

General Fund Revenue Account Outturn 2011-12

Guidance notes for completing form TSR: TRADING ACCOUNT SERVICES RETURN

*These notes should be read in conjunction with RO General Guidance 2011-12
and CIPFA's Service Reporting Code of Practice (SeRCOP) 2011-12*

SPECIFIC LINE GUIDANCE FOR COMPLETING FORM TSR: TRADING ACCOUNT SERVICES RETURN 2011-12

These notes should be read in conjunction with RO general guidance 2011-12 and CIPFA's Service Reporting Code of Practice (SeRCOP) 2011-12.

These notes list what to include within each line. Exclusions are in italics.

No negative entries are expected anywhere on this form, except in columns 7 & 9.

Trading Accounts definitions

Trading accounts are maintained where services are provided on a basis other than a straightforward recharge of costs or on a cash limited vote basis, such as a quoted price or schedule of rates (see **SeRCOP Section 2, paragraphs 2.31 to 2.39**). Record **Trading Accounts** as defined in **SeRCOP Section 2, paragraph 2.38.5** on form **TSR**: these definitions are copied below, under the sub-headings for **External** and **Internal** Trading Accounts respectively. Also refer to **SeRCOP Section 2, paragraph 2.38** for further information, including a list of possible trading activities which largely reflect the line structure of the **TSR**.

Using the SeRCOP definitions quoted at the beginning of Sections 1 (External) and 2 (Internal) of this TSR guidance, authorities should determine the appropriate lines for each of their trading accounts and the SeRCOP definitions should take precedence over any specific subjects listed; thus, if a trading account meets the definition but does not have a specific line, it should be included in one of the "other" lines. Note that you should avoid splitting the finances of a specific trading account over more than one line.

For column definitions on the **TSR** form, refer to **RO** column definitions in **RO general guidance Section 3**, but note that columns 7 and 9 of form **TSR** have different headings.

*Exclude capital expenditure charged to the General Fund Revenue Account (CERA) which should be recorded only on form **RS line 765**.*

*Exclude external interest receipts and dividends, which should be recorded on form **RS line 786**.*

*Reserves of External Trading Accounts should be treated as part of the General Fund Revenue Account, and included in appropriate **RS lines 811 to 816 and 911 to 916**.*

Transactions between TSR and RO forms

Sales from trading organisations to their parent local authority should be recorded by that authority as running expenses on appropriate **RO** service lines, and as income on the **TSR**.

Payments for trading services (including services undertaken by other authorities or jointly) and funding of the authority's own trading services, should be recorded as running expenses on appropriate **RO** service lines. Any payments received into the authority's own trading account (or a joint undertaking for which it is the account holder) should be recorded as other income on the **TSR**.

*Record any surplus or deficit on a Trading Account in respect of a joint undertaking for which the authority is not the account holder on form **RS line 748**, not on the **TSR** form.*

Section 1 – EXTERNAL TRADING ACCOUNTS

SeRCOP Section 2, 2.33 defines the two main types of external trading accounts that may be run by authorities as:

- (a) Trading services or undertakings with the public or with other third parties. These include, inter alia, catering undertakings, markets, trade refuse collection and industrial units.
- (b) External trading organisations (ExTOs) which have won contracts from other public bodies, for example under the Local Authorities (Goods & Services) Act 1970.

The above types of trading account should be recorded on the following **TSR** lines:

Line 260 Car parks

*For on-street parking see **line 726**.*

Line 281 Airports

Line 282 Ports

*For fishery harbours, see **line 550**.*

Line 283 Piers

Line 284 Toll bridges and roads

Line 514 Museums

Line 515 Theatres

Include concert halls and other venues for public entertainment.

Line 521 Civic halls

Line 525 Civic restaurants

Line 528 Sports facilities

- Swimming pools, skating rinks and gymnasia;
- tennis / squash / badminton courts;
- pitches for team games, athletics grounds;
- bicycle tracks / centres;
- golf courses, putting greens, bowling greens / alleys / centres;
- horse racing courses, riding centres;
- artificial ski slopes;
- centres for flying / ballooning / parachuting;
- centres for boating / water sports on inland or coastal waters.

Line 535 Crematoria

Including cemeteries.

Line 550 Fishery Harbours

Including fisheries at other ports and harbours operated as trading services.

Line 580 Trade waste

Line 591 Building control

Line 594 Corporation estates

Line 595 Industrial estates

Line 596 Investment properties

Line 597 Market undertakings

Including horticultural markets.

Lines 691 to 695 Other external trading accounts

External trading accounts not covered above: type on the lines to specify each service. If you think that you need more than five entries here then please contact Communities and Local Government.

Line 698 Total external trading accounts

The sum of lines 260 to 695 is calculated and the total of column 9 (net surplus/deficit) is transferred automatically to **RS line 731**. In addition, the total of column 8 (capital charges) is reversed and transferred to **RS line 741** in order to remove the capital charges element.

Section 2 – INTERNAL TRADING ACCOUNTS

SeRCOP Section 2, 2.33 defines the three main types of internal trading accounts that may be run by authorities as:

- (a) Work carried out by internal trading organisations (InTOs) arising from voluntary competitive tendering (VCT) exercises.
- (b) Support services provided in a free internal market, ie to schools or to other budget holders who have been given freedom to buy externally if they wish.
- (c) Support services provided in a limited internal market, eg where budget holders are free to decide the quantity and type of the work to be done on the basis of the prices quoted to them, but not to buy externally.

The above types of trading account should be recorded on the following **TSR** lines:

Line 716 Administrative Education support services

Line 717 Specialist Education support services

Line 723 Highways maintenance

- Works of construction, laying out, maintenance, improvement and repair;
- the gritting of, or clearing of snow from highways;
- the maintenance of street lighting;
- cleaning of traffic signs and street name plates.

