

Summary of accounts 2008/09



This summary explains the Leicester City Council's financial position as at 31st March 2009. A full set of accounts for 2008/09 is available from our Customer Services at New Walk Centre or www.leicester.gov.uk

The Council's accounts show how we spent our money in 2008/09. Two years ago, we embarked upon our ambitious plan to transform Leicester over the next 25 years. Last year those plans started to bear fruit with the opening of the Curve theatre and the first new secondary school at Beaumont Leys. We are also directing funds to those priority areas that matter to Leicester people, such as improving achievement in schools and the cleanliness of our streets. Last year, the Council spent £1,051m – nearly £3m for every day of the year.

£928m paid for day to day running costs of our services, whilst a further £123m was invested in capital projects.

2008/09 was a turbulent year for the world's economies. The main impact of this on our finances was our inability to sell surplus property, which will reduce what we can spend on new projects in 2009/10. I am pleased to report that we nonetheless kept our spending within budget, and had no investments in any failed banks.

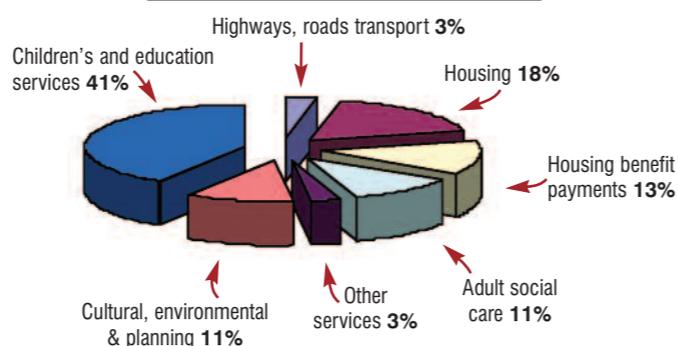


Councillor Veejay Patel
Cabinet Member for Finance,
Leicester City Council

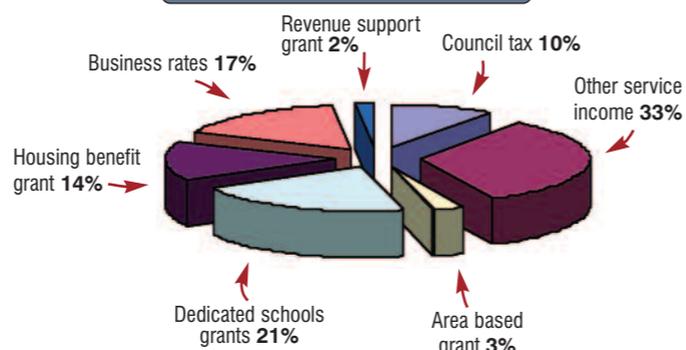
1 The table below shows the cost of running all the council's services (£332m), including day-to-day expenses such as staff costs, property maintenance, running transport and payments for goods and services.

	Gross	Income	Net
	£m	£m	£m
Children's and education services Schools, children's homes, fostering & youth services	371	(292)	79
Adult social care Support for older people	105	(25)	80
Cultural, environment & planning services Museums, theatres, sport, planning, environmental health & waste collection etc.	104	(42)	62
Highways, roads & transport services Road maintenance, car parking, street lighting etc	32	(11)	21
Housing Homelessness, housing benefits, housing advice etc	291	(224)	67
Other services Elections, registrars, courts and corporate management	27	(4)	23
Net cost of services			332
Net operating expenditure and adjustments to reflect statutory and proper practices			(45)
Total net expenditure			287
Council tax			88
Business rates			150
Government grant			49
General sources of funding			287

PROPORTION OF SPENDING ON EACH SERVICE



HOW THE COUNCIL'S SERVICES ARE FUNDED



2 The **balance sheet** below shows what the council owned (assets) and what it owed (liabilities) on 31st March 2009. The balance of these two items is represented by reserves and balances.

Assets	£m
Fixed and long-term assets	2,196
Money owed to the council	72
Cash, investments & stock	73
Total assets	2,341
Liabilities	£m
Items owed by the council	113
Borrowing	314
Pension scheme	243
Other	256
Total liabilities	926
Net assets	1,415
Non-spendable reserves	1,307
Spendable reserves & balances	108
Net worth	1,415

Fixed and long-term assets include land and buildings, council dwellings, roads, vehicles, plant and equipment owned by the council

This figure (£72m) includes: £29m owed by the government and other local authorities, £14m council tax/business rates outstanding, £11m relating to capital grants and contributions.

The **non-spendable reserves (£1,307m)** are amounts arising from the financing and revaluation of fixed assets. This sum is not available to spend on council services.

Spendable reserves and balances of (£108m) include: £83m earmarked for specific revenue items in the future (of which £21m is balances held by individual schools) and £10m for capital investment.

3 This small table shows the council's **cash flow** – the money coming into the council (government funding, council tax, grants, fees & charges and so on) and money being spent by the council during the year:

	£m
Cash in	1,001
Cash out	1,005
Movement of cash in 2008/09	(4)



4 This table shows the **Housing Revenue Account**: income and expenditure relating to council housing. During the year 74 housing properties were sold (mainly to tenants or housing associations), leaving 22,371 in council ownership – 14,036 houses or bungalows and 8,335 flats.

Income	£m
Rental income	65
Government subsidy	0
Other	4
Total income	69
Expenditure	£m
Management	17
Repairs & maintenance	26
Loan charges	9
Other	17
Total expenditure	69
Surplus/Deficit in year	0



5 The **collection fund** records income and expenditure in relation to council tax and non-domestic (business) rates. It includes the council tax collected by the city council on behalf of Leicestershire Police Authority and Leicestershire Fire Authority. Non-domestic (business) rates are collected by the council and then paid to the government which it then shares out between all local authorities.

Income	£m
Council tax collectable	104
Non-domestic rates	101
Total income	205
Expenditure	£m
Leicester City Council	86
Leicestershire Police Authority	12
Leicestershire Fire Authority	4
Non-domestic rates transferred to government	99
Other	4
Total expenditure	205
Surplus/Deficit in year	0

Disclaimer

The figures in this article have been summarised from the Council's full accounts, and simplified. A copy of the full accounts can be obtained from the address below or at <http://www.leicester.gov.uk/your-council-services/council-and-democracy/key-documents/annual-accounts/>

Mark Noble CPFA, Chief Finance Officer

Comments & feedback

Your comments and feedback on this information would be most welcome by either email to corp.acc@leicester.gov.uk or in writing to Corporate Accountancy, Financial Services, Leicester City Council, New Walk Centre, Welford Place, Leicester, LE1 6ZG