

Consolidated Revenue Account

2004/05 Net Expenditure £000		Note	2005/06		
			Gross Expenditure £000	Income £000	Net Expenditure £000
	CONTINUING SERVICES				
320,273	Education Services		509,530	(149,987)	359,543
111,332	Social Services		178,235	(58,461)	119,774
43,198	Highways, Roads & Transport Services		52,811	(8,461)	44,350
42,817	Cultural, Environmental & Planning Services		59,221	(15,055)	44,166
520	Central Services to the Public		1,726	(496)	1,230
428	Courts Services		476	(16)	460
121	Housing Services		167	(62)	105
6,146	Corporate and Democratic Core		12,695	(6,003)	6,692
1,126	Non Distributed Cost		1,043	0	1,043
	CONTRIBUTION TO SERVICES TRANSFERRED TO INDEPENDENT BODIES	1			
(149)	Combined Fire Authority				
1,328	Magistrates Courts				
527,140	NET COST OF SERVICES		815,904	(238,541)	577,363
	OTHER ITEMS				
(13,533)	Surplus on asset management revenue account	2	35,080	(49,362)	(14,282)
221	Flood defence levies		236	0	236
239	Net (surplus)/deficit on trading a/c's	3	0	(313)	(313)
(3,500)	Interest and investment income		1,987	(7,226)	(5,239)
(1,520)	Pensions – Interest cost & expected return on assets	10	40,900	(38,800)	2,100
509,047	NET OPERATING EXPENDITURE		894,107	(334,242)	559,865
726	Transfers to revenue reserves				5,972
346	Revenue funding of capital expenditure				1,187
(1,616)	Reconciliation of amount required for repayment of external loans	4			(11,989)
(2,262)	Repayment of principal on transferred debt/deferred purchase				(2,158)
(134)	Movement on pension reserve	10			(6,398)
506,107	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXATION				546,479

2004/05			2005/06
Net Expenditure £000		Note	Net Expenditure £000
	FINANCED BY		
(184,290)	Precepts on District Councils		(191,022)
(172,092)	Revenue Support Grant		(166,422)
(155,171)	National Non-Domestic Rates		(188,473)
(717)	Surplus on Collection Funds		(585)
(0)	Local Authority Business Growth Incentive Scheme		(570)
(512,270)	SUB TOTAL		(547,072)
(6,163)	(SURPLUS)/DEFICIT FOR THE YEAR		(593)
	GENERAL COUNTY FUND BALANCE		
27,599	Balance at beginning of year		33,762
6,163	Surplus/(Deficit) for the year		593
33,762	BALANCE AT END OF YEAR		34,355

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 1st April 2004. Membership of the CFA will continue to be provided by councillors from the three local authorities.

b) Magistrates Court

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 1st April 2005. Local Authorities no longer provide any finance for this service.

2. Asset management revenue account

	2004/05 £000	2005/06 £000
Income		
Capital charges	(38,636)	(45,201)
Interest on transferred debt	(3,255)	(3,386)
Release of Government Grants	(555)	(775)
	(42,446)	(49,362)
Expenditure		
Depreciation & Impairment	12,905	16,248
Interest on External Loans	15,797	18,586
Premium on rescheduled debt	211	246
	28,913	35,080
Balance transferred to Consolidated Revenue Account	(13,533)	(14,282)

3. *Trading accounts*

Income and Expenditure 2005/06

	Leicester- shire Highways £000	County Catering £000	TOTAL £000
Income	(26,535)	(1,088)	(27,623)
Expenditure	26,234	1,076	27,310
(Surplus)/Deficit in 2005/06	(301)	(12)	(313)
(Surplus)/Deficit in 2004/05	238	1	239

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.

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 2005/06 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 31/3/2005, 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'.

	2004/05 £000	2005/06 £000
Minimum Revenue Provision	11,291	11,798
Amount charged to Services as:		
- depreciation	12,755	15,730
- deferred charges	545	8,314
- loss on disposals	13	0
- impairment	149	518
	13,462	24,562
Excess credited to consolidated revenue account*	(2,171)	(12,764)

*Credit to the revenue account is adjusted by the release of Government grants deferred to reflect depreciation of assets financed by grants etc of £0.775m (2004/05 £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:

	2004/05 £000	2005/06 £000
Staff advertising	1,189	1,438
Other advertising	283	289
Public relations	370	360
Other publicity (including tourism)	910	1,087
Total	2,752	3,174

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 £3.2m (2004/05 £3.1m).

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 services provided consist of financial, forestry and arboriculture, agricultural planning appraisals and caretaking. The organisations to whom these activities are provided, together with the income generated, are listed below. Charges for these services are set at a level to ensure the full recovery of cost.

	2004/05 £000	2005/06 £000
Services to Leicestershire Police Authority	16	11
Services to Combined Fire Authority	95	97
Services to Probation Board	102	92
Property Services to other bodies	133	155
Total	346	355

8. **Pooled Budgets**

The Council's Social Services department participates in two pooled budget arrangements with health authorities as set out below:

- a) The supply of aids for daily living with Leicester City Council, Rutland County Council and the six primary care trusts. Leicester City West P.C.T acts as the host authority. This authority contributed £0.624m (2004/05 £0.752m) to the pool.
- b) The provision of services for adults with learning difficulties, commenced in December 2005. The other members of the pool are the four County primary care trusts and Rutland County Council. This authority acts as host to the arrangement.

The memorandum account shows total expenditure of £2.947m and gross income of £2.821m. The overspend will be recovered from the various partners. The County Council's share is £48,000 provision for which has been incorporated in the accounts.

9. Leases

a) Amounts paid to lessors

Finance lease rentals paid to lessors in the year totalled £131,000 (2004/05 £127,000). Lease rentals paid to lessors during the year in respect of operating leases for vehicles and equipment totalled £2.311m (2004/05 £2.360m).

b) Amounts received from lessees

Lease rentals on council owned buildings received from lessees during the year in respect of operating leases totalled £1.859m (2004/05 £1.761m).

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.

	2004/05 £000	2005/06 £000
Net Cost of Services		
current service cost	19,650	25,100
past service cost	600	500
Net Operating Expenditure		
interest cost	34,510	40,900
expected return on assets	(36,030)	(38,800)
Amounts to be met from Government Grants and Local Taxation		
Movement on pensions reserve	(134)	(6,398)
	18,596	21,302
Actual amount charged against council tax for pensions in the year		
Employers contributions	16,150	18,817
unfunded benefits	2,446	2,485
	18,596	21,302

b) Teachers and Lecturers

In 2005/06 the County Council paid £22.673m (2004/05 £21.565m) to the Teachers Pensions Agency in respect of teachers' pension costs, which represents 13.5% (2004/05 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 2005/06 these amounted to £1.564m (2004/05 £1.552m), representing 0.84% (2004/05 0.87%) 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:

Remuneration Band	Number of Employees 2004/05	Number of Employees 2005/06
£50,000 - £59,999	68	78
£60,000 - £69,999	25	38
£70,000 - £79,999	9	7
£80,000 - £89,999	4	6
£90,000 - £99,999	4	4
£100,000 - £109,999	1	1
£110,000 - £119,999	0	0
£120,000 - £129,999	0	0
£130,000 - £139,999	1	1
Total	112	135

12. Members Allowances

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

	2004/05 £000	2005/06 £000
Members Allowances	704	735

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

	2004/05 £000	2005/06 £000
Fees payable to external auditor;		
- annual audit	153	190
- statutory inspection	38	10
- certification of grant claims	58	71
Total	249	271