the Quality of Life Funding allocated in 2002-03. A reduction of £35K in capital charges accounts for the year on year variance in Parking Services. The underspend on Public Transport relates primarily to concessionary fares (£153K). The most significant year on year changes are in air (£183K) and bus (£60K) subsidies, together with concessionary fares (£122K).

## Note 9: Planning & Development Services

2002-03		2003-04	
Actual £'000	Planning & Development Services	Actual £'000	Budget £'000
(52)	Building Control	(34)	(22)
146	Development Control	141	134
190	Planning Policy	282	299
194	Environmental Initiatives	179	150
2,202	Economic Development	2,576	2,679
(73)	Service Management & Support Services	(48)	(26)
<b>2,607</b>	<b>TOTAL NET EXPENDITURE</b>	<b>3,096</b>	<b>3,214</b>

### > Budgetary Performance

Overall this service underspent by £118K (3.2%). The movements in Building Control (£29K) is attributable to variations in building activity. The year on year increase in Planning Policy was attributable to staff costs (£45K), the cost of the structure plan (£27K) and support services (£37K). This was partly offset by additional income (£16K). The Environmental Initiatives division overspend relates to Projects and Activities carried forward from the previous year (£36K). The underspend in Economic Development can be attributed to the securing of additional income (£157K), offset by additional operating costs of (£35K) and an increase in support services (£27K). The main elements of the year on year change were an increase in Capital Charges (£302K), together with higher staff (£174K) and operating costs (£75K) combined with a reduction in support service costs (£125K) and additional income (£46K). Service Management & Support Services costs have been over-recovered by £24K mainly due to reduced departmental recharges (£36K). The year on year change is due to the more accurate recovery of costs.



## Note 10: Social Work

2002-03		2003-04	
Actual £'000	Social Work	Actual £'000	Budget £'000
316	Service Strategy	264	266
51	Reporter to the children's panel	45	40
1,024	Children and Families	1,271	1,316
8,776	Older People	9,619	9,664
479	People with physical or sensory disabilities	466	375
1,527	People with learning disabilities	1,691	1,558
516	People with mental health needs	361	308
86	People with addictions / substance misuse	103	104
0	Criminal justice social work services	100	105
<b>12,775</b>	<b>TOTAL NET EXPENDITURE</b>	<b>13,920</b>	<b>13,736</b>

### > Budgetary Performance

Overall this service was overspent by £184K (1.3%). The year on year variation in Service Strategy may be attributed to the commencement of the Supporting People initiative in 2003-04. Therefore, in 2003-04 it has been allocated to the relevant client category. The underspend in Children and Families may be attributed to the lower than anticipated expenditure on employees expenses (£19K) and reduction in the demand for respite (£24K). The year on year increase in Children & Families is due to a number of factors such as the increased costs incurred due to the Child Protection Case (£84K), Mainland Residential placements (£31K), Home Care (£24K), allocation of management costs (£37K), Fostering costs (£20K) and £21K in the prevention of children going into care. Supporting People costs have also been charged in 2003-04 (£10K). The Child Protection Officer was employed during 2002-03 and therefore his full year costs are included in 2003-04 and additional training was also carried out (£10K). Also an additional £25K was incurred to prevent youth crime in the Western Isles. Older people is overspent as a result of an overspend in Assessment & Care Management and Home Care offset by a saving in Care Home placements coupled with additional income received in residential establishments. The main reasons for the year on year increase, is the increase in the provision of Home Care services (£547K), Care Home placements (£197K) and Access Roads (£33K). An additional £46K is incurred in 2003-04 due to the allocation of the Supporting People Initiative. The overspend in People with physical or sensory disabilities may be attributed to a number of factors the increase in Care Home placements, the provision of services provided by the integrated transport scheme and additional demand for Home care services. People with learning disabilities is overspent as a result of higher than anticipated expenditure on Care Home placements and Transportation Services offset by saving in Day Care services. The year on year variation may again be attributed to higher expenditure on Care Home placements, Transportation services and Home Care provision. The overspend within People with mental health needs can be largely attributed to the higher than anticipated expenditure on Care Home placements, Home Care provision offset by a saving in Other Services. The year on year decrease is due to the reduction of the Home Care provision, Day Care services and is offset by an increase in Care Home expenditure. The year on year increase for People with addictions / substance misuse may be attributed to the Substance Misuse Co-ordinator starting employment during the year 2002-03 and therefore full year costs are in 2003-04. The year on year variation for Criminal Justice Services relates to increased Employees Expenses and a reduction in Income.



#### Note 11: Corporate & Democratic Core

2002-03		2003-04	
Actual £'000	Corporate & Democratic Core	Actual £'000	Budget £'000
1,341	Democratic Representation and Management	1,290	1,216
1,138	Corporate Management	1,558	1,649
<b>2,479</b>	<b>TOTAL NET EXPENDITURE</b>	<b>2,848</b>	<b>2,865</b>

##### > Budgetary Performance

Overall this service was underspent by £17K (0.6%). The overspend of £74K on Democratic Representation and Management may be attributed to a number of factors, higher than anticipated Support Service costs (£39K) coupled with an overspend of £18K on Supplies & Services, £6K on Transport Related Expenses and lower than expected income from recharges to the HRA achieved (£9K). The year on year decrease relates to a decrease in Support Service costs (£95K) offset by an increase in Employees Expenses (£34K). The £91K underspend on Corporate Management is due to lower than expected Support Service costs (£81K) coupled with underspends on Employee Expenses (£13K) and Supplies & Services (£14K), and offset by increased income of £19K. The year on year increase of £420K is made up of several variances, the main ones being, increased Employee Expenses (£120K), Supplies & Services (£101K) and Support Services (£112K) with lower income of £57K. This is mainly due to the new services with the Chief Executives Department.

#### Note 12: Non Distributed Costs

2002-03		2003-04	
Actual £'000	Non Distributed Costs	Actual £'000	Budget £'000
476	Pensions	240	236
<b>476</b>	<b>TOTAL NET EXPENDITURE</b>	<b>240</b>	<b>236</b>

##### > Budgetary Performance

Overall this service is overspent by £4K (1.7%). The year on year decrease is due to a change in the accounting treatment of retirement pensions following the adoption of FRS 17 in 2003-04. The pension costs reported within non distributed costs are for teaching staff only, non-teaching staff pension costs are allocated to the appropriate service.



### Note 13: Central Services To The Public

2002-03		2003-04	
Actual £'000	Central Services To The Public	Actual £'000	Budget £'000
617	Local Tax Collection	561	462
47	Registration Of Births, Deaths and Marriages	37	34
0	Elections	48	50
80	Emergency Planning	101	96
110	General Grants, Bequests And Donations	120	113
36	District Courts	36	37
51	Licensing	39	42
14	Other Services	48	128
<b>955</b>	<b>TOTAL NET EXPENDITURE</b>	<b>990</b>	<b>962</b>

#### > Budgetary Performance

Overall this service overspent by £28K (2.9%). Local Tax Collection overspent by £99K, the majority of this overspend was higher than anticipated Support Service costs (£97K). The year on year variation of £56K may be attributed to an increase in Employees Expenses (£26K) offset by lower Support Service costs (£89K). The year on year variation for the Registration of Births, Deaths & Marriages was due to the reduction in Support Service costs. The Election expenditure in 2003-04 relates to the Scottish Parliament and Local Government Elections. Emergency Planning showed a year on year difference of £21K attributable to an increase in the Premises Related Expenses (£6K) and costs in respect of the Clachan Incident (£6K). Additional income was received in 2002-03 which related to the Fire Strike (£7K) and the Western Isles Health Board (£7K) this was offset in 2003-04 by additional income received from Scottish Hydro Electric (£3K). The year on year variation in Licensing is linked to a decrease in the Support Service costs (£16K) offset by an increase in Supplies and Service Costs (£3K). Other services underspent by £80K. The main variance here is on Grants expenditure (£25K) coupled with additional Income (£55K). The £34K year on year variance is due to £54K of Grants offset by additional Income of £20K.

### Note 14: Other Operating Income & Expenditure

2002-03		2003-04	
Actual £'000	Other Operating Income & Expenditure	Actual £'000	Budget £'000
	Precepts and Levies		
2,059	Police Joint Board	2,253	2,247
1,526	Fire Joint Board	1,638	1,713
256	Valuation Joint Board	208	249
<b>3,841</b>	<b>TOTAL NET EXPENDITURE</b>	<b>4,099</b>	<b>4,209</b>

#### > Budgetary Performance

Overall this service is overspent by £110K (2.6%). The Comhairle pays a fixed requisition to the Joint Board which represents its contribution to the estimated running costs incurred in providing these services. These estimates are adjusted on the basis of actual out-turn figures and adjustments made to the following year's requisitions.



## Note 15: Central Support Services

2002-03		2003-04	
Actual £'000	Central Support Services	Actual £'000	Budget £'000
64	Corporate Services	251	167
55	Technical Services	56	28
110	Ionmhas	17	(56)
0	Education	5	0
<b>229</b>	<b>TOTAL NET EXPENDITURE</b>	<b>329</b>	<b>139</b>

### > Budgetary Performance

Overall this service is overspent by £190K (136.7%). The year on year increase of £187K in Corporate Services may be attributed to a number of factors: the recruitment of a Health & Safety Training Officer during 2003-04 (£20K), additional recruitment costs within Personnel (£33K), regrading of management posts (£19K) and an increase in Support Service costs (£130K). Purchasing activity was up by £275K though this was offset by additional income. The management of Schools IT has been restructured and is now included within the Corporate Services section. Major in year variances are due to underspends in IT (£28K) and Legal Services (£26K) which were offset by overspends in Human Resources (£69K), Administrative Services (£40K), and Central Services (£27K). Technical Services were underspent on Staffing (£54K), Premises (£28K) and Transport (£14K) though this was compensated for by an increase in Supplies & Services (£54K), Agency & Contracts (£16K), Support Service costs (£15K) and reduced income of £40K. The year on year changes are attributable to an increase in Staffing (£30K), Premises Related Costs (£17K), Supplies & Services (£38K), Contract Services (£22K) and Support Services (£13K) countered by a reduction in Capital Charges (£70K) and increased income (£31K). Ionmhas were overspent by £73K mainly due to increased Support Service costs (£120K) and Agency & Contracted costs (£20K) offset by increased Income (£42K) and lower than anticipated Supplies & Services costs (£14K). Within Ionmhas the year on year decrease is mainly due to the increase in Income (£243K) and lower Agency & Contracted costs (£14K) offset by additional Employees Expenses (£130K) and Support Service (£57K).

## Note 16: Trading Services

2002-03		2003-04	
Actual £'000	Trading Services	Actual £'000	Budget £'000
289	Local Authority Transport Undertakings	99	130
211	Fishery Harbours And Markets	217	216
120	Other Harbours	115	120
(6)	Slaughterhouses	0	0
242	Commercial Properties	245	252
23	Outdoor Centres	24	21
27	Reprographics	19	4
6	School Catering	(83)	0
(11)	Grounds Maintenance	(29)	0
3	Depots	1	0
(35)	Street Cleaning	(24)	0
(5)	Building Cleaning	(1)	0
0	Vehicle & Plant Maintenance	(6)	0
(8)	Other Catering	(11)	0
<b>856</b>	<b>TOTAL NET EXPENDITURE</b>	<b>566</b>	<b>743</b>

### > Budgetary Performance

Overall this service underspent by £177K (64.4%). Local Authority Transport Undertakings includes Ferries to which the £31K underspend relates, the year on year reduction is due to the ending of the Comhairle's ferry operations for Eriskay and Barra. The underspend in School Catering is mainly due to staff savings together with a more favourable settlement than anticipated with a former supplier.



#### Note 17: Asset Management Account

2002-03		2003-04	
Actual £'000	Asset Management Revenue Account	Actual £'000	Budget £'000
13,343	External Interest Payable	12,711	13,703
98	Loans Fund Expenses	103	107
10,324	Depreciation	11,505	10,230
<b>23,765</b>	<b>TOTAL EXPENDITURE</b>	<b>24,319</b>	<b>24,040</b>
(26,646)	Capital Charges	(23,888)	(23,976)
(641)	Released from Government Grants Deferred Account	(4,091)	(641)
(57)	Other Income	(49)	(71)
(22)	Notional Interest on DSO Stock	(11)	0
<b>(27,366)</b>	<b>TOTAL INCOME</b>	<b>(28,039)</b>	<b>(24,688)</b>
<b>(3,601)</b>	<b>TOTAL NET EXPENDITURE/(INCOME)</b>	<b>(3,720)</b>	<b>(648)</b>

#### Note 18: Publicity

Section 5 of the Local Government Act 1986 requires local authorities to keep a separate account of expenditure on publicity.

2002-03		2003-04
Actual £'000	Publicity	Actual £'000
60	Appointments Advertising	84
69	Other Advertising	49
<b>129</b>		<b>133</b>

These amounts are included in the appropriate revenue accounts.



## Note 19: Teachers' Pension Costs

In 2003-04 the Comhairle paid £1,417,976 (£978,930 2002-03) to the Scottish Office in respect of teachers' pensions costs, which represented 7.4% of teachers' pensionable pay. This is a defined benefits scheme.

In addition, the Comhairle is responsible for all pension payments arising from added years awarded, to staff taking retirement together with the related increases. In 2003-04 these amounted to £172,304 (£160,515 2002-03). The Comhairle has been unable to obtain an estimate of the current present value of future commitments for early retirements.

