

General County Fund Consolidated Revenue Account

2002/03			2003/04		
Net Expenditure £000		Note	Gross Expenditure £000	Income £000	Net Expenditure £000
	CONTINUING SERVICES				
285,710	Education Services		426,445	(122,239)	304,206
86,627	Social Services		153,572	(52,876)	100,696
37,539	Highways, Roads & Transport Services		48,169	(8,642)	39,527
34,648	Cultural, Environmental & Planning Services		46,407	(9,549)	36,858
160	Central Services to the Public		968	(622)	346
1,815	Courts Services		7,342	(5,912)	1,430
8	Housing Services		93	(8)	85
3,863	Corporate and Democratic Core		5,476	(501)	4,975
2,034	Non Distributed Cost		1,327	0	1,327
	CONTRIBUTION TO SERVICE TRANSFERRING TO INDEPENDENT BODY				
16,629	Combined Fire Authority	1	18,054	0	18,054
469,033	NET COST OF SERVICES		707,853	(200,349)	507,504
	OTHER ITEMS				
(23,573)	Surplus on asset management revenue Account	2	28,036	(39,665)	(11,629)
2,474	Flood defence levies		2,592	0	2,592
(373)	Net (surplus)/deficit on trading a/c's	3	19	(655)	(636)
(2,629)	Interest and investment income		1,203	(3,835)	(2,632)
(1,791)	Pensions – Interest cost & expected return on assets		33,940	(28,750)	5,190
443,141	NET OPERATING EXPENDITURE		773,643		500,389
2,204	Transfers to/(from) revenue reserves		1,139	(984)	155
2,234	Revenue funding of capital expenditure		764	0	764
(4,688)	Reconciliation of amount required for repayment of external loans	4	495	(2,368)	(1,873)
(2,498)	Repayment of principal on transferred debt/deferred purchase		150	(2,553)	(2,403)
(299)	Movement on pension reserve		0	(6,969)	(6,969)
440,094	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXATION		776,191	(286,128)	490,063

2002/03			2003/04
Net Expenditure £000		Note	Net Expenditure £000
440,094	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXATION		490,063
	FINANCED BY		
(161,446)	Precepts on district councils		(178,493)
(119,944)	Revenue Support Grant		(154,606)
(162,341)	National Non-Domestic Rates		(163,571)
(840)	Surplus on collection funds		(1,188)
(444,571)	SUB TOTAL		497,858
(4,477)	(SURPLUS)/DEFICIT FOR THE YEAR		(7,795)
	GENERAL COUNTY FUND BALANCE		
15,327	Balance at beginning of year		19,804
4,477	Surplus/(Deficit) for the year		7,795
19,804	BALANCE AT END OF YEAR		27,599

The revenue account for 2002/3 has been restated to reflect the full introduction of FRS17 (Retirement Benefits) into the accounts in 2003/4.

Notes to the Consolidated Revenue Account

1. Combined Fire Authority

The Leicester, Leicestershire and Rutland Combined Fire Authority (CFA) which is responsible for the local fire and rescue service became an independent precepting authority from 1st April 2004. Membership of the CFA will continue to be provided by councillors from the three local authorities.

2. Asset management revenue account

2002/03 £000		2003/04 £000
	Income	
(50,377)	Capital charges	(35,683)
(3,799)	Interest on transferred debt	(3,487)
(388)	Release of Government Grants	(495)
(54,564)		(39,665)
	Expenditure	
14,791	Depreciation & Impairment	11,794
16,032	Interest on External Loans	16,051
168	Premium on rescheduled debt	191
30,991		28,036
(23,573)	Balance transferred to Consolidated Revenue Account	(11,629)

3. Surplus on trading accounts

For details of this see the 'Trading Revenue Account' on page 47.

4. Provision for repayment of external loans

Part IV of the Local Government and Housing Act 1989 requires authorities to set aside certain sums each year as a provision for redemption of outstanding debt.

In 2003/04 the sum required to be set aside for the repayment of outstanding debt is equal to 4% of the Authority's credit ceiling. The extent to which this amount differs from depreciation charges to services is represented in the consolidated revenue account by an adjustment to the appropriation section of that account under the classification 'Reconciliation of amount required for the repayment of external loans'.

	£000
4% of Credit Ceiling	10,403
Amount charged to Services as:	
-depreciation	11,793
-deferred charges	978
Credit to consolidated revenue account	(2,368)
	10,403
Write down of Government Grant Deferred	495

5. Publicity

Section 5 of the Local Government Act 1986 requires the Authority to maintain a separate account of expenditure on a wide range of publicity activities.

This expenditure is included within service totals and is given below:

	2002/03 £000	2003/04 £000
Staff advertising	1,199	1,009
Other advertising	321	277
Public relations	206	306
Other publicity (including tourism)	845	887
	2,571	2,479

6. Agency work

The County Council carries out certain functions as agent for government departments. The principal functions are as follows:

- Agent to the various Primary Care Trusts in the County for the payment of the nursing care element of accommodation charges in care homes. Payments reimbursed total £5.9m (2002/3 £2.3m).
- Contract with the Learning & Skills Council (LSC) for Youth Training. Reimbursement is often linked to predetermined amounts per trainee. Expenditure incurred totalled approximately £275,000 (2002/3 £697,000).

