


Leicester  
City Council

# Summary

## Statement of Accounts

### 2006/07

The purpose of the accounts is to explain the council's financial position as at 31st March 2007. The Council produces a full set of accounts each year and these are available from Customer Services at New Walk Centre or [www.leicester.gov.uk](http://www.leicester.gov.uk). This document is a summary of the main statements for 2006-07 and by clicking on the links below you can view these. On some pages a  symbol appears - by holding the mouse over this symbol additional commentary will appear.

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# INTRODUCTION

Last year the council spent £912m, a sizeable sum, which amounts to £2.5m everyday of the year. £796m was spent on the day-to-day running costs of services such as schools, museums, parks and care for older people. A further £116m was spent on capital works . Managing such sums is a large tasks, and I am pleased to report that spending was kept within our budget for the year.

The following tables reproduce the main financial statements in a summarised and more user-friendly format. This is intended to extend our financial reporting to a wider audience.

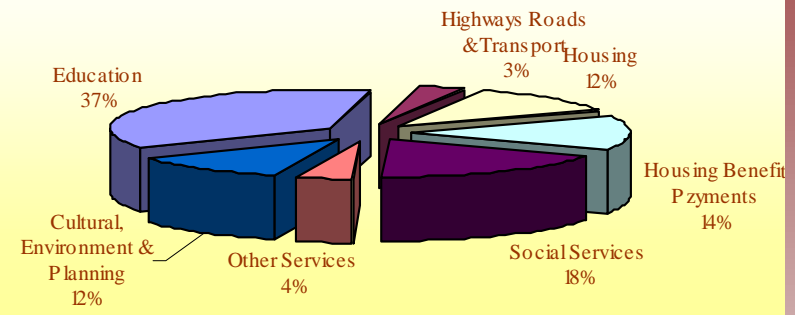
**Cllr Ross Willmott – Leader of the Council**

The **Income and Expenditure Account** shows the cost of running the Councils' services. This includes day-to-day expenses such as paying staff, maintenance of properties, vehicles and other assets, paying for goods and services etc. The net cost of each service, together with other operating costs and transfers, is shown in the table below:-

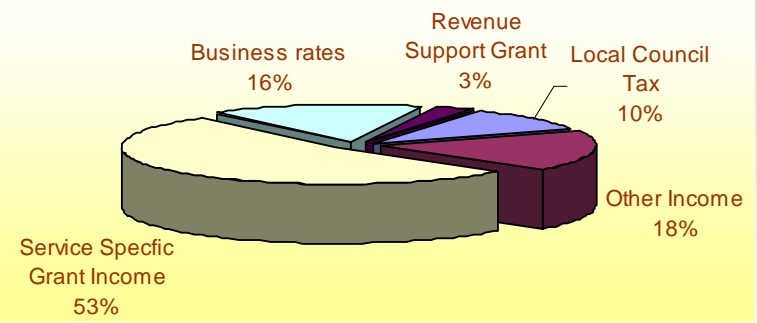
	Gross £m	Income £m	Net £m
<b>Education</b>	<b>290</b>	<b>(262)</b>	<b>28</b>
Schools, Adult Education			
<b>Social Services</b>	<b>145</b>	<b>(40)</b>	<b>105</b>
Childrens Homes, Fostering, Young Offenders, Older Peoples Services etc			
<b>Cultural, Environment &amp; Planning</b>	<b>95</b>	<b>(45)</b>	<b>50</b>
Museums, Theatres, Sport, Planning, Environmental Health & Waste Collection etc.			
<b>Highways, Roads &amp; Transport</b>	<b>27</b>	<b>(7)</b>	<b>20</b>
Road Maintenance, Car Parking, Street Lighting etc			
<b>Housing</b>	<b>205</b>	<b>(204)</b>	<b>1</b>
Homelessness, Housing Benefits, Housing Advice etc			
<b>Other Services</b>	<b>28</b>	<b>(6)</b>	<b>22</b>
Elections, Registrars, Courts and Corporate Management			
<b>Net Operating items &amp; Transfers</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>Total Net Expenditure</b>			<b>232</b>
<b>Council Tax</b>			<b>80</b>
<b>Business Rates</b>			<b>127</b>
<b>Government Grant</b>			<b>25</b>
<b>Total Funding</b>			<b>232</b>



**Proportion of Spending on each Service**



**How the Council's Services are Funded**



The next important statement is the **Balance Sheet**. This statement is a snapshot of the authority's position as at the 31<sup>st</sup> March 2007. It shows what the council owns (Assets) and what the councils owes (Liabilities). The balance of these two items is represented by reserves and balances.