The capital cost of discretionary increases in pensions payments (eg discretionary added years) agreed by the authority was:

- a. in year: Nil
- b. in earlier years: £2,872,540

whether funded by the pension scheme or by the authority.

## Note 20: Other Employees' Pension Costs

As Part of the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits. Although these benefits will not actually be payable until the employees earn their future entitlement.

The Comhairle participates in the Local Government Pension Scheme administered by Highland Council. This is a funded scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the CRA after Net Operating Expenditure. The following transactions have been made in the CRA during the year:

	2002-03 £'000	2003-04 £'000
<b>Net Cost of Services</b>		
Current Service Cost	2,496	2,718
Past Service Costs	-	-
Curtailments and Settlements	1	61
<b>Net Operating Expenditure</b>		
Interest Cost	4,125	4,348
Expected return on assets in the scheme	(4,950)	(4,057)
<b>Amounts to be met from Government Grants and Local Taxation</b>		
Movement on Pensions reserve	585	(183)
<b>Actual amount charged against Council Tax for pensions in year</b>		
Employer's contributions to the scheme	2,257	2,887

Note 14 to the Balance sheet contains details of the assumptions made in estimating the figures included in this note. Note 6 To the Statement of Total Movements in Reserves details the costs that have arisen through the year. Estimates made in preparing figures for previous years have had to be revised.

## Note 21: Operating Leases

The Comhairle uses vehicles etc under the terms of Operating Leases. The library building in Stornoway is also financed under these terms.

The amount paid under these arrangements in 2003-04 was £433,322 (2002-03 £433,709) and the projected amount for Operating Leases from 1 April 2003 onwards is £2,760,918.



## Note 22: Local Authority (Goods And Services) Act 1970

The Comhairle is empowered by this act to provide goods and services to other public bodies. Detailed below is work that is considered as having been carried out under the Local Authority (Goods and Services) Act 1970. Information required is listed under the name of each body.

Name of Body	Purpose of Work	Income/Expenditure for each purpose	£	Extent of Activity
Northern Constabulary	Provision by the Authority for the body of any administrative, professional or technical services.	Income	12,612	Represents approx 1.2% of total activity.
		Expenditure	12,612	
	The carrying out by the Authority of works of maintenance for which the body is responsible.	Income	97,272	Represents approx 9.2% of total activity.
		Expenditure	97,272	
Highlands & Islands Fire Authority	Provision by the Authority for the body of any administrative, professional or technical services.	Income	3,192	Not considered significant as represents less than 1% of total activity.
		Expenditure	3,192	
	The carrying out by the Authority of works of maintenance for which the body is responsible.	Income	3,323	Not considered significant as represents less than 1% of total activity.
		Expenditure	3,323	
Highlands & Islands Enterprise	Provision by the Authority for the body of any administrative, professional or technical services.	Income	8,208	Not considered significant as represents less than 1% of total activity.
		Expenditure	8,208	
Ionmairt Air An Oir	Provision by the Authority for the body of any administrative, professional or technical services.	Income	905	Not considered significant as represents less than 1% of total activity.
		Expenditure	905	
Barra Pre School Group	Provision by the Authority for the body of any administrative, professional or technical services.	Income	420	Not considered significant as represents less than 1% of total activity.
		Expenditure	420	
Spors Nis	Provision by the Authority for the body of any administrative, professional or technical services.	Income	71,024	Represents approx 6.8% of total activity.
		Expenditure	71,024	
Ness Community Council	Provision by the Authority for the body of any administrative, professional or technical services.	Income	1,500	Not considered significant as represents less than 1% of total activity.
		Expenditure	1,500	
Lews Castle College	Provision by the Authority for the body of any administrative, professional or technical services.	Income	9,464	Not considered significant as represents less than 3% of total activity.
		Expenditure	9,464	



## Note 23: Members' Allowances And Expenses 2003-04

Name	Basic Allowance	Special Responsibility Allowance	Expenses & Subsistence Reimbursed	2003-04 Total	2002-03 Total
Mrs Katie M Mackenzie	£447	£249	£171	£867	£11,039
Miss Samantha E L Hawkins	£5,361	£0	£2,216	£7,577	£0
Mr Malcolm J Macleod	£447	£0	£113	£560	£8,779
Mr John Mackay	£5,361	£0	£2,438	£7,799	£0
Mr Iain Morrison	£5,808	£2,783	£1,687	£10,278	£7,246
Mr Roderick Morrison	£5,808	£3,032	£2,998	£11,838	£11,741
Mr Alex A Macdonald (Convener)	£5,808	£12,637	£4,890	£23,335	£23,520
Mr Norman A Macdonald	£5,808	£3,259	£8,799	£17,866	£19,657
Mr Angus Graham	£5,808	£0	£1,283	£7,091	£8,060
Mr Malcolm J Graham	£5,808	£5,465	£1,052	£12,325	£6,294
Mr Ian M Macleod	£5,808	£3,032	£2,064	£10,904	£10,463
Mr Roderick J Murray	£447	£732	£443	£1,622	£18,581
Mr Neil Campbell	£5,361	£0	£893	£6,254	£0
Mr George Lonie	£5,808	£3,271	£257	£9,336	£14,044
Mr Angus Nicolson	£5,808	£5,953	£4,015	£15,776	£14,809
Mr Murdo Macleod	£5,808	£5,713	£1,599	£13,120	£10,784
Mr Norman L Macdonald	£5,808	£5,953	£2,265	£14,026	£12,890
Mr Alasdair G Macrae	£447	£488	£12	£947	£12,566
Mr Keith Dodson	£5,361	£0	£139	£5,500	£0
Mr Angus Campbell (Vice Convener)	£5,808	£8,445	£4,878	£19,131	£10,053
Mr Philip Maclean	£447	£0	£12	£459	£5,959
Mr Angus McCormack	£5,361	£2,796	£1,767	£9,924	£0
Mr Donald I Nicholson	£5,808	£5,928	£687	£12,423	£12,890
Mr Norman M Macleod	£5,808	£5,713	£494	£12,015	£9,386
Mr Donald J Macsween	£5,808	£0	£1,293	£7,101	£6,884
Mr Finlay Morrison	£447	£0	£19	£466	£5,959
Mr Alexander M Macintosh	£5,361	£0	£1,020	£6,381	£0
Mr Donald M Mackay	£447	£0	£630	£1,077	£9,066
Mrs Annie Macdonald	£5,361	£2,783	£2,910	£11,054	£0
Mrs Morag Munro	£5,808	£3,032	£5,359	£14,199	£13,326
Mr Donald Macdonald	£5,808	£2,771	£10,079	£18,658	£15,548
Mr Archibald K Campbell	£5,808	£5,713	£10,209	£21,730	£16,452
Mr Donald Maclean	£5,808	£1,855	£8,177	£15,840	£20,552
Mr Martin C Taylor	£5,808	£0	£7,243	£13,051	£11,093
Mrs Mary Bremner	£447	£488	£386	£1,321	£21,740
Mr Peter Carlin	£5,361	£0	£6,916	£12,277	£0
Mr Ronald J Mackinnon	£5,808	£2,783	£7,509	£16,100	£13,560
Mr David Blaney	£447	£0	£212	£659	£12,657
Mr Angus Macdonald	£5,361	£0	£6,449	£11,810	£0
Mr Donald Manford	£5,808	£5,713	£12,346	£23,867	£19,067
<b>TOTAL</b>	<b>£180,048</b>	<b>£100,587</b>	<b>£125,929</b>	<b>£406,564</b>	<b>£394,665</b>



#### Note 24: Officers' Emoluments

Range £	2002-03	2003-04
	Number of Officers In Range	Number of Officers In Range
40 - 50K	47	61
50 - 60K	6	2
60 - 70K	6	9
70 - 80K	0	0
80 - 90K	1	0
90K - 100K		1
<b>TOTAL</b>	<b>60</b>	<b>73</b>

#### Note 25: Related Party Transactions

During the year material transactions with related parties, not disclosed elsewhere, were as follows:

	Income £'000	Expenditure £'000
<b>Central Government Revenue Grants</b>		
Education	2,668	
Social Work	1,253	
Housing Benefits	4,651	
Sustainable Development	384	
Transportation	428	
Other	78,466	
Housing Support Grant	2,972	
	<b>90,822</b>	
European Development Fund Revenue Grants	86	
European Development Fund Capital Grants	368	
Acair Ltd - Nature of Business - Publishing	4	12
	<b>91,280</b>	<b>12</b>

During 2003-04, works and services to the value of £547,632 were commissioned from companies in which four members had an interest. Contracts were entered into in full compliance with the Council's standing orders. Details can be found in the Register of Members Interests.

#### Note 26: Auditor's Remuneration

The Comhairle's auditors are currently Audit Scotland and the agreed fee for 2003-04 was £168,300 including a central charge of £42,300. The equivalent figures for 2002-03 were £168,800 and £19,800 respectively.



# INCOME ACCOUNTS

## Council Tax Account

2002-03 £000	Council Tax	2003-04 £000
	<b>Expenditure</b>	
1,761	Reliefs and Remissions etc.	1,858
31	Write-Offs	11
98	Provisions for Bad Debts	90
107	Council Tax Benefit (net of government grant)	253
<b>1,997</b>	<b>TOTAL EXPENDITURE</b>	<b>2,212</b>
	<b>Income</b>	
(9,105)	Council Tax Levy	(9,740)
(17)	Contributions in lieu	(9)
(2)	Community Charge	(3)
<b>(9,124)</b>	<b>TOTAL (INCOME)</b>	<b>(9,752)</b>
<b>(7,127)</b>	<b>TRANSFERRED TO GENERAL FUND</b>	<b>(7,540)</b>

## Non Domestic Rate Income Account

2002-03 £000	Non Domestic Rates	2003-04 £000
(6,857)	Rate Levy	(6,521)
(3)	Other (Income)/Charges	96
<b>(6,860)</b>	<b>TOTAL</b>	<b>(6,425)</b>
	<b>Less:</b>	
1,462	Reliefs and Remissions etc.	1,125
0	Revaluation Rebates	0
9	Write-Offs	0
24	Provisions for Bad Debts	37
6	Payment of Interest	15
<b>(5,359)</b>	<b>CONTRIBUTION TO NDRI POOL</b>	<b>(5,248)</b>
	<b>Government Grants</b>	
(3,814)	Net Distributable Amount	(4,177)
<b>(9,173)</b>	<b>DISTRIBUTION FROM NDRI POOL</b>	<b>(9,425)</b>

## Revenue Support Grant

2002-03		2003-04	
Actual £000	Revenue Support Grant	Actual £000	Budget £000
(69,783)	Revenue Support Grant	(74,216)	(74,207)
<b>(69,783)</b>	<b>TRANSFERRED TO GENERAL FUND</b>	<b>(74,216)</b>	<b>(74,207)</b>



## Note 1: Council Tax Base

2002-03		Calculation Of The Council Tax Base 2003-04										2003-04
TOTAL	Bands	A (Disabled)	A	B	C	D	E	F	G	H	TOTAL	
13,675	Properties		5,003	3,691	2,674	1,438	790	121	30	4	13,751	
917	Exemptions		530	191	102	22	20	2	0		867	
89	Disabled relief		9	26	27	15	15	1	1		94	
89	Effective disabled	9	26	27	15	15	1	1	0		94	
4,683	Discounts (25%)	2	2,296	1,346	735	295	127	13	2		4,816	
1,325	Discounts (50%)		603	391	188	78	25	5	9	4	1,303	
10,926	<b>Total equivalent</b>	9	3,615	2,969	2,282	1,303	712	113	24	2	11,029	
	<b>Ratio</b>	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9		
9,037	Band D equivalents	5	2,410	2,309	2,029	1,303	870	164	40	4	9,134	
15	Contributions in lieu (MOD)										18	
9,052	<b>TOTAL</b>	25	14,492	10,950	8,052	4,469	2,560	420	106	14	9,152	
(362)	Bad debt provision										(242)	
<b>8,690</b>	<b>COUNCIL TAX BASE</b>										<b>8,910</b>	
<b>8,817</b>	<b>BUDGETARY TAX BASE</b>										<b>8,814</b>	

(N.B. The figures shown in the table above indicate the number of properties as at 31 March 2004)

Empty properties which fulfil certain criteria are exempt from Council Tax and pay nothing. Other empty properties receive a discount of 50%. Properties that are only occupied by one person receive a discount of 25%. If a property has been adapted for a disabled occupant then relief is given by a reduction of one band.

## Number of Effective Properties Per Band and Council Tax Levels 2003-04

BAND	Properties	£
A (DISABLED)	9	481.67
A	3,615	578.00
B	2,969	674.33
C	2,282	770.67
D	1,303	867.00
E	712	1,059.67
F	113	1,252.33
G	24	1,445.00
H	2	1,734.00
<b>TOTAL</b>	<b>11,029</b>	



## Note 2: Analysis Of Rateable Values 01/04/2004

Analysis Of Rateable Values 01/04/2004	Number of Properties	Rateable Value £'000
Shops (including restaurants)	342	1,795
Offices	207	1,506
Hotels, Boarding Houses, etc	190	1,055
Industrial and Freight Transport Subjects	115	1,468
Formula Valued	4	1,241
Miscellaneous Subjects	739	6,222
Other	507	1,393
<b>TOTAL</b>	<b>2,104</b>	<b>14,680</b>

## Note 3: Non-Domestic Rates

The Scottish Executive set the Non-Domestic Rate at 47.8p in the £ for 2003-04.