7. Local Authorities Goods and Services Act 1970

The Council provides services to other local authorities and public bodies under the Local Authorities (Goods and Services) Act 1970. The organisations to whom these activities are provided, together with the income generated, are listed below:

	2002/03 £000	2003/04 £000
Services to Leicestershire Police Authority	68	50
Services to Combined Fire Authority	101	108
Services to Probation Board	150	103
Property Services to other bodies	141	127
	460	388

8. Leases

Finance lease rentals paid to lessors in the year totalled £44,000 (2002/03 £40,000). Lease rentals paid to lessors during the year in respect of operating leases totalled £2,258,000 (2002/03 £2,021,000)

As at 31 March 2004, the County Council has a commitment to meet the following rental charges for operating leases:

	2002/03 £000	2003/04 £000
<u>Operating Leases which expire:</u>		
Within 1 year	334	343
2 to 5 years	2,975	4,074
Over 5 years	598	488
Total	3,907	4,905

9. Pension Schemes

a) The County Council participates in two pension schemes for employees in particular services. All the schemes provide members with defined benefits related to pay and service. The schemes are as follows:

- **Teachers and Lecturers**

This is an unfunded scheme administered by the Teachers Pensions Agency (TPA) on behalf of the Department for Education and Skills, therefore the County Council has accounted for this scheme as if it was a defined contributions scheme and thus there is no reflection of assets and liabilities in the County Councils accounts. The pension cost charged to the accounts is the contribution rate set by the TPA on the basis of a notional fund.

- **Other employees**

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. This is a funded scheme with employees and employers paying contributions into the fund calculated at a level intended to balance liabilities with investment assets.

Note: In Leicestershire the Local Government Pension Scheme is administered by Leicestershire County Council and the Pension Fund accounts are included in this booklet on pages 48 to 55.

10. Pensions - Revenue Costs

Local Government Pension Scheme

The cost of retirement benefits in the Net Cost of Services represents the cost of benefits earned during the year and past service costs which represent the estimated liability of discretionary benefits awarded by the employer. The charge to Council Tax is based, however, upon the employers contribution paid in year to the Pension Fund, 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
Net Cost of Services		
current service cost	15,228	17,370
past service cost (inc Teachers unfunded benefits)	1,244	806
Net Operating Expenditure		
interest cost	33,586	33,940
expected return on assets	(35,377)	(28,750)
Amounts to be met from Government Grants and Local Taxation		
Movement on pensions reserve	(299)	(6,969)
	14,382	16,397
Actual amount charged against council tax for pensions in the year		
Employers contributions	12,096	14,067
unfunded benefits	2,286	2,330
	14,382	16,397

Teachers and Lecturers

In 2003/04 the County Council paid £20.941m (2002/03 £12.302m) to the Teachers Pensions Agency in respect of teachers' pension costs, which represents 13.50% (2002/03 8.35%) of teachers' pensionable pay. In addition, the County Council is responsible for all pension payments relating to pension enhancements for added years service it has awarded together with the related increases. In 2003/04 these amounted to £1.347m (2002/03 £1.304m), representing 0.78% (2002/03 0.68%) of pensionable pay.

11. Officers Emoluments

The number of employees whose remuneration, excluding pension contributions was £50,000 or more in bands of £10,000 is detailed below, together with last year's comparative figures:

Remuneration Band	Number of Employees 2002/03	Number of Employees 2003/04
£50,000 - £59,999	47	60
£60,000 - £69,999	9	10
£70,000 - £79,999	9	8
£80,000 - £89,999	1	3
£90,000 - £99,999	0	3
£100,000 - £109,999	1	0
£110,000 - £119,999	0	0
£120,000 - £129,999	0	1
Total	67	85

12. Members Allowances

Amounts were paid to members of the County Council and Combined Fire Authority as follows:

	2002/03 £000	2003/04 £000
Members Allowances	617	675

13. Related Party Transactions

Details of the total Government grants received are shown in the Cash Flow Statement, and levies paid to the Fire Authority are shown in the Consolidated Revenue Account. The employers contribution paid to the Pension Fund are shown in note 9. Other related businesses etc. are disclosed in note 10 to the balance sheet.

From the information currently available, no members of the council or senior officers have undertaken any material related party transactions requiring disclosure.

14. Specific Government Grants

The County Council receives specific Government Grants for the provision of particular services. The income is included within the net cost of services.

For a detailed list see the Cash Flow Statement note 3 on page 46.

15. Audit Costs

	2002/03 £000	2003/04 £000
Fees payable to the Audit Commission with regard to external audit services & statutory inspection carried out by appointed auditor.	319	111
Fees payable to the Audit Commission for the certification of grant claims and returns	47	102
Total	366	213