Line 726 On-street parking

- The fixing or giving of Penalty Charge Notices;
- the authorisation of fixing or removal of immobilisation;
- making arrangements for removal of vehicles by parking attendants;
- making arrangements for the custody, release or disposal of vehicles whose removal was effected or arranged as above.

*For off-street car parks see **line 260**.*

Line 733 Social Services: residential homes

Line 733 Social Services: home care services

Line 741 Housing management

- Dealing with housing applications and assignments by way of exchange;

- informing LA housing tenants of or enforcing the terms of their tenancies;
- collecting housing rent and service charges, loan payments and arrears;
- arranging for the vacating of housing after termination of tenancy or licence;
- prevention of vandalism and unlawful occupation;
- removal of unlawful occupants;
- inspection/assessment of vacant properties and ensuring necessary works;
- assessing condition, maintenance, repair etc of common parts of housing, ensuring and reporting necessary works;
- assessing requests for repairs, ensuring and reporting necessary works;
- carrying out inspections and surveys;
- assessing compensation claims;
- operating reception and security services;
- controlling disturbances and resolving disputes.

Line 752 Leisure management

Management of sports, arts and leisure facilities.

Line 757 Environmental cleaning and sweeping

- Removal of litter, emptying of litter bins;
- cleaning / sweeping of any street (*if not part of highways maintenance*);
- emptying of gullies.

Line 810 Construction and property services

- Architectural, engineering, valuation, surveying and property management services;
- advice to the authority, its committees or officers;
- capital and revenue programmes for the development or maintenance of relevant land, (ie land which the authority occupies, has/is seeking an interest in, for which it has assumed responsibility by agreement, highways for which it is the highways authority);
- the design / planning / management of development projects and maintenance work and management of relevant land.

Line 821 Building cleaning

- Cleaning windows (inside or outside) of any building;
- cleaning the interior of any building.

Line 825 Building maintenance

Maintaining the parts of dwellings not residentially occupied (eg: common parts of flats).

Line 830 Grounds maintenance

- Cutting and tending grass, returfing and reseeding;
- planting and tending trees, hedges, shrubs, flowers, other plants.

Line 841 Vehicle maintenance

- Repair and maintenance of any motor vehicle or trailer;
- the provision for such vehicles of fuel, cleaning, repair and maintenance.

Line 845 Vehicle management and transport

- Arranging for motor vehicles to be available to meet the requirements of the authority;
- securing compliance for such vehicles with statutory provisions relating to legislation, licensing, safety and insurance.

Line 850 Refuse collection

The collection of both household and commercial waste, other than sewage, as defined within the Environmental Protection Act.

Line 860 Catering services (staff, welfare, education etc)

- Meals and refreshments for consumption in schools, day centres, residential establishments, and by staff;
- preparing meals for provision to persons in their own homes.

Line 871 Office services (printing, security, etc)

- Office printing;
- Operating security controls in relation to persons entering / leaving / moving between different parts of land in which the authority occupies or has an interest.

Line 872 Information Technology

- IT advice to the authority, its committees or officers;
- assessing and keeping under review an authority's IT requirements;
- developing and arranging for the availability of IT;
- maintaining equipment.

Line 873 Finance services

- Accounting services and payroll facilities;
- advice to the authority, its committees or officers;
- financial information & management systems;
- administration of direct/indirect taxation;
- income collection and debt recovery;
- pension fund and insurance administration;
- borrowing and investments;
- consultancy and research.

Line 874 Legal services

- Legal advice to the authority, its committees or officers;
- legal work in connection with any civil or criminal proceedings;
- conveyancing work in relation to any property;
- legal work in connection with contracts, insurance, local or personal Bills.

Line 875 Personnel services

- Personnel advice to the authority, its committees or officers;
- personnel research;
- human resources management (recruitment, monitoring, assessment, appraisal, etc);
- organisational, work studies, management reviews;
- preparation of business plans;
- development and maintenance of statistical and managerial information systems;
- training and development programmes;
- development and maintenance of employee relations policies, practices and procedures.

Lines 891 to 895 Other internal trading accounts

Internal trading accounts not covered above: type on the lines to specify each service. If you think that you need more than five entries here then please contact Communities and Local Government.

Line 898 Total internal trading accounts

The sum of lines 716 to 895 is calculated and the total of column 9 (net surplus/deficit) is transferred automatically to **RS line 732**. In addition, the total of column 8 (capital charges) is reversed and transferred to **RS line 762** in order to remove the capital charges element.

CAPITAL CHARGES

Total capital charges in column 8 should be broken down into the following four elements, separately for both External and Internal Trading Accounts:

Line 931 Depreciation

The measure of the cost or revalued amount of the benefits of fixed assets consumed during the year of account.

Line 933 Loss on Impairment of assets

Unexpected downward shifts in the value of assets (e.g. major structural damage or technological obsolescence)

Line 935 Credit for capital grants

Include any grant or contribution towards capital expenditure recognised as income in the Comprehensive Income and Expenditure Statement. In the authority's statement of accounts these are amounts that will be transferred to the Capital Adjustment Account in the Movement in Reserves Statement.

Line 936 Revenue Expenditure funded from Capital by Statute

Expenditure which is classified as total amount of RECS included in the capital charges column for each of the External / Internal Trading Accounts

Line 939 Total capital charges

This automatic calculation equals the sum of lines 931 to 936.

This figure must equal total Capital Charges on lines 698 and 898 for External and Internal Trading Accounts respectively (column 8).