Under the Small Business Rate Relief Scheme which started on 1 April 2003 properties with rateable values of £10,000 or less had their bills reduced by 5% and businesses occupying premises with rateable values totalling less than £7,000 within Scotland had bills reduced by between 10% and 50%. The scheme was to be partly financed by larger businesses being charged a supplement of 0.6p in the £ on rateable values over £25,000.

2003-04 was the last year of the current Transitional Arrangements Scheme to limit the effects of increases and decreases in the amount of rates payable brought about by the April 2000 revaluation. Transitional Adjustments for 2003-04 were approximately 50% of the amount added or deducted in 2002-03.

Rates collected by the Comhairle are paid into the National Non-Domestic Rates Pool and the money is redistributed by the Scottish Executive according to need.



## HOUSING REVENUE ACCOUNT

2002-03		2003-04	
Actual £'000	Housing Revenue Account	Actual £'000	Budget £'000
1,388	Repairs & Maintenance	1,388	1,273
521	Supervision And Management	589	599
5,423	Capital Financing Costs	5,343	5,469
36	Bad Or Doubtful Debts	67	14
122	Rent, Rates, Taxes & Other Charges	104	131
<b>7,490</b>	<b>TOTAL EXPENDITURE</b>	<b>7,491</b>	<b>7,486</b>
(4,339)	Dwelling Rents (Gross)	(4,287)	(4,240)
(5)	Non-Dwelling Rents (Gross)	(5)	(4)
(3,179)	Housing Support Grants	(2,972)	(2,972)
(297)	Other Income	(278)	(207)
<b>(7,820)</b>	<b>TOTAL INCOME</b>	<b>(7,542)</b>	<b>(7,423)</b>
(330)	Net Operating Expenditure/(Income)	(51)	63
239	Capital Financed From Current Revenue	220	100
<b>(91)</b>	<b>DEFICIT/(SURPLUS) FOR THE YEAR</b>	<b>169</b>	<b>163</b>
91	Transferred To/(From) Housing Repairs Fund	(220)	(351)
<b>0</b>	<b>DEFICIT/(SURPLUS) TRANSFERRED TO HRA</b>	<b>(51)</b>	<b>(188)</b>
(347)	Deficit/(Surplus) Brought Forward	(347)	(347)
<b>(347)</b>	<b>BALANCE CARRIED FORWARD</b>	<b>(398)</b>	<b>(535)</b>

### > Budgetary Performance

Overall the Housing Revenue Account showed a £169K deficit for the year. The overspend on Repairs and Maintenance is mainly due to an increase in repairs costs (£90K). The year on year increase in Supervision and Management is largely due to support service recharges (£42K) and reduced income (£29K). Savings in Capital Financing Costs arose due to lower than anticipated interest rates during the year, together with debt restructuring. The overspend in Bad or Doubtful Debts is due to the level of debts written off in the year (£27K) and an increase in the provision (£26K), both increases on the previous year. Both variances in Rents, Rates and other Charges are due to a reduction in voids over and above that anticipated. This is despite the introduction of £7K of non council house voids. Dwelling Rents outturned 1.1% higher than expected (£47K). The reduction on the previous year will be mainly due to the effect of right to buy sales. The fall in Housing Support Grant was in accordance with the formula and as anticipated. The most significant contribution to Other Income in the year (£71K) was from factorage (£35K).



#### Note 1: Provision For Bad Or Doubtful Debts

Arrears	Amount £	Percentage %	Provision £
Former Tenants	63,353	95%	60,185
Current Tenants			
£0 - £100	6,232	0%	0
£100 - £250	15,889	10%	1,589
£250 - £500	26,863	25%	6,716
£500 - £750	27,218	50%	13,609
£750 - £1,000	22,614	75%	16,961
Over £1,000	48,881	95%	46,437
<b>TOTAL</b>	<b>211,050</b>		<b>145,497</b>

#### Note 2: Housing Stock As At 31 March 2004

Analysis by Size	
2 apt	562
3 apt	572
4 apt	676
5 apt	23
6 apt	1
<b>TOTAL</b>	<b>1,834</b>

Analysis by Age	
Pre 1919	3
1919 - 1939	166
1940 - 1964	553
1965 - 1982	953
Post 1982	159
<b>TOTAL</b>	<b>1,834</b>

Analysis by Location	
Lewis	1,274
Harris	115
N. Uist	108
Benbecula	131
S. Uist	107
Barra	71
No Area Specified	28
<b>TOTAL</b>	<b>1,834</b>

Total Stock	
AT 31/03/2003	1,880
Sales in Year	(46)
Acquisitions	0
<b>AT 31/03/2004</b>	<b>1,834</b>



## SIGNIFICANT TRADING OPERATIONS

2002-03 Actual	Significant Trading Operation	2003-04 Actual				2004-05 Estimate	2005-06 Estimate
		Expenditure £000s	Income £000s	(Surplus)/ Deficit £000s	Target Budget £'000s	Target Budget £'000s	Target Budget £'000s
(49)	Refuse Collection	1,096	(1,106)	(10)	(29)	(29)	(29)
(238)	Building Maintenance	4,071	(4,339)	(268)	(40)	(180)	(180)
(136)	Highways(non-Trunk Road)	1,596	(1,719)	(123)	(87)	(78)	(78)
169	Bus Operation	919	(757)	162	112	(9)	(9)
<b>(254)</b>	<b>NET COST OF SERVICES</b>	<b>7,682</b>	<b>(7,921)</b>	<b>(239)</b>	<b>(44)</b>	<b>(296)</b>	<b>(296)</b>

### Note 1: Operations

The Comhairle operates four significant trading operations. The above statement summarises their operations for 2003-04. The Comhairle has identified one other operation, fuel at fishery piers, that started trading in April 2004.

### Note 2: Financial Target

Government Legislation requires that each STO achieve break-even over any three year rolling period after taking into account;

- > a capital financing charge of 3.5% on the value of fixed assets used by the STO.
- > depreciation charges based on the current value of assets;
- > a financing charge of 3.5% on stock balances held by the STO.
- > Interest on revenue balances.

Failure to meet these targets could result in the activity being closed down by the Secretary of State. For 2003-04 all STOs except the Bus Operation achieved the specified target. As the loss on the bus operation was in the final year of the previous contract it will not be carried forward as part of the three year target.

2003-04 is the first year of STOs and as such the comparatives are available for those STOs which were previously DSO/DLOs.

### Note 3: Refuse Collection

The Refuse Collection STO activities include commercial, industrial, domestic and community waste collection, street cleansing, gully emptying, burial grounds maintenance and burial of the dead in Comhairle owned cemeteries. The principal client is the Comhairle's department for Sustainable Communities, however other Comhairle departments and commercial business also pay for use of these services.

### Note 4: Building Maintenance

This STO (formally the Building Maintenance DLO) provides a comprehensive building maintenance service for all of the Comhairle's buildings, including an element of capital works. Building Maintenance handles over 8,500 jobs each year around half of which are from the Housing Department and the other half from Technical Services (who are the Comhairle's 'client' for all other buildings). Only a very small percentage of income is earned from external parties. Work is issued through the Building Maintenance Term Contract, which was won under the old DLO/DSO legislation, and runs to 31 March 2006 (with a two-year extension option). Some additional work has been won under open tender.

The favourable outcome for the year was due to a number of reasons including: Budget being set on a prudent assumption of workload; more jobs than anticipated being issued on day works rather than on a schedule of rates; and the actual workload being significantly higher than expected, particularly in last quarter of 2003-04.

### Note 5: Highways

This STO (formally the Highways Maintenance DLO) has the Area Maintenance Contract for Harris and Uist including an element of capital works. The STO also includes Winter Maintenance and Street Lighting work. The client for these services is the Comhairle's Technical Services department. The present Area Roads Contract was awarded under the old DLO/DSO legislation and runs to 31 March 2006 (with a two-year extension option). Street Lighting work is managed through a Service Level Agreement between the Commercial Operations Unit and Technical Services, whilst Winter Maintenance is run in partnership with Technical Services and recovered on a £ for £ basis.

### Note 6: Bus Operation

This STO operates a Public/School bus service for the Point and Back areas in Lewis and two single bus services in Harris, Berneray and North Uist. These operations were not classified as defined activities under the old 'DLO/DSO' legislation. The Education Department and the general public are the main customers though almost 70% of the income is Bus Subsidy. The Technical Services Department determines the routes and timetables to be operated. 2003-04 was the last year of the contract won in 1999 under open tender. The contract was re-tendered and the Commercial Operations Unit was successful in retaining the contract for a five-year period through to March 2009.



## CONSOLIDATED BALANCE SHEET

Restated 31 March 2003 £'000	Consolidated Balance Sheet as at 31 March 2004	Gross Book Value Note 1 £'000	Depreciation Note 2 £'000	31 March 2004	
				£'000	£'000
	<b>Fixed Assets</b>				
	<b>Operational</b>				
12,173	Council Dwellings	13,057	(1,592)	11,465	
108,623	Other Land & Buildings	121,661	(13,535)	108,126	
1,010	Leasehold Improvements	1,243	(296)	947	
2,080	Vehicles, Plant & Equipment	5,831	(1,907)	3,924	
76,422	Infrastructure	102,374	(24,886)	77,488	
534	Community Assets	628	(120)	508	
	<b>Non-Operational</b>				
1,876	Investment Properties	2,263	(331)	1,932	
2,000	Assets Under Construction	8,358	0	8,358	
<b>204,718</b>	<b>TOTAL FIXED ASSETS</b>	<b>255,415</b>	<b>(42,667)</b>		<b>212,748</b>
	<b>Other Long Term Assets</b>				
35	Deferred Charges (Note 3)			18	
2	Long-term Investments			0	
1,477	Long-term Debtors (Note 6)			1,274	
(352)	Less Provisions (Note 4)			(336)	
4,595	Premia on debt redemption			5,724	6,680
<b>210,475</b>	<b>TOTAL LONG-TERM ASSETS</b>				<b>219,428</b>
	<b>Current Assets</b>				
673	Stocks & Work in Progress			581	
8,114	Debtors			11,216	
31	Agencies (Note 11)			41	
(1,726)	Less Provisions (Note 4)			(1,923)	
6,845	Investments			3,615	13,530
<b>224,412</b>	<b>TOTAL ASSETS</b>				<b>232,958</b>
	<b>Current Liabilities</b>				
(250)	Short-Term Borrowing			(250)	
(5,567)	Long -Term Borrowing Maturing Within 1 Year			(2,054)	
(9,040)	Creditors			(10,690)	
(204)	Agencies (Note 11)			(327)	
(3,424)	Bank Overdraft			(5,550)	(18,871)
<b>205,927</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<b>214,087</b>
	<b>Long-term Liabilities</b>				
(179,169)	Long-Term Borrowing (Note 7)			(178,931)	
(18,288)	Deferred Grants (Note 5)			(19,036)	
(15,018)	Pension Liability			(6,312)	
(1,817)	Covenants			0	(204,279)
<b>(8,365)</b>	<b>NET ASSETS/(LIABILITIES) (NOTE 12)</b>				<b>9,808</b>
	<b>Capital Reserves</b>				
5,537	Fixed Assets Restatement Reserve			2,171	
(5,730)	Capital Financing Reserve			4,459	
275	Usable Capital Receipts Reserve			0	
					6,630
(15,018)	Pension Reserve				(6,312)
	<b>Revenue Reserves</b>				
5,150	Balances - General Fund			8,505	
146	- Winter Maintenance Fund			167	
288	- DLO / DSO Fund			0	
347	- Housing Revenue Account			398	
640	- Housing Repairs Fund			420	9,490
<b>(8,365)</b>	<b>TOTAL RESERVES</b>				<b>9,808</b>

D E Rattray BSc CPFA [Acting Director of Finance]  
30 September 2004



### Note 1: Tangible Fixed Assets Transactions - Costs

COSTS	Balance At 01/04/03 £'000	Revaluation In Year £'000	Expenditure In Year £'000	Disposals In Year £'000	Balance At 31/03/04 £'000
Council Dwellings	13,384	(2,344)	2,344	(327)	13,057
Other Land & Buildings	118,597	(11)	3,860	(785)	121,661
Leasehold Improvements	1,243	0	0	0	1,243
Vehicles, Plant, Equipment	3,872	40	2,271	(352)	5,831
Infrastructure	98,884	0	3,490	0	102,374
Community Assets	623	0	5	0	628
Investment Properties	2,123	8	132	0	2,263
Assets under Construction	2,000	0	6,358	0	8,358
<b>TOTAL</b>	<b>240,726</b>	<b>(2,307)</b>	<b>18,460</b>	<b>(1,464)</b>	<b>255,415</b>

### Note 2: Tangible Fixed Assets Transactions - Depreciation

DEPRECIATION	Balance At 01/04/03 £'000	Restated At 01/04/03 £'000	Charged In Year £'000	Disposals In Year £'000	Balance At 31/03/04 £'000
Council Dwellings	(1,211)	0	(411)	30	(1,592)
Other Land & Buildings	(9,974)	1	(3,610)	48	(13,535)
Leasehold Improvements	(233)	0	(63)	0	(296)
Vehicles, Plant, Equipment	(1,792)	0	(443)	328	(1,907)
Infrastructure	(22,462)	0	(2,424)	0	(24,886)
Community Assets	(89)	0	(31)	0	(120)
Investment Properties	(247)	(1)	(83)	0	(331)
<b>TOTAL</b>	<b>(36,008)</b>	<b>0</b>	<b>(7,065)</b>	<b>406</b>	<b>(42,667)</b>

- Council Dwellings, Land & Buildings are depreciated over the estimated useful life of the assets on a straight line basis.
- Infrastructure assets are depreciated over the estimated useful life of the assets on a straight line basis.
- Vehicles, Plant & Equipment are depreciated over the useful economic life of the assets on a straight line basis
- Leased assets are depreciated over the period of the lease on a straight line basis.
- Community Assets are depreciated on a straight line basis over a 2 year life.

