

# Consolidated Revenue Account

2003/04			2004/05		
Net Expenditure £000		Note	Gross Expenditure £000	Income £000	Net Expenditure £000
	<b>CONTINUING SERVICES</b>				
304,206	Education Services		455,725	(135,452)	320,273
100,696	Social Services		164,387	(53,055)	111,332
39,527	Highways, Roads & Transport Services		50,690	(7,492)	43,198
36,941	Cultural, Environmental & Planning Services		49,325	(6,508)	42,817
346	Central Services to the Public		1,218	(698)	520
289	Courts Services		443	(15)	428
97	Housing Services		128	(7)	121
4,880	Corporate and Democratic Core		6,133	13	6,146
1,327	Non Distributed Cost		1,126	0	1,126
	<b>CONTRIBUTION TO SERVICES TRANSFERRING TO INDEPENDENT BODIES</b>	1			
18,054	Combined Fire Authority		0	(149)	(149)
1,141	Magistrates Courts		7,835	(6,507)	1,328
<b>507,504</b>	<b>NET COST OF SERVICES</b>		<b>737,010</b>	<b>(209,870)</b>	<b>527,140</b>
	<b>OTHER ITEMS</b>				
(11,629)	Surplus on asset management revenue account	2	28,913	(42,446)	(13,533)
2,592	Flood defence levies		221	0	221
(636)	Net (surplus)/deficit on trading a/c's	3	239	0	239
(2,632)	Interest and investment income		1,644	(5,144)	(3,500)
6,980	Pensions – Interest cost & expected return on assets	10	34,510	(36,030)	(1,520)
<b>502,179</b>	<b>NET OPERATING EXPENDITURE</b>		<b>802,537</b>	<b>(293,490)</b>	<b>509,047</b>
155	Transfers to/(from) revenue reserves				726
764	Revenue funding of capital expenditure				346
(1,873)	Reconciliation of amount required for repayment of external loans	4			(1,616)
(2,403)	Repayment of principal on transferred debt/deferred purchase				(2,262)
(8,759)	Movement on pension reserve				(134)
<b>490,063</b>	<b>AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXATION</b>				<b>506,107</b>

<b>2002/03</b>			<b>2004/05</b>
<b>Net Expenditure £000</b>		<b>Note</b>	<b>Net Expenditure £000</b>
	<b>FINANCED BY</b>		
(178,493)	Precepts on district councils		(184,290)
(154,606)	Revenue Support Grant		(172,092)
(163,571)	National Non-Domestic Rates		(155,171)
(1,188)	Surplus on collection funds		(717)
<b>(497,858)</b>	<b>SUB TOTAL</b>		<b>(512,270)</b>
<b>(7,795)</b>	<b>(SURPLUS)/DEFICIT FOR THE YEAR</b>		<b>(6,163)</b>

	<b>GENERAL COUNTY FUND BALANCE</b>		
19,804	Balance at beginning of year		27,599
7,795	Surplus/(Deficit) for the year		6,163
<b>27,599</b>	<b>BALANCE AT END OF YEAR</b>		<b>33,762</b>

# Notes to the Consolidated Revenue Account

## 1. Transfer to Independent Bodies

### a) 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 1<sup>st</sup> April 2004. Membership of the CFA will continue to be provided by councillors from the three local authorities.

### b) Magistrates Courts

Local Magistrates Courts Committees, which were partially funded by local authorities, were abolished and replaced by a unified courts administration known as H.M Courts Service within the Department of Constitutional Affairs. This has brought together Crown Courts, County Courts and Magistrates Courts with effect from 1<sup>st</sup> April 2005. Local authorities no longer provide any finance for this service.

## 2. Asset management revenue account

2003/04 £000		2004/05 £000
	<b>Income</b>	
(35,683)	Capital charges	(38,636)
(3,487)	Interest on transferred debt	(3,255)
(495)	Release of Government Grants	(555)
(39,665)		(42,446)
	<b>Expenditure</b>	
11,794	Depreciation & Impairment	12,905
16,051	Interest on External Loans	15,797
191	Premium on rescheduled debt	211
28,036		28,913
<b>(11,629)</b>	<b>Balance transferred to Consolidated Revenue Account</b>	<b>(13,533)</b>

### 3. Trading accounts

#### Income and Expenditure 2004/05

	<b>Leicester- shire Highways £000</b>	<b>County Catering £000</b>	<b>TOTAL £000</b>
Income	(25,789)	(1,024)	(26,813)
Expenditure	25,400	1,025	26,425
(Surplus)/Deficit on ordinary activities	(389)	1	(388)
Job evaluation industrial tribunal	627	0	627
(Surplus)/Deficit in 2004/05	*238	1	239

(Surplus)/Deficit in 2003/04	(655)	19	(636)
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#### Operations

During the year the authority operated two separate accounts, which undertake trading activities of a material nature.

##### a) Leicestershire Highways

Leicestershire Highways is a business unit of the Highways, Transportation and Waste Management Department and its principal activities cover the maintenance and improvement of principal and county roads, the maintenance and erection of street lighting and the operation and maintenance of vehicles and plant.

