


Leicester
City Council

Summary

Statement of Accounts

2005/06

The purpose of the accounts is to explain the council's financial position as at 31st March 2006. 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. This document is a summary of the main statements for 2005-06 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

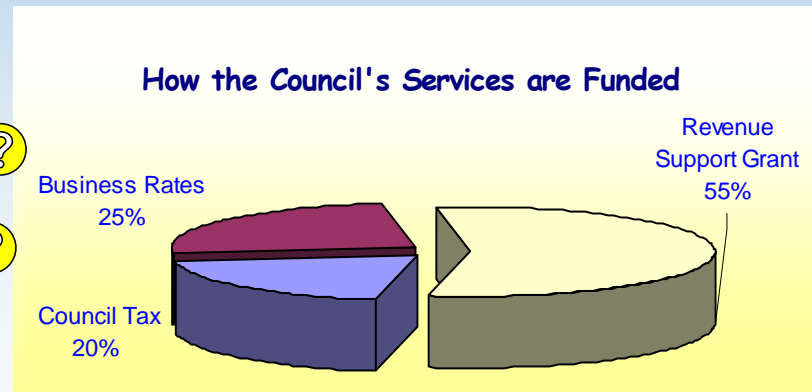
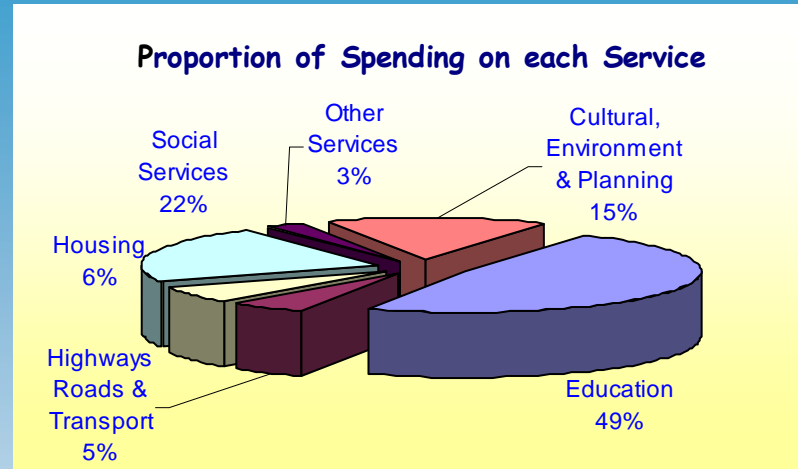
The council's planned expenditure (the budget) for 2005/06 was £382m, this includes £140m delegated to schools. A further £72m was budgeted to be spent on council housing, and £128m on capital schemes. With these figures in mind, and the inevitable demand for and pressures on services, we were pleased to have achieved a balanced out-turn – meaning we were able to contain our expenditure within the overall budget.

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 Roger Blackmore – Leader of the Council

The **Consolidated Revenue Account** shows the cost of running the Councils' services (£380m). 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 is shown in the table below.

	£m
Education	202
Schools, Adult Education	
Social Services	94
Childrens Homes, Fostering, Young Offenders, Older Peoples Services etc	
Cultural, Environment & Planning	63
Museums, Theatres, Sport, Planning, Environmental Health & Waste Collection etc.	
Highways, Roads & Transport	23
Road Maintenance, Car Parking, Street Lighting etc	
Housing	26
Homelessness, Housing Benefits, Housing Advice etc	
Other Services	11
Elections, Registrars, Courts and Corporate Management	
Net Operating items & Transfers	(39)
Total Net Expenditure	380
Council Tax	77
Business Rates	94
Government Grant	209
Total Funding	380
Surplus in Year	0



The next important statement is the **Balance Sheet**. This statement is a snapshot of the authority's position as at the 31st March 2006. 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.

Assets	£m
Fixed and Long Term Assets	1,725
Money Owed to the Council	60
Investments, Stock & Other Short Term Assets	82
Total Assets	1,867
Liabilities	
Amounts owed by the Council	84
Long Term Borrowing	368
Pension Scheme	196
Total Liabilities	648
Net Assets	1,219
Non Spendable Reserves	1,135
Spendable Reserves & Balances	84
Net Worth	1,219

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

This figure (£60m) includes: £13m owed by the government and other local authorities, £14m in council tax / business rates outstanding, £13m relating to capital grants & contributions and £20m in other miscellaneous debtors.

The **Non-spendable reserves (£1,140m)** 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 £84m include: £27m earmarked for specific items in the future, £12m in balances held by individual schools, £16m for capital investment and £14m in capital grants and contributions committed to existing schemes

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
Cash Held at 1st April 05	25
Plus - Cash In	950
Less - Cash Out	(901)
Cash Held at 31st March 06	74

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 31st March 2006 stood at £3.4m.

During the year 278 housing properties were sold, mainly to tenants or housing associations, leaving 22,999 in council ownership. Of these 14,530 were houses or bungalows and 8,469 were flats.

<u>Income</u>	£m
Rental Income	56
Government Subsidy	4
Other	6
Total Income	66
<u>Expenditure</u>	
Management	15
Repairs & Maintenance	22
Capital Expenditure	6
Other	24
Total Expenditure	67
Deficit in Year	-1

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.

<u>Income</u>	£m
Council Tax Collectable	90
Non-Domestic Rates	85
Total Income	175
<u>Expenditure</u>	
Leicester City Council	75
Leicestershire Police Authority	9
Leicestershire Fire Authority	3
Non-Domestic Rates	
Transferred to Government	83
Other	4
Total Expenditure	174
Surplus in Year	1

Comments & Feedback

Last year was the first year that the accounts were presented in this more summarised format. After receiving positive feedback we have decided to do this again, however your comments and feedback would still be most welcome by either email to accountancy.tccr@leicester.gov.uk or in writing to Accountancy, Resources Department, Leicester City Council, New Walk Centre, Welford Place, Leicester, LE1 6ZG.

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