### Note 3: Movement In Deferred Charges

	Balance At 01/04/03 £'000	Restated AT 01/04/03 £'000	Expenditure In Year £'000	Charge to Revenue £'000	Balance At 31/03/04 £'000
Improvement Grants	0		3,641	(3,641)	0
Other	0		782	(782)	0
Software	35		0	(17)	18
<b>TOTAL</b>	<b>35</b>	<b>0</b>	<b>4,423</b>	<b>(4,440)</b>	<b>18</b>



#### Note 4: Movement in Bad Debt and Other Provisions

	Balance At 01/04/03 £'000	Movement In Year £'000	Balance At 31/03/04 £'000
<b>Long Term</b>			
Business Loans	352	(16)	336
<b>Short Term</b>			
Community Charge	126	(2)	124
Council Tax	1,147	90	1,237
Non-Domestic Rates	44	37	81
Rents	119	27	146
Sundry Debtors	240	54	294
Obsolete Stock	50	(9)	41
<b>SUB-TOTAL SHORT TERM</b>	<b>1,726</b>	<b>197</b>	<b>1,923</b>
<b>TOTAL PROVISION</b>	<b>2,078</b>	<b>181</b>	<b>2,259</b>

#### Note 5: Movement In Deferred Grants

Deferred Grants	Balance at 01/04/03 £'000	Income in Year £'000	Taken to Revenue £'000	Balance at 31/03/04 £'000
Deferred Grants	18,288	4,839	(4,091)	19,036
<b>TOTAL</b>	<b>18,288</b>	<b>4,839</b>	<b>(4,091)</b>	<b>19,036</b>

#### Note 6: Long Term Debtors

Long Term Debtors	Balance at 01/04/03 £'000	Aadvanced in Year £'000	Repaid in Year £'000	Balance at 31/03/04 £'000
Car Loans	390	232	(245)	377
House Loans: General Fund	226	0	(49)	177
House Loans: HRA	228	0	(43)	185
Business Loans	512	0	(86)	426
<b>SUB-TOTAL</b>	<b>1,356</b>	<b>232</b>	<b>(423)</b>	<b>1,165</b>
Capital Advance to Lews Castle College	121	0	(12)	109
<b>TOTAL</b>	<b>1,477</b>	<b>232</b>	<b>(435)</b>	<b>1,274</b>



#### Note 7: Analysis Of Long Term Borrowing

31/03/03 £'000		31/03/04 £'000
	Analysis of Loans By Type	
177,055	Public Works Loans Board	176,917
2,114	Market	2,014
<b>179,169</b>	<b>TOTAL OUTSTANDING</b>	<b>178,931</b>
	Analysis of Loans By Maturity	
238	Between 1 and 2 years	137
414	Between 2 and 5 years	43,064
689	Between 5 and 10 years	1,689
177,828	More than 10 Years	134,041
<b>179,169</b>	<b>TOTAL OUTSTANDING</b>	<b>178,931</b>

#### Note 8: Trust Funds

The Comhairle acts as sole trustee for twelve educational, social welfare and miscellaneous trusts. They relate principally to legacies left by individuals with Western Isles connections over a period of years. The balance held at 31 March 2004 was £115,311.77. The income from the trusts is used to provide educational grants and prizes, comforts for the elderly, handicapped and various community facilities. The funds do not represent assets of the Comhairle and are not included in the Consolidated Balance Sheet. The largest of these is the Donald Alexander Ferguson Bequest, with a balance of £54,116.44. This bequest is for the benefit of the clients of the Ardseileach Complex.

#### Note 9: Capital Expenditure

Capital Expenditure 2003-04	Total In Year £'000
HRA	2,487
Education	4,374
Social Work	560
Non HRA Housing	4,291
Transportation	3,256
Arts & Leisure	4,900
Development Services	998
Environmental Services	727
Policy & Resources	1,525
<b>TOTAL</b>	<b>23,118</b>



## Note 10: Financing Capital

Financing Capital	Total in Year £'000
Borrowing	11,943
<b>Usable Receipts:</b>	
Loan Repayments	422
Sales/Disposals	1,692
Private/Public Sector Contributions	4,413
Objective One Grants	426
CFCR	299
BCCI	3,923
<b>TOTAL</b>	<b>23,118</b>

### > Capital Commitments

At 31st March 2004 the Comhairle had commitments on capital contracts of £6m. This expenditure will be funded from a combination of borrowing, government grants, income from sale of assets, grants from other funding organisations and contributions from Revenue Accounts.

## Note 11: Agency Transactions

Agency Transactions	Movement in Year £'000
Due from agencies at 01/04/03	(173)
Expenditure on behalf of agencies	362
Received from agencies	(475)
<b>DUE FROM AGENCIES AT 31/03/04</b>	<b>(286)</b>

## Note 12: Analysis Of Net Assets Employed

Analysis Of Net Assets Employed	Balance at 31/03/03 £'000	Balance at 31/03/04 £'000
Housing Revenue Account	(25,587)	(25,333)
General Fund	32,240	34,869
<b>TOTAL</b>	<b>6,653</b>	<b>9,536</b>

## Note 13: Associated Companies

### LASAIR INFORMATION SERVICES LIMITED

Nature of Business: Tele-working facilitation

The Comhairle holds approximately 26% of the issued share capital at an initial cost of £7,100.

At 30 April 2003	Net Assets	(£11,321)
	Profit / (Loss) after Taxation	£7,810

The figures above are taken from the accounts for 2002-03 as the most recent available.

Accounts maybe acquired from Registered Office: **Mann Judd Gordon, 26 Lewis Street, Stornoway, Isle of Lewis**



## Note 14: Retirement Benefits

Note 21 to the Consolidated Revenue Account contains details of the authority's participation the Local Government Pensions Scheme (administered by Highland Council).

The underlying assets and liabilities for retirement benefits attributable to the authority at 31 March are as follows:

	At 31 March 2003 £'000	At 31 March 2004 £'000
Estimated Employer Assets (A)	55,444	70,205
Present Value of Scheme Liabilities	66,962	73,007
Present Value of Unfunded Liabilities	3,500	3,510
Total Value of Liabilities (B)	70,462	76,517
Net Pension Liability (B-A)	15,018	6,312

The liability shows the underlying commitments that the authority has in the long run to pay retirement benefits. The liability of £6.3m has had a substantial on the net worth of the authority as recorded in the balance sheet reducing it by approximately 40%. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy, the deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the actuary.

Local government legislation provides that local authorities have an obligation to meet the expenditure of Joint Boards of which they are constituent members. As a consequence Comhairle Nan Eilean Siar has additional liabilities arising from the pensions deficits of:

- > The North Joint Police Board;
- > The Highland and Islands Fire Board; and
- > The Highland and Western Isles Valuation Joint Board

Further information regarding these deficits can be found in the annual report and accounts of the relevant bodies

At 31 March 2004 £371k of pension contributions were accrued.

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates salary levels, etc. The scheme has been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the fund being based in the latest full valuation of the scheme as at 31 March 2002. The next formal valuation is due as at 31 March 2005.

The main assumptions used in their calculations have been:

	At 31 March 2003 £'000 % p.a.	At 31 March 2004 £'000 % p.a.
Price increases	2.5	2.9
Salary increases	4.0	4.4
Pension increases	2.5	2.9
Discount rate	6.1	6.5

Assets in the scheme are valued at a fair value, principally market value for investments, and consist of the following categories, by proportion of the assets held by the fund:

	As at 31 March 2003		As at 31 March 2004	
	Long Term Return % p.a.	Assets £'000	Long Term Return % p.a.	Assets £'000
Equities	8.0	41,641	7.7	51,807
Bonds	4.8	10,543	5.1	13,755
Property	6.0	1,356	6.5	3,135
Cash	4.0	1,904	4.0	1,508
<b>TOTAL</b>	<b>7.2</b>	<b>55,444</b>	<b>7.1</b>	<b>70,205</b>



## STATEMENT OF TOTAL MOVEMENT IN RESERVES

RESERVES	Revenue						Capital			Total
	General Fund £'000	Winter Maintenance Fund £'000	DSO Fund £'000	Housing Revenue Account £'000	Housing Repairs Fund £'000	Pension Reserve £'000	Fixed Asset Restatement Reserve £'000	Capital Financing Reserve £'000	Usable Capital Receipts £'000	£'000
Balances at 1 April 2003	5,150	146	288	347	640	(15,018)	5,537	(5,730)	275	(8,365)
HRA capital expenditure							(2,344)			(2,344)
Surplus / (Deficit) for Year	3,355			(169)						3,186
Transfers				220	(220)					0
Appropriations To/From Revenue		21	(288)			(183)				(450)
Actuarial Gains/Losses relating to pensions						8,889				8,889
Disposal of Fixed Assets							(1,022)	972		(50)
Capital Financed from Current Revenue								299		299
Deferred Grants (Taken to Revenue)								4,091		4,091
Other Capital Receipts								4,564		4,564
Repayment of Principal								11,493		11,493
Depreciation								(7,065)		(7,065)
Deferred Charges								(4,440)		(4,440)
Unapplied Capital Receipts (HRA)								275	(275)	0
<b>Balance at 31 March 2004</b>	<b>8,505</b>	<b>167</b>	<b>0</b>	<b>398</b>	<b>420</b>	<b>(6,312)</b>	<b>2,171</b>	<b>4,459</b>	<b>0</b>	<b>9,808</b>

### Note 1: Fixed Asset Restatement Reserve

The Fixed Asset Restatement Reserve represents the excess over book value on the commencement of Capital Accounting less the deferred charge consequent to losses from the collapse of BCCI. The reserve is adjusted each year for asset disposals and revaluations.

### Note 2: Capital Financing Reserve

The Capital Financing Reserve contains the amounts which are required by statute to be set aside from capital receipts for the repayments of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans. The balance on the reserve is reduced as loan debt is repaid.

### Note 3: Useable Capital Receipts

The Usable Capital Receipts Reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.

### Note 4: Winter Maintenance Fund

The Comhairle has a policy to transfer any savings on winter maintenance to the Winter Maintenance Fund to create a provision for a severe winter.

### Note 5: DSO Fund

Following the change in legislation and the creation of Significant Trading Operations the balance on the DSO fund has been transferred to the General Fund.

### Note 6: Pension Reserve

The actuarial gains identified as movements on the Pensions Reserve in 2003-04 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March.

	£'000	%
Difference between and actual return on assets	8,943	12.7
Differences between actuarial assumptions about liabilities and actual experience	(54)	0.01
	<b>8,889</b>	<b>11.6</b>
<b>COMPARATIVE TOTALS FOR 2002-03</b>	<b>(21,717)</b>	<b>(32.0)</b>



## CASH FLOW STATEMENT

	2003-04 £'000	2003-04 £'000	2003-04 In / (Out) £'000	2002-03 In / (Out) £'000
<b>REVENUE ACTIVITIES (NOTE 1)</b>				
<b>Cash Outflows</b>				
Cash Paid to and on Behalf of Employees	(48,954)			(41,900)
Other Operating Cash Payments	(43,376)			(36,502)
Housing Benefit Paid Out	(781)			(831)
		(93,111)		(79,233)
<b>Cash Inflows</b>				
Rents (after Rebates)	1,465			1,685
Council Tax Receipts	8,083			4,928
National Non-Domestic Rates Receipts from National Pool	4,042			3,540
Non-Domestic Rates Receipts	4,001			5,356
Revenue Support Grant	74,216			69,783
DWP Grants	5,479			3,483
Other Government Grants (Note 2)	7,647			7,771
Cash Received for Goods and Services	7,630			8,335
Other Operating Cash Receipts	6,712			2,605
		119,275		107,486
Net Cash In-flow from Revenue Activities			26,164	28,253
<b>RETURNS ON INVESTMENTS &amp; SERVICING OF FINANCE</b>				
<b>Cash Outflows</b>				
Interest Paid	(13,153)			(13,045)
Premia	(2,004)			(524)
		(15,157)		(13,569)
<b>Cash Inflows</b>				
Interest Received	254			114
		254		
			(14,903)	(13,455)
			11,261	14,798
<b>CAPITAL ACTIVITIES</b>				
<b>Cash Outflows</b>				
Purchase of Fixed Assets	(17,436)			(11,077)
Expenditure on Deferred Charges	(4,424)			(3,607)
		(21,860)		(14,684)
<b>Cash Inflows</b>				
Sales of Fixed Assets	1,614			1,534
Capital Grants Received	4,839			1,349
Other Capital Cash Receipts	4,358			525
		10,811		3,408
			(11,049)	(11,276)
Net Cash In-flow/(Out-flow) before Financing			212	3,522
<b>MANAGEMENT OF LIQUID RESOURCES (NOTE 3)</b>				
Net Increase/Decrease in Short Term Deposits	3,230			(5,270)
Net Increase/Decrease in Short Term Borrowing	0			(5,900)
		3,230		
			3,230	(11,170)
<b>FINANCING</b>				
<b>Cash Outflows</b>				
Repayments of Amounts Borrowed	(48,218)			(4,644)
		(48,218)		(4,644)
<b>Cash Inflows</b>				
New Loans Raised	42,650			11,200
		42,650		11,200
			(5,568)	6,556
<b>NET INCREASE/(DECREASE) IN CASH</b>			<b>(2,126)</b>	<b>(1,092)</b>
Movements in cash per Balance Sheet	Opening	Closing	Movement	2002-03
	<b>(3,424)</b>	<b>(5,550)</b>	<b>(2,126)</b>	<b>(1,092)</b>