<b><u>Assets</u></b>	£m
Fixed and Long Term Assets	1,994
Money Owed to the Council	58
Cash, Investments and Stock	73
<b>Total Assets</b>	<b>2,125</b>
<b><u>Liabilities</u></b>	
Amounts owed by the Council	101
Borrowing	367
Pension Scheme	142
Other	138
<b>Total Liabilities</b>	<b>748</b>
<b>Net Assets</b>	<b>1,377</b>
Non Spendable Reserves	1,308
Spendable Reserves & Balances	69
<b>Net Worth</b>	<b>1,377</b>

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

This figure (£58m) includes: £16m owed by the government and other local authorities, £15m in council tax / business rates outstanding, £9m relating to capital grants & contributions and £18m in other miscellaneous debtors.

The **Non-spendable reserves (£1,308m)** shown above 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 £69m** include: £34m earmarked for specific items in the future, £15m of balances held by individual schools, and £6m for capital investment.

The Cash Flow Statement analyses the movement in cash and cash equivalents, which is mainly cash held in bank balances and short term deposits. This statement is summarised below:

**CASH FLOWS IN**  
on receipt of council  
tax payments,  
government funding,  
grants or when  
services are paid for  
by residents and  
other users

	£m
<b>Cash Held at 1st April 06</b>	<b>74</b>
Plus - Cash In	897
Less - Cash Out	(906)
<b>Cash Held at 31st March 07</b>	<b>65</b>

**CASH FLOWS OUT** when  
we make payments to, for  
example staff and  
suppliers or borrowing is  
repaid.

The Housing Revenue Account is a separate account detailing income and expenditure relating to the provision of rented council housing. The deficit shown in the table below has been financed from the HRA Balances which as at 31<sup>st</sup> March 2007 stood at £2.9m.

During the year 335 housing properties were sold, mainly to tenants or housing associations, leaving 22,664 in council ownership. Of these 14,246 were houses or bungalows and 8,418 were flats.

<b><u>Income</u></b>	<b>£m</b>
Rental Income	60
Government Subsidy	3
Other	3
<b>Total Income</b>	<b>66</b>
<b><u>Expenditure</u></b>	
Management	17
Repairs & Maintenance	25
Loan Charges	9
Other	15
<b>Total Expenditure</b>	<b>66</b>
<b>Deficit in Year</b>	<b>0</b>

The Collection Fund records all income and expenditure in relation to the council tax and non-domestic (business) rates.

The Council also collects Council Tax on behalf of Leicestershire Police Authority and Leicestershire Fire Authority. This account records payments to these bodies of their share of council tax as well as the City Councils.

**Non-domestic (business) rates**

collected by the Council have to be paid over to the government, which is also recorded in this account. However, the national total is then shared out between all local authorities and the councils' share is recorded in the Consolidated Revenue Account.

<b><u>Income</u></b>	<b>£m</b>
Council Tax Collectable	93
Non-Domestic Rates	88
<b>Total Income</b>	<b>181</b>
<b><u>Expenditure</u></b>	
Leicester City Council	78
Leicestershire Police Authority	10
Leicestershire Fire Authority	4
Non-Domestic Rates	
Transferred to Government	87
Other	3
<b>Total Expenditure</b>	<b>182</b>
<b>Deficit in Year</b>	<b>(1)</b>

## Comments & Feedback

Your comments and feedback on this document would be most welcome by either email to [accountancy.tccr@leicester.gov.uk](mailto:accountancy.tccr@leicester.gov.uk) or in writing to Accountancy, Resources Department, Leicester City Council, New Walk Centre, Welford Place, Leicester, LE1 6ZG.

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### Disclaimer

The figures behind this summary have been compiled having regard for proper accounting practice. To provide more simplified and summarised information some figures have been combined.

The full accounts incorporate other key statements setting out responsibilities for the accounts, an explanatory foreword by the Chief Finance Officer, a statement of accounting policies and a statement outlining the internal control framework.

**Mark Noble CPFA - Chief Finance Officer**