\* Leicestershire Highways made a £389,000 surplus for 2004/05, before a one off contribution of £627,000 relating to the judgement of an Employment Tribunal in December 2004. Balance sheet note 18 sets out in greater detail further information on this case.

##### b) County Catering

The Leicestershire County Catering Service provides a catering service to staff within County Hall.

#### 4. **Provision for repayment of external loans**

Regulations issued under the Local Government Act 2003 require authorities to set aside certain sums each year as a provision for redemption of outstanding debt.

In 2004/05 the minimum sum required to be set aside for the repayment of outstanding debt is equal to 4% of the Authority's capital financing requirement (CFR) itself derived from the balance sheet. The opening CFR has been set at the same level as the credit ceiling as at 31/3/2004, the previous determinant of this minimum provision.

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'.

	<b>£000</b>
<b>Minimum Revenue Provision</b>	<b>11,291</b>
Amount charged to Services as:	
- depreciation	12,755
- deferred charges	545
- loss on disposals	13
- impairment	149
Credit to consolidated revenue account*	(2,171)
	<b>11,291</b>

\*Credit to the revenue account is adjusted by the transfer from Government grants deferred to reflect depreciation of assets financed by grants etc of £0.555m.

#### 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:

	<b>2003/04 £000</b>	<b>2004/05 £000</b>
Staff advertising	1,009	1,189
Other advertising	277	283
Public relations	306	370
Other publicity (including tourism)	887	910
<b>Total</b>	<b>2,479</b>	<b>2,752</b>

## 6. **Agency work**

The County Council acts as 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 £3.1m (2003/4 £2.7m).

## 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:

	<b>2003/04 £000</b>	<b>2004/05 £000</b>
Services to Leicestershire Police Authority	50	16
Services to Combined Fire Authority	108	95
Services to Probation Board	103	102
Property Services to other bodies	127	133
<b>Total</b>	<b>388</b>	<b>346</b>

## 8. **Pooled Budgets**

The Council's Social Services department has entered into a pooled budget arrangement for the supply of aids for daily living with Leicester City Council, Rutland County Council and the 6 primary care trusts. Leicester City West P.C.T acts as the host authority. The County Council contributed £0.689m to the pool.

## 9. **Leases**

### a) **Amounts paid to lessors**

Finance lease rentals paid to lessors in the year totalled £127,000 (2003/04 £124,000). Lease rentals paid to lessors during the year in respect of operating leases for vehicles and equipment totalled £2.360m (2003/04 £2.300m).

### b) **Amounts received from lessees**

Lease rentals on council owned buildings received from lessees during the year in respect of operating leases totalled £1.761m (2003/04 £1.522m).

## 10. Pensions - Revenue Costs

### a) 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 in year, 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.

	2003/04 £000	2004/05 £000
Net Cost of Services		
current service cost	17,370	19,650
past service cost	806	519
Net Operating Expenditure		
interest cost	35,730	34,510
expected return on assets	(28,750)	(36,030)
Amounts to be met from Government Grants and Local Taxation		
Movement on pensions reserve	(8,759)	(134)
	16,397	18,515
Actual amount charged against council tax for pensions in the year		
Employers contributions	14,067	16,069
unfunded benefits	2,330	2,446
	16,397	18,515

### b) Teachers and Lecturers

In 2004/05 the County Council paid £21.565m (2003/04 £20.941m) to the Teachers Pensions Agency in respect of teachers' pension costs, which represents 13.5% (2003/04 13.5%) 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 2004/05 these amounted to £1.552m (2003/04 £1.347m), representing 0.87% (2003/04 0.78%) of pensionable pay.

### 11. *Officers Emoluments*

The number of employees (including teachers) 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:

<b>Remuneration Band</b>	<b>Number of Employees 2003/04</b>	<b>Number of Employees 2004/05</b>
£50,000 - £59,999	60	68
£60,000 - £69,999	10	25
£70,000 - £79,999	8	9
£80,000 - £89,999	3	4
£90,000 - £99,999	3	4
£100,000 - £109,999	0	1
£110,000 - £119,999	0	0
£120,000 - £129,999	1	0
£130,000 - £139,999	0	1
<b>Total</b>	<b>85</b>	<b>112</b>

### 12. *Members Allowances*

Amounts were paid to members of the County Council as follows:

	<b>2003/04 £000</b>	<b>2004/05 £000</b>
Members Allowances	675	704

### 13. *Related Party Transactions*

Details of the total Government grants received are shown in the Cash Flow Statement. The employers contribution paid to the Pension Fund is shown in note 10 to the revenue account. 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. Audit Costs

	<b>2003/04 £000</b>	<b>2004/05 £000</b>
Fees payable to the Audit Commission with regard to external audit services & statutory inspection carried out by appointed auditor.	111	170
Fees payable to the Audit Commission for the certification of grant claims and returns.	102	60
<b>Total</b>	<b>213</b>	<b>230</b>