## Note 1: Reconciliation Of Surpluses/(Deficits) And Cash Increases/(Decreases)

	2003-04 £'000	2003-04 £'000	2002-03 £'000
<b>Operating Surpluses/(Deficits)</b>			
Consolidated Revenue Fund - Surplus/(Deficit) for the Year (Page 32)	3,355		2,866
Surplus/(Deficit) transferred to HRA (Page 49)	51		0
Contribution to/(from) Housing Repairs Fund (Page 49)	(220)		91
Contribution to/(from) DSO reserves (Page 51)	(288)		288
Contribution to/(from) Winter Maintenance reserve (Page 32)	21		146
		2,919	3,391
Capital Expenditure Financed from Current Revenue		273	283
Capital Expenditure	(23,074)		(14,605)
Capital Income	10,369		3,408
		(12,705)	(11,197)
Principal Repaid (Non Cash)		11,493	11,212
Movement in Long Term Investments		2	0
<b>Movement in Working Balances (per Balance Sheet)</b>			
(Reduction)/Increase in Creditors	1,773		1,522
(Reduction)/Increase in Stocks	92		156
Reduction/(Increase) in premiums	(1,129)		(193)
Reduction/(Increase) in Bad and Other Debt Provisions	181		(110)
Reduction/(Increase) in Debtors	(3,112)		(1,542)
		(2,195)	(167)
		<b>(213)</b>	<b>3,522</b>
<b>Movement in Loans (per Cashflow Statement)</b>			
Loans Raised	42,650		11,200
Loans Repaid	(48,218)		(4,644)
		(5,568)	6,556
<b>Movement in Cash and Liquid Resources (per Balance Sheet)</b>			
(Reduction)/Increase in Bank Overdraft	2,126		1,092
(Reduction)/Increase in Short Term Borrowing	0		(5,900)
Reduction/(Increase) in Investments	3,230		(5,270)
		5,356	(10,078)
		<b>(212)</b>	<b>(3,522)</b>

## Note 2: Other Government Grants

	2003-04 £'000	2002-03 £'000
Housing Support Grant	2,972	3,179
Other Specific Revenue Grants	4,675	4,592
	<b>7,647</b>	<b>7,771</b>



### Note 3: Reconciliation Of Movement In Cash And Net Debt

	2003-04		2002-03
	£'000	£'000	£'000
Opening Net Debt at 1 April		(183,382)	(186,904)
Increase / (Decrease) in cash in the period		(2,126)	(1,092)
Short Term Deposits	(3,230)		5,270
Short Term Borrowing	0		5,900
Movement in Liquid Resources		(3,230)	11,170
Reduction / (Increase) in Borrowing		5,568	(6,556)
<b>CLOSING NET DEBT AT 31 MARCH</b>		<b>(183,170)</b>	<b>(183,382)</b>

Analysis of Movement in Net Debt	1 April 2003 £'000	Cash Flows £'000	Non Cash £'000	31 March 2004 £'000	1 April 2003 £'000
<b>Cash</b>					
Bank Overdraft	(3,424)	(2,126)	0	(5,550)	(3,424)
Liquid Resources	6,595	(3,230)	0	3,365	6,595
<b>Borrowing</b>					
Long -Term Borrowing Maturing Within 1 Year	(5,567)	5,567	(2,054)	(2,054)	(5,567)
Long-Term Borrowing	(179,169)	(1,816)	2,054	(178,931)	(179,169)
Covenants	(1,817)	1,817	0	0	(1,817)
<b>TOTAL NET DEBT</b>	<b>(183,382)</b>	<b>212</b>	<b>0</b>	<b>(183,170)</b>	<b>(183,382)</b>

## 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 is the Director of Finance;
- > to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

### The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2004.

### In preparing this statement of accounts, the Director of Finance 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 of Finance has also:

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

D E Rattray BSc CPFA [Acting Director of Finance]  
30 September 2004



## STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

1. This statement is given in respect of the 2003-04 statement of accounts for Comhairle nan Eilean Siar. I acknowledge my responsibility as Director of Finance and s95 officer for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations and procedures, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Comhairle. In particular the following processes have been established:-
  - > Comprehensive budgetary control and reporting systems;
  - > Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
  - > Setting targets to measure financial and other performance;
  - > The preparation of regular financial reports which indicate actual expenditure against the forecasts;
  - > Clearly defined capital expenditure guidelines; and
  - > As appropriate, formal project management disciplines.
4. Internal audit is provided by an in-house team which reports independently through the Director of Finance, but also has open access to the Chief Executive and the Comhairle's Monitoring Officer. Managerial, professional and technical support is provided by way of partnership working arrangements. The internal audit section is responsible for:-
  - > Adding value to the Comhairle by undertaking independent appraisal of its systems of internal control;
  - > Providing a high quality and effective service that is responsive to the needs of client departments;
  - > Providing a quality advisory and investigative service to support safeguarding the public pound;
  - > Supporting the Comhairle in the achievement of Best Value in the use of resources; and
  - > Assisting the Comhairle in discharging its corporate governance requirements.
5. During the year:-
  - > The function operated to professional auditing standards and aimed to comply with the requirements laid down in the Code of Practice for Internal Audit in Local Government in the UK 2003;
  - > An operational audit plan, based on a previously approved internal audit risk assessment and strategic audit plan, was approved by Members, and regular reports of progress against plan were presented to the Audit Panel. A strategic internal audit plan covering the three years to 31 March 2007 has also been approved by Members;
  - > Staff absences and changes in personnel resulted in reductions in the available internal audit resource. By concentrating efforts on higher risk category work included in the internal audit plan, and that on which external audit wished to place reliance, the adverse impact of reduced resources has partly been contained, although a significant number of planned reviews could not be undertaken during the course of the year. Efforts are being made to address continuing resource and skills shortfalls within the internal audit service; and
  - > Based on the findings arising from the reduced level of internal audit work undertaken against that planned, the independent opinion reached in the annual internal audit report was that reasonable assurance could be placed on the system of internal financial control.
6. My review of the effectiveness of the system of internal financial control is informed by:-
  - > The work of managers within the Comhairle who have responsibility for the development and maintenance of the internal financial control framework;
  - > The work of internal auditors as described above; and
  - > The external auditors in their annual audit letter and other reports.
7. I am satisfied that the Comhairle has in place an appropriate system of internal financial control, but would draw your attention to the specific matters detailed in paragraphs 8 to 11 below.
8. As a result of the Comhairle's Building Maintenance DLO and Roads Maintenance DLO failing to meet the prescribed financial objectives in the years 1999/2000 and 2000/01, the Comhairle was issued with official notices under Sections 19A and 19B of the Local Government Planning and Land Act 1980. Consequently, the DLOs were only allowed to carry out construction and maintenance work in accordance with authorisation given by Scottish Ministers. In response the DLOs underwent a period of operational change, resulting in improvements in management information and corporate management practices, the prescribed financial objectives being achieved in 2002-03 and the Section 19 Direction being lifted during 2003-04.
9. The Comhairle was the subject of a critical report from the Traffic Commissioner who undertook an investigation during 2003-04, the findings of which were formally reported in May 2004. The investigation related to certain aspects of the Comhairle's bus operations, including the working of excess hours by drivers, and the report highlighted deficiencies in the management of the bus operations, specifically:-
  - > Failure to comply with statutory requirements;
  - > Poor financial management and control, including high levels of overtime;
  - > Weaknesses in rostering and staff allocations;
  - > Lack of staff development and training; and
  - > Lack of management systems and procedures manual.
10. The bus operations incurred a loss in 2003-04 in the region of £160,000, and were also subject to critical internal audit comment regarding completeness of income and the provision of management information to support decision-making.
11. Senior Comhairle management accepted corporate responsibility for the Comhairle's shortcomings in the basic rules relating to the hire and operation of public service vehicles, and have taken corrective action by restructuring the management of the bus operations and ensuring that appropriate arrangements are in place for future financial monitoring of the service. Employment contracts have also been revised, and drivers log books introduced, to reduce the risk of excess hours being worked in future.

**D E Rattray BSc CPFA** [Acting Director of Finance]  
30 September 2004



# INDEPENDENT AUDITOR'S REPORT

## To the members of Comhairle Nan Eilean Siar and the Accounts Commission for Scotland

I certify that I have audited the abstract of accounts on pages 32 to 61 under the Local Government (Scotland) Act 1973. The abstract of accounts has been prepared in accordance with the accounting policies set out on pages 30 to 31.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and the Code of Audit Practice approved by the Accounts Commission and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

## Respective responsibilities of the Director of Finance and Auditor

As described on page 61 the Director of Finance of the Comhairle is responsible for the preparation of the abstract of accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, a Statement of Recommended Practice ('the SORP'). My responsibilities, as independent auditor, are established by statute and the Code of Audit Practice approved by the Accounts Commission, and guided by the auditing profession's ethical guidance.

I report my opinion as to whether the abstract of accounts presents fairly the financial position of the Comhairle at 31 March 2004 and its income and expenditure for the year. I also report if, in my opinion, the Comhairle has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Statement on the System of Internal Financial Control on page 62 complies with the requirements of the SORP. I report if, in my opinion, the statement does not comply with the requirements or if it is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the Comhairle's corporate governance procedures or risk and control procedures.

I read the other information published with the abstract of accounts and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the abstract of accounts.

## Basis of audit opinion

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and the Code of Audit Practice, which requires compliance with relevant United Kingdom Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the abstract of accounts. It also includes an assessment of the significant estimates and judgements made by the Director of Finance in the preparation of the abstract of accounts and of whether the accounting policies are appropriate to the Comhairle's circumstances, consistently applied and adequately disclosed.

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

## Opinion

In my opinion the abstract of accounts presents fairly the financial position of the Comhairle as at 31 March 2004 and its income and expenditure for the year then ended.

## Failure to comply with a statutory requirement

It has not been necessary to qualify my opinion in respect of the following matter.

Supporting people grant of £0.385m has been used by the Comhairle in 2003-04 to fund expenditure on housing support services, both directly and by making payments to other providers. Housing support services as defined in the Regulation of Care (Scotland) Act 2001 require to be registered with the Care Commission. An Order made under that Act required applications to register to be made before 1 October 2003. However, due to the fact that multiple and complex services were being provided, it took some time for the Care Commission and individual providers to agree on the number of applications required and no valid applications were made before 1 October 2003. As a result, expenditure funded by supporting people grant since 1 October 2003 in respect of services that required to be registered is not in compliance with the statutory requirement. The Comhairle estimates that the sum involved for the period from 1 October 2003 to 31 March 2004 is £0.268m.

**Peter Johnston CA CPFA** [Chief Auditor]

Audit Scotland, Ballantyne House,  
84 Academy Street, INVERNESS IV1 1LU

30 September 2004



# PERFORMANCE INDICATORS



Education .....	65
Leisure & Recreation .....	70
Libraries .....	71
Social Work .....	72
Roads & Lighting .....	75
Housing .....	76
Benefits .....	78
Environmental Services .....	79
Trading Standards .....	80
Environmental Health .....	81
Planning .....	82
Building Control .....	83
Finance .....	84
Council Wide .....	85



# EDUCATION

## Pre-school Experience

Pre-school education is provided to children who are eligible for government grant aided expenditure. These indicators show the extent to which the service is provided. A range of private and voluntary sector providers, as well as the council may make the provision. The Comhairle provides pre-school education for all children whom a place is requested for.

For eligible three-year old children in their ante-pre-school year, it covers the proportion of children who are at least three years old at the start of the first term of the academic year.

### 1a) The percentage of children, for whom a pre-school place was requested, who are:

	2002-03 %	2003-04 %
i) Children in their pre-school year	100.0	100.0
ii) 3-year olds in year before pre-school year	100.0	100.0

### 1b) The percentage of these grant-aided children who received fewer than five education sessions per week during the period they were eligible:

	2002-03 %	2003-04 %
i) Children in their pre-school year	8.4	16.3
ii) 3-year olds in year before pre-school year	20.8	25.9

## Primary Schools

These indicators show the spread of class sizes for single year and composite (classes including pupils from more than one year group) primary school classes for P1-P3. They also show the extent to which the Comhairle uses composite classes and the total number of primary schools classes of each type. Class sizes are some of the smallest in Scotland and there are no classes of more than 34 children.

