



Statement of Accounts 2005 -2006

GLOSSARY

Agency Arrangements

Services performed by or for another Authority or public body, where the agent is reimbursed for the cost of the work done.

Budget

A statement of an authority's plans for net revenue expenditure over a specified time period.

Capital Financing Costs

Each service is charged with an annual capital financing charge for each asset it owns. The charge is made up of a depreciation element and a notional interest element. This system provides an appropriate charge for the use of assets, but has a neutral impact on the Council's accounts and budget requirement as the capital financing costs are set against the actual costs of capital financing (interest and debt repayments).

Capital Grants

Grants received towards Capital Expenditure incurred on specific schemes.

Collection Fund

The Collection Fund is a separate statutory fund, which details the transactions in relation to non-domestic rates and the council tax, and the distribution to preceptors and the General Fund. The Collection Fund is consolidated with the other accounts of the Authority.

Community Assets

These are assets which the Council intends to hold forever and which have an indeterminable useful life. An example is civic regalia.

Council Tax

This is a banded property tax levied on domestic properties in the Borough. The banding is based on estimated property values.

Deferred Liabilities

These are liabilities which are payable beyond the next year; they are primarily mortgage repayments and deferred purchase repayments.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence.

Financial Reporting Standards (FRS)

Financial Reporting Standards are accounting standards which set out the framework and requirements that need to be adopted for certain transactions in the published accounts.

Fixed Assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

General Fund

The main revenue fund of the Authority. This account includes the net cost of all services financed by local taxpayers and Government grants.

Housing Revenue Account

The Housing Revenue Account is a statutory account maintained separately from General Fund services. It includes all revenue expenditure and income relating to the provision, maintenance and administration of Council Housing and associated areas.

Infrastructure Assets

Fixed assets such as highways and footpaths.



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Intangible Assets

These are assets that have no physical substance. For example, the purchase of computer software licences.

Major Repairs Allowance (MRA)

An allowance received as part of the Housing Subsidy grant.

Major Repairs Reserve (MRR)

The MRR is a reserve to which the Council's Major Repairs Allowance is transferred. The balance on the account will be used to finance future major housing repairs.

National Non-Domestic Rates

A NNDR poundage is set annually by the government, collected by local authorities and paid into a national pool. The proceeds are then redistributed by Central Government as a grant to authorities in accordance with a government formula.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative depreciation.

Non-Operational Assets

Fixed Assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

These are leases under which the Council pays for to use an asset but does not get the risks and rewards of ownership.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Precepts

This is a charge levied by one Council which is collected on its behalf by another by adding the precept to its own Council Tax and paying over the appropriate cash collected.

Provisions

An amount set aside to provide for a liability, which is likely to be incurred, but the exact amount and the date it will arise is uncertain.

Public Works Loan Board (PWLB)

This is a government agency which provides long-term loans to Councils at better rates than would be obtained commercially.

Reserves

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.