### 2a) The number and percentage of classes which fall within the following categories:

Class Size	2003-04	
	Number of classes	% of classes
i) Single-year classes with 33 or fewer pupils	47	28.4%
ii) Composite Classes with 25 or fewer pupils	116	71.1%
iii) Classes with P1 to P3 pupils that have 30 pupils or less	86	100.0%

### 2b) The total number of primary school classes of each type:

	2002-03	2003-04
a) Single-year	18	47
b) Composite	124	116
c) P1 to P3 pupils	80	86



These indicators show the proportion of schools within the five occupancy bands shown. The occupancy level is a measure of how many of the places available for pupils in a school have been taken up.

### 3 Occupancy: Percentage of schools where the ratio of pupils to places is:

	2002-03	2003-04
i) 0% - 40%	23.1%	23.1%
ii) 41-60%	51.3%	51.3%
iii) 61-80%	20.5%	20.5%
iv) 81-100%	5.1%	5.1%
v) 101% or more	0.0%	0.0%
<b>b) Total number of primary schools</b>	39	39

## Secondary Schools

### 4 Occupancy: Percentage of schools where the ratio of pupils to places is:

	2002-03	2003-04
i) 40% or less	27.3%	27.3%
ii) 41-60%	18.2%	18.2%
iii) 61-80%	27.3%	45.5%
iv) 81-100%	27.3%	9.1%
v) 101% or more	0.0%	0.0%
<b>b) Total number of secondary schools</b>	11	11

There has been an increase in number of schools with an occupancy rate of 61 - 80% but a corresponding decrease in the number within an occupancy rate of 81 - 100%, this is due to the fact that two schools have fallen below 81% occupancy.

## Special Education Needs

An assessment of a pupil's special educational needs may be required as a result of a child having a learning difficulty, physical disability, psychological disturbance or any combination of these. These needs cannot normally be met from the resources ordinarily available to schools. This indicator reports the average time it takes the Comhairle to carry out assessments of special needs and the percentage of assessments completed within each of the time bands.

### 5 The average time taken to complete an assessment of special educational needs and percentage completed in the following time bands:

Time Band	2002-03 % of total assessments completed	2003-04 % of total assessments completed
i) up to 18 weeks	25.0%	FTR
ii) 19 to 26 weeks	0.0%	FTR
iii) 27 to 39 weeks	25.0%	FTR
iv) 40 - 52 weeks	0.0%	FTR
v) more than 1 year	50.0%	FTR
<b>b) Average time for completion of all assessments</b>	46 weeks	FTR

(FTR- Failed to Report)

No figures have been collected and reported for this indicator due to low incidence and changes in legislation.



## Looked after Children - Academic Attainment

6 The number and percentage of young people of age 16 or 17, ceasing to be looked after away from home, who achieved Standard Grades in English and Maths or other subjects:

	2002-03		2003-04	
	Number of Children	% of children discharged from care	Number of Children	% of children discharged from care
Number ceasing to be looked after	2	0%	1	0%
Attaining at least one Standard Grade (Any Subject)	1	50%	0	0%
Attaining Standard Grade English and Maths	1	50%	0	0%

## Teaching Staff - Equal Opportunities

The delivery of quality services is dependent on a trained and motivated workforce and it is therefore essential that councils' employment policies reflect their commitment to equal opportunities. The indicator provides a picture of the current gender balance in promoted teaching post, in relation to the overall gender balance within the profession in different types of school.

7 The number and percentage of head and deputy head teachers who are women compared with the percentage of all teachers that are women.

2003-04	Head & Deputy Head women teachers		All women teachers	
	Number	%	Number	%
Secondary Schools	5	18.5%	95	47.5%
Primary Schools	34	85.0%	180	86.5%
Special Schools	0	0.0%	26	92.9%

## Child Protection

Child protection is an important responsibility for the Comhairle. It involves keeping a record, the "child protection register", of children who are known to have been abused or who are suspected of being at risk of abuse. Abuse may involve physical or sexual abuse, or neglect.

A referral is when the Comhairle is notified of the possible or suspected abuse of a child so that it can investigate the circumstances.

It is recognised by councils as good practice that a child's name should not remain on the child protection register any longer than necessary. Some children may require a long registration, but the extent to which a high proportion of children remain on the register for long periods raises questions about whether the Comhairle is resolving the underlying risks which led to registration. A very high or very low number of children on the child protection register per 1,000 population compared with other authorities is as likely to reflect differences in child protection, registration and de-registration policy procedures, as it is to reflect differences in the prevalence of child abuse, and therefore may indicate that current policy and practice should be reviewed.

8

	2002-03	2003-04
a) The number of children referred over the 12 months to 31 March	63	98
b) The percentage of children entered on the register in the year who had previously been on the register	0.0%	0.0%
c) The number of children on the child protection register at 31 March	18	27
d) The number of children on the child protection register at 31 March per 1,000 population aged under 16 years	3.6	5.3
e) The percentage of children on the register at 31 March who had been on the register for:		
(i) less than 6 months	33.3%	40.7%
(ii) 6 months but under one year	22.2%	51.9%
(iii) one year but under two years	44.4%	0.0%
(iv) two years or more	0.0%	7.4%



## Looked after Children

This indicator reports the extent to which the Comhairle has been able to arrange placements for children at home or in the community compared to residential placements. It also reports the number of children being looked after expressed as a ratio per 1,000 0-17 year old population within the Western Isles and within this group the number of children under 12, excluding those receiving respite care that are looked after. The indicator also reports all other children not included in any of the other categories who receive respite care.

### 9 The number and percentage of children being looked after by the council in the following types of placement:

2002-03	(i) Number of children	(ii): (i) as a % of the total number being looked after	(iii) As a rate per 1,000 population aged 0-17
a) At home	26	55.3%	4.6
b) In other community placements	14	29.8%	2.5
c) In residential accommodation	7	14.9%	1.2
d) Total being looked after, excluding respite	47	100.0%	8.3
e) Children aged under 12 in residential accommodation	-		
f) Total children aged under 12 looked after, excluding respite	18		0.0
g) Children receiving respite excluded from a) to f)	-		0.0
h) Total looked after including respite	47		8.3

2003-04	(i) Number of children	(ii): (i) as a % of the total number being looked after	(iii) As a rate per 1,000 population aged 0-17
a) At home	27	51.92%	4.85
b) In other community placements	20	38.46%	3.59
c) In residential accommodation	5	9.61%	0.89
d) Total being looked after, excluding respite	52	100.0%	9.34
e) Children aged under 12 in residential accommodation	0	0.00%	0.00
f) Total children aged under 12 looked after, excluding respite	16	-	-
g) Children receiving respite excluded from a) to f)	1	-	0.17
h) Total looked after including respite	53	-	9.52

## Residential Accommodation: Staff Qualification

The indicator reports the extent to which care staff that provide direct care to residents are appropriately qualified. The indicator relates to staff in council managed homes only. Voluntary or private sector homes are not included.

### 10a) The percentage of care staff in Local Authority residential homes who have appropriate qualifications:

	2002-03	2003-04
	no service provided directly by the Comhairle	provided
Percentage of care staff	0.0%	no service



## Residential Accommodation: Privacy

This revised indicator measures one aspect of the quality of residential services for children provided or used by councils.

### 11 The number of rooms expressed as a percentage of all residential care places

	2003-04	
	Number	%
Children - single rooms	6	100%
Children - rooms with en suite	4	67%

## Respite Care

Respite care offers temporary relief to the carers of children with disabilities, through the provision of alternative care arrangements. This revised indicator counts only the respite services received by the child.

### 12 Children aged 0-17 with disabilities

	2003-04	
	Number per 1,000 population	Volume of respite care
a) Residential respite care	9.50	53 nights
b) Respite care provided at home	31.60	176 hours
c) Other respite care		
i. Day services	658.90	3,666 hours
ii. Overnight services	0.50	3 nights

## Social Background Reports

This new indicator shows how effective the council is at meeting the National Standard time for submitting social background reports to the Reporter. The National Standard is that all social work reports will be submitted to the Reporter "within 20 working days of the date of the request".

### 13

	2003-04		
	Total	Submitted within 20 days	
		No	%
Number of reports submitted to the reporter during the year	109	31	28.44%

## Supervision

This indicator shows how good the Comhairle is at meeting the national target time for allocating a social worker (supervising officer) and arranging for a visit to the child or family to take place as the first step in the programme of work with the child. The National Standard is that "the local authority will give effect to supervision requirements with no condition of residence within 15 days of date of issue by the children's hearing". The indicator excludes those cases where the hearing imposes a condition of residence on the child.

### 14

	2003-04		
	Total	Seen within 15 days	
		No	%
Number of new supervision requirements made during the year	13	13	100.00%



## LEISURE & RECREATION

### Sport and Leisure Management

These indicators measure the use made of swimming pools and other sports/leisure facilities. It provides the number of attendances per 1,000 population, indicating the extent to which facilities are used. Attendance has increased in all types of leisure facility over the past 2 years.

#### 1 The number of attendances per 1,000 population for:

	2002-03	2003-04
Pools	2,803	2,834

#### 2 The number of attendances per 1,000 population for:

	2002-03	2003-04
Other indoor sport and leisure facilities, excluding pools in a combined complex:	2,049	2,073

There has been a slight increase in attendances at all leisure facilities over the past two years.

### Museums

This indicator shows the number and percentage of museums that have achieved registration with the Museums and Galleries Registration Commission (MGC). Achieving registration indicates that a museum has set standards in relation to its professional and financial management, collecting policy, documentation and care of collections and public accessibility.

#### 3 a) The number of museums operated by or financially supported by the Comhairle:

	2002-03	2003-04
Total number of museums	12	12

#### 3 b) The percentage of these which are registered under the Museum and Galleries Commission registration scheme:

	2002-03	2003-04
Number of Museums registered	7	7
Percentage	58.3%	58.3%

The Comhairle now operates or supports 12 museums in the Western Isles of which 7 (over 50%) are registered under the Museum and Galleries Commission registration scheme.



# LIBRARIES

## Processing Time

This indicator reports the average time taken by the Comhairle to fulfil users' requests for books. The indicator refers only to those cases where the Comhairle met a request from its own stock (including transferring the book from another of the Comhairle's libraries) or by purchasing the book. Books supplied to the Comhairle from other bodies ("inter-library loans") are excluded. The library service has reduced the time it takes to satisfy book requests.

### 1 The average time taken to satisfy book requests:

	2002-03	2003-04
Average Time	30 days	25 days

## Stock Turnover

This indicator shows the changes to the available lending stock expressed as a percentage of the stock numbers for adults and children at 31 March of the previous year. A report by the Convention of Scottish Local Authorities "Standards for the Public Library Service in Scotland" (1995) recommended that "annual additions to the adult lending stock, book and audio materials should be 280 items per 1,000 population." This is the target that has been set.

### 2 Changes in library stock:

	2002-03		2003-04	
	Adult lending stock of book and audio-visual material	Children's and teenage lending stock of book and audio-visual material	Adult lending stock of book and audio-visual material	Children's and teenage lending stock of book and audio-visual material
a) Recommended national target for annual number of additions per 1,000 population	280	100	280	100
b) Actual additions per 1,000 population	79	50	104	52
c) Stock at year end per 1,000 population	3,666	1,736	3,732	1,757

Whilst additions to the lending stock for both adults and children/teenage have been increased they remain below the recommended national targets.

## Use of Libraries

### 3 Borrowers from public libraries:

	2002-03	2003-04
a) Borrowers as a percentage of the resident population	66%	not available
b) Average number of issues per borrower	12.8	not available

### 4 Learning centre and learning access point users:

This indicator reflects the use being made of the learning opportunities and access to electronic information provided through the Comhairle's library service in conjunction with the New Opportunities Fund as part of the Government's commitment to lifelong learning and improving information technology and communication skills. There has been a dramatic increase in the number of times the terminals are used.

	2002-03	2003-04
a) Number of users as a percentage of the resident population	FTR	FTR
b) Number of times the terminals are used per 1,000 population	209.9	1,283.0



## SOCIAL WORK

### Community Care Assessments

#### 1 Persons assessed or reviewed and services provided:

This indicator reports the number of assessments and reviews carried out and the number of people who received a service. Assessment and review are the key activities in social work. Their purpose is to identify the need, if any, that a person has for social care. The Comhairle is responsible for ensuring that assessments are carried out.

Assessments are usually undertaken by social workers or other social work department staff but, they may also be carried out wholly or in part by staff working for another care agency e.g. NCH, Occupational Health.

Numbers assessed or reviewed have increased for elderly with dementia, people aged 18-64 with mental health problems or physical disabilities. No of people aged 18-64 with HIV/AIDS were assessed or reviewed

	2002-03				2003-04			
	Persons receiving an assessment or review		Persons receiving a service		Persons receiving an assessment or review		Persons receiving a service	
	Number	Rate per 1,000	Number	Rate per 1,000	Number	Rate per 1,000	Number	Rate per 1,000
a) Elderly people aged 65+	1,482	282.0	926	176.2	1,440	274.5	1,041	198.4
b) Elderly people aged 65+ with dementia	142	27.0	75	14.3	120	22.9	120	22.9
c) People aged 18-64 with mental health problems/dementia	56	3.6	45	2.9	59	3.8	59	3.8
d) People aged 18-64 with physical disabilities	54	3.5	41	2.6	47	3.1	47	3.1
e) People aged 18-64 with learning disabilities	44	2.8	43	2.8	66	4.3	66	4.3
f) People aged 18-64 with HIV/Aids	0	0.0	0	0.0	0	0.0	0	0.0
g) People aged 18-64 with drug/alcohol abuse problems	15	1.0	15	1.0	33	2.1	33	2.1
<b>h) Total</b>	<b>1,793</b>	<b>86.1</b>	<b>1,145</b>	<b>55.0</b>	<b>1,765</b>	<b>85.5</b>	<b>1,366</b>	<b>66.2</b>

#### 2 Expenditure on services for adults in community care client groups:

Service group	2002-03			2003-04		
	Expenditure	£ per head of population aged 18+	Expenditure %	Expenditure	£ per head of population aged 18+	Expenditure %
Home and community based services	5,972,000	286.93	46.8%	7,279,541	352.76	51.3%
Long-term residential and nursing home care	6,777,000	325.61	53.2%	6,916,844	335.18	48.7%
<b>Total expenditure</b>	<b>12,749,000</b>	<b>612.54</b>	<b>100.0%</b>	<b>14,196,385</b>	<b>687.94</b>	<b>100.0%</b>

### Residential Accommodation

This indicator reports an aspect of the quality of residential care for specified user groups. The extent to which care staff have appropriate qualifications is a significant factor that contributes to the quality of residential care. The indicator reports two categories of qualification. Both categories report qualifications appropriate for care staff, however, qualifications which fall under the general heading of 'social work, social care, and other specified qualifications' would be the preferred choice of employers or regulatory bodies.

#### 3 The percentage of care staff in residential homes who have appropriate qualifications, for these users:

	2002-03		2003-04	
	Percentage of staff with appropriate qualifications		Percentage of staff with appropriate qualifications	
	i) social work, social care and other specified qualifications	ii) other relevant qualifications	i) social work, social care and other specified qualifications	ii) other relevant qualifications
a) Elderly people	53%	0%	51.54%	0%
b) Other adults	70%	4%	70.83%	0%
<b>Total</b>	<b>56%</b>	<b>1%</b>	<b>54.55%</b>	<b>0%</b>



- 4 The number of single rooms and the number of rooms with en-suite facilities, expressed as a percentage of all residential care places for each of the following users, for each provider:

	2002-03			2003-04		
	Comhairle	Voluntary sector	Private sector	Comhairle	Voluntary sector	Private sector
<b>Single rooms</b>						
a) Elderly people	97.6%	100.0%	no service	98.8%	100.0%	no service
b) Other adults	100.0%	no service	no service	100.0%	no service	no service
<b>Rooms with en-suite facilities</b>						
a) Elderly people	32.7%	100.0%	no service	34.9%	100.0%	no service
b) Other adults	0.0%	no service	no service	0.0%	no service	no service

### Home Care/Home Helps

This indicator measure flexibility in terms of:

- > the number of people who received care and how many hours care they received
- > the total number of hours care provided
- > the number of hours care provided outside normal working hours
- > the extent to which personal care is provided in addition to help

- 5 The level and flexibility of service to home care clients (New Indicator):

	2003-04	
	(i) No. of home care clients	(ii) As a rate per 1,000 population
a) Number of people 65+ receiving home care	683	-
b) Number of home care hours	5,480	1,044.61
c) Clients receiving:		
(i) Personal Care	457	66.91%
(ii) A service during evening/overnight	223	32.65%
(iii) A service at weekends	370	54.17%

### Respite Care

- 6 The number of people receiving respite care, the number per 1,000 population and the volume of respite care provided or purchased:

	(i) Number of people receiving respite care	(ii) Number per 1,000 relevant population	(iii) Total volume of respite care provided or purchased			
			2002-03	Bed-nights	Hours	Day Services
a) People aged 65+	265	50.4	4,562	8,759	-	-
b) People aged 18-64 with learning disabilities	21	1.4	552	1,019	-	-

  

	(i) Number of people receiving respite care	(ii) Number per 1,000 relevant population	(iii) Total volume of respite care provided or purchased			
			2003-04	Bed-nights	Hours	Day Services
a) People aged 65+	-	-	5,917	4,055	9,803	365
b) People aged 18-64 with learning disabilities	-	-	656	390	1,844	365



## Criminal Justice

Indicators (a) & (b) provide information, while (c) & (d) measure the efficiency of the service provided in terms of the proportion of cases which meet the timescales for the key social work actions set out in the 'National objectives and Standards for Social Work in the Criminal Justice System'.

### 7 Social Enquiry reports:

	2002-03	2003-04
a) Number of reports submitted to courts during the year	102	99
b) Expressed as a rate per 1,000 adult population	4.7	4.6
c) The proportion of reports requested by the courts allocated to social work staff within 2 working days of receipt by the social work department	100.0%	100.0%
d) The proportion of reports submitted to courts by the due date	100.0%	100.0%

### 8 Probation:

Indicators (a) & (b) provide information about the volume of work undertaken. The proportion of probationers seen within a week of the order being named will be adversely affected by the probationers not attending scheduled appointments and by later notifications of Order by the courts.

	2002-03	2003-04
a) The number of new probation orders issued during the year	15.0	14.0
b) a) Expressed as a rate per 1,000 adult population	0.7	0.66
c) The proportion of new probationers seen by a supervising officer within one week	100.0%	92.86%
d) The proportion of people subject to a probation order who were reported to the court for breach of probation during the year	12.0%	9.68%

### 9 Community Service:

The first part of this indicator provides information about the volume of community service work undertaken, while the second part measures the efficiency of the service, showing how quickly criminal justice services are helping to complete their orders.

	2002-03	2003-04
a) The number of new community service orders issued during the year	24	24
b) The average number of hours per week taken to complete community orders	-	5.77 hours



# ROADS AND LIGHTING

## Network Maintenance

This new indicator shows the percentage of the road network that should be considered for maintenance treatment. The conditions of the road will be affected by budgetary constraints, traffic flows/usage and weather patterns. 'Considered for maintenance treatment' means that there is likely to be some defect in the condition of the road, but councils will need to carry out further detailed investigation.

### 1 Percentage of the road network that should be considered for maintenance treatment:

	2003-04 % of network covered
(i) A class roads	44.6%
(ii) B and C class roads	28.1%
(iii) Unclassified roads	36.0%
(iv) Overall	36.0%

## Traffic Light Repairs

This indicator reports the extent to which each council met its own target or targets for the time taken to complete repairs. The actual repair work may be carried out by a private contractor. It also identifies the percentage of all repairs completed within 48 hours.

### 2 Traffic lights failure: the percentage of repairs completed within 48 hours

	2002-03	2003-04
Traffic lights failure: the percentage of repairs completed within 48 hours	94.4%	84.6%

## Street Lighting

### 3 Street lights failure: the percentage of repairs completed within 7 days

	2002-03	2003-04
Street lights failure: the percentage of repairs completed within 7 days	79.0%	96.3%

There has been an increase in the percentage of repairs carried out with 7 days.

### 4 Cost of Street Lighting

	2002-03 £	2003-04 £
a) Gross cost of street lighting per lamp	46.64	46.70
b) Lighting columns replaced expressed as a percentage of the total number of columns	0.7%	0.8%



# HOUSING

## Response Repairs

This indicator sets out the number of response repairs undertaken by each council, the timescales that the Comhairle sets for each of its categories and the levels of success in achieving the targets shown. The indicator also reports the percentage of all repairs due to be completed within 24 hours that were completed within target.

### 1 Response Repairs: (Transitional Indicator)

	2002-03	2003-04
a) The target response time for each priority category set by the Comhairle:		
(i) Emergency		
(ii) 1 Day		
(iii) 7 Days		
(iv) 14 Days		
(v) 28 Days		
b) The number of repairs carried out in each category:		
(i) Emergency	813	753
(ii) 1 Day	951	1,177
(iii) 7 Days	448	909
(iv) 14 Days	379	604
(v) 28 Days	28	79
c) The percentage of repairs completed within the target response time for each priority category:		
(i) Emergency	89.6%	91.6%
(ii) 1 Day	83.8%	91.3%
(iii) 7 Days	53.8%	58.5%
(iv) 14 Days	60.5%	58.8%
(v) 28 Days	54.9%	55.7%
d) The percentage of all repairs due to be completed within 24 hours that were completed within target:	83.8%	91.4%

## Managing Tenancy Changes

This indicator shows the level of rent lost due to houses remaining empty voids when they were available for letting. There has been a reduction in the rent lost in 2003-04.

### 2 The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year:

	2002-03	2003-04
The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year	2.58%	2.00%

This indicator reports the efficiency of the council in managing tenancy changes. The process involves:

- > identifying new tenants
- > the new tenants signing for the house
- > identifying and carrying out any repairs necessary before the tenant can move in

The Comhairle has reduced the time taken to manage tenancy changes for all categories and the average re-let time has reduced.

### 3 The time taken by the Comhairle to re-let houses analysed by the following bands:

Void Period	2002-03		2003-04	
	(i) Number of Houses re-let	(ii) as a % of total for (i)	(i) Number of Houses re-let	(ii) as a % of total for (i)
< 2 weeks	11	5.0%	14	7.3%
2-4 weeks	40	18.3%	42	21.8%
> 4 weeks	168	76.7%	137	71.0%
<b>Total</b>	<b>219</b>	<b>100.0%</b>	<b>193</b>	<b>100.1%</b>
Average time to relet houses	78 days		61 days	



## Rent Arrears

Current arrears are rents that are due and unpaid by current tenants. The indicator is, therefore a measure of the council's performance in collecting the rent from its tenants. Arrears have increased due to changes in the way that Housing Benefits is recorded.

### 4 Rent Arrears

	2002-03	2003-04
a) Current tenant arrears as a percentage of the net amount of rent due in the year:	7.0%	7.4%
b) The percentage of current tenants owing more than 13 weeks rent at year end, excluding those owing less than £250:	6.2%	6.8%

## Council House Sales

The Scottish Executive has set Council's a target of six months for processing council house sales. This indicator shows the extent to which the Comhairle has achieved the target. The Comhairle has improved performance for both measures.

### 5a) The percentage of house sales completed within 26 weeks

	2002-03 %	2003-04 %
Within 26 weeks	48.3%	71.7%

### 5b) The average time for council house sales

	2002-03	2003-04
Average time to sell	32.4 weeks	24 weeks

## Homelessness

This revised indicator deals with aspects of the Comhairle's duty in relation to the current homelessness legislation. It shows both the efficiency of the Comhairle in fulfilling its responsibility to those who present themselves as homeless or potentially homeless and are subsequently assessed as being so and the effectiveness of its processes for successfully fulfilling its duty and reducing repeat homelessness.

### 6a) The number of households assessed as homeless or potentially homeless during the year:

	2003-04
The number of households assessed as homeless or potentially homeless during the year	142.0

### 6b) The average time between presentation and completion of duty by the council for those cases assessed as homeless or potentially homeless:

	2003-04
Average time per case	10.0

### 6c) Number of cases reassessed as homeless or potentially homeless within 12 months of previous case being complete:

	2003-04
Percentage of cases reassessed	11.30%



## BENEFITS

### Housing Benefit and Council Tax Benefit

1 The number of cases for each of the following should be taken as the average of the four returns made to the Department of Work and Pensions:

	2002-03	2003-04
Weighted rent rebate caseload	1,118	1,030
Weighted private rented sector caseload	510	484
Weighted registered social landlord caseload	93	78
Weighted Council Tax Benefit caseload	3,277	3,073
Gross administration cost per case	£83.33	£85.88

This indicator measures the efficiency of the Comhairle in processing housing benefit and council tax benefit applications. This indicator shows the average overall time for dealing with applications, which is important from the applicant's perspective since it is the elapsed time experienced by them.

2 The time for processing applications from the date of receipt of the application to the posting of the notification of the outcome:

Type of claim	2002-03		2003-04	
	Number of claims	Average time to process	Number of claims	Average time to process
New claims	2,819	58.7 days	2,400	67.4 days
Notifications of changes of circumstances	5,557	14.5 days	4,446	17.8 days
	Number of claims	% processed on time	Number of claims	% processed on time
Renewal claims	4,749	56.3%	2,486	24.7%

### Accuracy and Security of Processing

This indicator provides information on what percentage of claims are calculated correctly, whether the Comhairle is working to reduce errors & fraud and how much overpaid benefit is recovered in the year.

3 Accuracy & Security of Processing

	2002-03	2003-04
a) The percentage of cases for which the calculation of the amount of benefit due was correct on the basis of the information available at the determination, for a sample of cases checked post-determination:	98.9%	98.0%
b) Does the Comhairle have a written security strategy for combating fraud and error which is communicated regularly to all staff and the whole of which is demonstrably acted upon by management and staff on a continuous basis? - Yes/No	Yes	Yes
c) The percentage of recoverable overpayments (excluding Council Tax Benefit) that were recovered in the year:	FTR	FTR

The implementation of the new Housing Benefits System has led to an increase in the indicators relating to time and costs in 2003-04



# ENVIRONMENTAL SERVICES

## Refuse Collection

This indicator shows how much it costs each council to collect and dispose of refuse. The indicator reports the cost of collecting refuse from dwellings and commercial premises, including the cost of special collections of bulky items of refuse. It includes both the direct costs (e.g. depots, vehicles and wages) and the indirect costs (e.g. the service office accommodation). Costs have reduced in 2003 - 04.

### 1 The gross cost of:

	2002-03 £	2003-04 £
a) Collection (combined domestic, commercial and domestic bulky uplift) per premise	73.96	64.45
b) Disposal per premise	96.62	84.41

## Special Uplifts

A 'special uplift' service is a service for collection of bulky household refuse which would not normally be removed as part of routine collection service. The indicator shows the level of success in completion within 5 days.

### 2 Special uplift service for bulky domestic refuse: (Simplified Indicator)

	2002-03	2003-04
% of uplifts completed within 5 working days	81.2%	74.5%

## Missed Collections

The indicator measures the number of complaints about the refuse collection service. Council policy on, for example, type of containers, collection frequency, no public holiday collections, are not included.

### 3 Number of Complaints

	2002-03	2003-04
Complaints per 1,000 households	-	-

## Refuse Recycling

This indicator shows the methods adopted by the Comhairle for disposing of household and commercial and industrial premises waste. There have been increases in the amounts that both households and businesses recycle.

### 4 The amount of waste collected during the year that was disposed of by the following methods:

Method	2002-03			
	Tonnes per household	%	Tonnes per commercial & industrial premise	%
Used for recovery of heat, power and other energy sources	0	0.0%	0	0.0%
Composted by the authority	0	0.0%	0	0.0%
Other recycling or recovery methods	0.081	7.10%	0.027	0.80%
Landfill	1.061	92.90%	3.41	99.20%
Other disposal methods	0	0.00%	0	0.0%
<b>Total</b>	<b>1.14</b>	<b>100.0%</b>	<b>3.44</b>	<b>100.0%</b>
	<b>Domestic</b>		<b>Commercial</b>	
Total tonnage collected	14,661.3		7,402.7	

Method	2003-04			
	Tonnes per household	%	Tonnes per commercial & industrial premise	%
Used for recovery of heat, power and other energy sources	0	0.0%	0	0.0%
Composted by the authority	0	0.0%	0	0.0%
Other recycling or recovery methods	0.087	7.5%	0.025	0.90%
Landfill	1.068	92.50%	2.911	99.10%
Other disposal methods	0	0.0%	0	0.00%
<b>Total</b>	<b>1.16</b>	<b>100.0%</b>	<b>2.936</b>	<b>100.0%</b>
	<b>Domestic</b>		<b>Commercial</b>	
Total tonnage collected	15,881.4		6,019.5	



# TRADING STANDARDS

## Enquiries, Complaints and Advice

This indicator provides a measure of the efficiency of the Comhairle dealing with enquiries, complaints and business advice requests. 'Enquiries' are requests for information from a consumer (but not a business) about any aspect of consumer law or an unfair trading practice. 'Complaints' are requests to the Comhairle to investigate the activities of a trader or traders. They are not complaints against the council. 'Business advice' is advice given in response to enquiries by individual businesses (but not consumers). It includes approaches made in person and enquiries received by letter and telephone, but excludes advice given as part of a routine visit.

### 1 The percentage of enquiries, complaints and advice requests completed in the following time bands:

	2002-03	2003-04
a) Consumer enquiries dealt with on day of receipt	97.8%	84.2%
b) Consumer complaints dealt with within 14 days of receipt	87.8%	91.2%
c) Business advice requests dealt with within 14 days of receipt	80.0%	91.7%

## Inspection of Trading Premises

The Comhairle inspects trading premises such as shops, market stalls and vehicles to confirm whether they are trading in accordance with consumer law, and to maintain standards for these premises in relation to fair-trading, quantity, quality and safety. The indicator shows both how extensive the Comhairle's planned inspection work is and the extent to which the Comhairle actually carried out the inspections it planned to premises in each risk category.

### 2 Premises liable to inspection: target and actual coverage:

2002-03	(i) Locally determined target inspection frequency	(ii) Number of premises in this category	(iii) Target total number of visits	(iv) % of (iii) actually achieved within time
Level of risk				
High	1 year	25.0	25.0	100.0%
Medium	2 year	228.0	114.0	81.6%
Low	5 year	185.0	37.0	81.1%

2003-04	(i) Locally determined target inspection frequency	(ii) Number of premises in this category	(iii) Target total number of visits	(iv) % of (iii) actually achieved within time
Level of risk				
High	1 year	25.0	25.0	64.0%
Medium	2 year	225.0	112.0	89.3%
Low	3 year	185.0	37.0	89.2%



# ENVIRONMENTAL HEALTH

## Food Safety: Hygiene Inspections

This indicator reports the Comhairle's food hygiene inspection workload and whether it is achieving it's own inspection targets for the three categories of food hygiene inspection frequencies.

- 1 The number of establishments in each of the following three categories requiring inspection during the year, and the percentage of the inspections which were undertaken within the prescribed period:

Minimum inspection frequency	2002-03		2003-04	
	Number to be inspected in the year	% of inspections undertaken within time	Number to be inspected in the year	% of inspections undertaken within time
6 months	12	95.8%	6	100.0%
12 months	40	92.5%	36	97.2%
More than 12 months	199	79.4%	205	92.7%

## Workplace Safety Inspections

- 2 a) The percentage of premises liable to inspection brought within the inspection rating system:

	2002-03	2003-04
The percentage of premises liable to inspection brought within the inspection rating system:	100.0%	100.0%

- b) Information on the level of achievement against the Comhairle's own inspection targets:

(i) The Comhairle's target inspection frequency	2002-03			2003-04		
	(ii) Number of premises in this category	(iii) Target number of premises to be inspected in the year	(iv) The % of inspections carried out within time	(ii) Number of premises in this category	(iii) Target number of premises to be inspected in the year	(iv) The % of inspections carried out within time
5 Yearly	140.0	3.0	66.7%	124.0	39.0	97.4%
4 Yearly	102.0	24.0	62.5%	92.0	12.0	100.0%
3 Yearly	93.0	31.0	58.1%	63.0	13.0	92.3%
2 Yearly	38.0	30.0	63.3%	37.0	17.0	94.1%
Yearly	11.0	11.0	90.9%	13.0	13.0	100.0%

The Comhairle has improved performance for all categories of premises.

## Environmental Protection: Noise Complaints

This indicator reveals the recorded incidence of noise complaints where the Comhairle had a responsibility to try to resolve the problem. It also shows how responsive the Comhairle is in serving the public. A 'response' is making contact with the complainant in order to determine the nature of the complaint, assess whether further action is required and to explain to the complainant the nature of any such action.

- 3 Noise Complaints

	2002-03	2003-04
a) The total number of complaints received which were the Comhairle's responsibility for advice or investigation:	11.0	16.0
i) settled on first contact with the complainant	1.0	6.0
ii) number of complaints, following initial enquiry, that the council recognises its responsibility to take further	10.0	10.0
b) The percentage of complaints settled on first contact with the complainant	100.00%	100.00%
c) The percentage of complaints requiring further action, completed within 14 (calendar) days of the receipt of the complaint	100.00%	80.00%

## Pest Control

- 4 Pest control response time:

	2002-03	2003-04
Pest control response time:	No Service Provided	No Service Provided



# PLANNING

## Processing Time

This indicator provides information on how long it takes the Comhairle to deal with planning applications by householders seeking approval to build extensions to their homes, or to make other alterations to their properties which need permission. Applicants are required to notify their neighbours that they have submitted an application and the Comhairle usually carries out limited consultations before a decision is reached. Many of the applications are straightforward and result in permission being granted. There has been a significant increase in the number of planning applications that are dealt with within two months of receipt.

### 1 The percentage of householder applications dealt with within two months:

	2002-03	2003-04
Within 2 months	32.6%	86.6%

This indicator reports how quickly each council dealt with applications other than from householders, such as those from housing developers and commercial organisations. These are separately identified and reported because they often relate to larger-scale and more complex developments such as shops and manufacturing premises and, therefore, the number of consultees involved during the approval process may have an effect of extending the time taken to reach decisions. There has been a slight reduction in the number that was dealt with within two months of receipt.

### 2 The percentage of non-householder applications dealt with within two months:

	2002-03	2003-04
Within 2 months	73.1%	69.2%

## Appeals

This indicator examines the extent to which planning applicants appeal to the Secretary of State against the decision of their council and were successful in having the Comhairle's decision overturned. The indicator relates to both householder and non-householder applications.

### 3 Appeals: (Changed Indicator)

	2002-03	2003-04
a) Number of planning determinations made by the council	378.0	379.0
b) Number of determinations that went to appeal	0.0	0.0
c) Number of appeals that were successful	0.0	0.0
i) as a percentage of a)	0.0%	0.0%
ii) as percentage of b)	0.0%	0.0%
a) as a percentage of all decisions		0.0%
The percentage of a) which were successful		0.0%

## Development Plans

Local plans provide specific policy on land use and environmental standards and are the basis for the Comhairle controlling development within the Western Isles. The local plan for each area must conform to the relevant structure plan. The plan is 'adopted' by the Comhairle if there is no objection or, if, following a public enquiry, the Comhairle considers the enquiry report and recommendations. This indicator examines the extent to which up-to-date local plans are in place and our coverage has significantly increased as the basis for making decisions on specific planning applications and development proposals.

### 4 The percentage of the population covered by a Local Plan which has been adopted or finalised within the last 5 years:

	2002-03	2003-04
The percentage of the population covered	25.8%	63.0%



## BUILDING CONTROL

### Building Warrant and Completion Certificate Applications

This indicator shows the speed with which councils respond to and issue building warrants and completion certificates. All periods are measured in working days.

#### 1 Percentage of requests for a building warrant responded to:

	2002-03	2003-04
a) Percentage of requests for a building warrant responded to within 15 days	80.8%	81.4%
b) The average time taken to respond to a request for a completion certificate	9.4 days	7 days
c) Percentage of building warrants issued (or an application otherwise determined) within 6 days	90.8%	84.8%
d) Percentage of completion certificates issued (or an application otherwise determined) within 3 days	97.8%	98.2%



# FINANCE

## Council Tax Collection

This indicator shows the average cost per dwelling of collecting council tax. The indicator excludes the cost of collecting non-domestic rates and residual community charge, but it includes the cost of collecting water and sewerage charges, net of the income received from water authorities.

### 1 The cost of collecting Council Tax per dwelling:

	2002-03 £	2003-04 £
The cost of collecting Council Tax per dwelling:	22.62	26.14

### 2 Income:

	2002-03 £	2003-04 £
a) The income due from Council Tax for the year, excluding reliefs and rebates	5,907,669	6,360,436
b) The percentage of a) that was received during the year	91.1%	92.0%

### 3 Non-Domestic Rates: (New Indicator)

	2002-03 £	2003-04 £
a) The income due from Non-Domestic rates for the year, excluding reliefs	5,508,345	5,500,598
b) The percentage of a) that was received during the year	96.4%	96.7%

## Payment of Invoices

### 4 The number of invoices paid within 30 calendar days of receipt, or the agreed time limit if otherwise specified, as a percentage of all invoices paid:

	2002-03	2003-04
The number of invoices paid:	81.8%	77.0%

The basis on which the 2003-04 figures were calculated has changed from the method used in 2002-03. The sample size has increased from a 1 month sample to a full 12 month sample.

## Accounts

### 5 Accounts

	2002-03	2003-04
a) Was submitted for audit by 30 June:	Yes	Yes
b) Received an unqualified audit certificate:	Yes	Yes



# COUNCIL WIDE

## Sickness Absence

This indicator measures the extent of sickness absence within councils. The employee groupings used in this indicator reflect the broad differences in the type of work undertaken and facilitate comparison between councils on a like for like basis.

- 1 The number of days lost through sickness absence expressed as a percentage of the total working days available, for the following group of employees:

Groupings of employees	2002-03 Percentage of days lost	2003-04 Percentage of days lost
Chief officers, administrative, professional, technical and clerical employees	3.1%	3.2%
Craft and manual employees	5.6%	3.2%
Teachers	4.2%	2.9%

Whilst sickness levels have decreased for craft and manual employees, levels have increased for Chief Officers, which may possibly be attributed to a small number of long-term absences.

## Complaints

Part 1) shows the extent to which a local settlement occurs when, in response to complaints accepted for enquiry by the Ombudsman, the council offers to take action which the Ombudsman regards as satisfactorily resolving the matter. Part 2) measures the extent to which formal findings of maladministration are made against the council. A finding of maladministration is the last stage in the process of a complaint to the Ombudsman.

- 2 The number of complaints accepted for enquiry by the Ombudsman which:

	2002-03	2003-04
a) Resulted in a local settlement:	0.0	0.0
b) Were classified as maladministration:	0.0	0.0

## Litigation Claims

This revised indicator measures the number of actions raised against the authority in the Sheriff court and the Court of Session (other than actions of judicial review), in respect of which an initiating writ has been served on the Comhairle, and an award is subsequently made by the court, or an out of court settlement is subsequently agreed, which goes against the Comhairle.

- 3 The number and value of civil liability claims incurred by the council in the year:

	2002-03	2003-04
Number of claims per 10,000 population	0.0	0.0
Claims as a percentage of revenue budget	0.00%	0.00%

## Equal Opportunities Policy

This revised indicator shows the gender balance in employment in order to gauge under/over representation in the different salary bands. This alerts the Comhairle to potentially unfair or discriminatory practices as well as providing a baseline for measuring improvement over-time.

- 4 The number and percentage of staff in each of the following staff salary bands who are women:

	2002-03	2003-04
Percentage of women in top 2% of earners	-	20.6%
Percentage of women in top 5% of earners	-	21.2%

Comhairle nan Eilean Siar,  
Sandwick Road, Stornoway, Isle of Lewis HS1 2BW  
Tel: [01851] 703773 • Fax: [01851] 703773  
[www.cne-siar.gov.uk](http://www.cne-siar.gov.uk)