

Glossary of Terms

AGENCY

The provision of a service by an authority on behalf of another authority which is legally responsible for providing that service. The authority providing the service in the first instance is reimbursed by the responsible authority.

BUILDING SCHOOLS FOR THE FUTURE (BSF)

A government investment in improving schools aiming to rebuild or renew every secondary school in England in the next ten to fifteen years.

CAPITAL RECEIPTS

Income from the sale of capital assets. Such income may only be used to repay loan debt or to finance new capital expenditure.

CAPITAL RESERVE

An internal reserve of the Council which is used to generate monies for financing capital expenditure thus avoiding the need to borrow externally.

COLLECTION FUND

The fund administered by each authority collecting Council Tax (district councils in shire areas). The County Council precepts on these funds to finance its net expenditure after taking into account other sources of income, e.g. Government Grants, National Non-Domestic Rate income and charges for services.

CORPORATE & DEMOCRATIC CORE

Consists of costs of democratic representation and corporate management.

CREDITORS

Amounts owed by the Authority for work done, goods received or services rendered but for which payment has not been made by the end of the financial year.

DEBTORS

Amounts due to the Authority but unpaid at the end of the financial year.

DEFERRED CHARGES

Capital expenditure incurred not resulting in an asset to the authority e.g. Grants to village halls.

EMOLUMENTS

All sums paid to an employee, including expenses, allowances, and redundancy payments chargeable to UK income tax and the monetary value of any other benefits received other than in cash. Pension contributions payable by either employers or employees are excluded.

FINANCIAL REPORTING STANDARD (FRS)

A statement of common accounting practice, devised by the Accounting Standards Board (itself a division of the Financial Reporting Council), which is applicable to the majority of large organisations, both public and private sector.

GENERAL COUNTY FUND

The main revenue fund of the County Council. Precept income, National Non-Domestic Rate income and government grants are paid into the fund, from which the cost of providing services is met.

IMPAIRMENT

A loss in the value of a fixed asset, arising from physical damage such as a major fire or a significant reduction in market value.

INCOME & EXPENDITURE ACCOUNT

A summary of the resources generated and consumed by the authority in the year.

INFRASTRUCTURE

The network of roads, bridges, sewers, lighting etc.

INTANGIBLE ASSET

Non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the Authority through custody or legal rights (e.g. purchased software licences)

LEASING

A method of financing the acquisition of assets, notably equipment, vehicles, plant, etc.

There are two forms of lease:

- a) A finance lease involves payment by the lessee (the user) of the full cost of the asset together with a return on the finance provided by the lessor, usually payable over the anticipated life of the asset.
- b) An operating lease involves the payment of a rental by a lessee for a period, which is normally less than the useful economic life of the asset.

LOCAL AREA AGREEMENT (LAA)

A three year agreement that sets out the priorities of a local area in certain policy fields as agreed with central government and other partners within that area, represented by local authorities and other, largely public sector bodies, within the local strategic partnership. The County Council will act as the accountable body for the LAA in Leicestershire.

LONG TERM BORROWING

Loans raised to finance capital spending which have still to be repaid.

NON DISTRIBUTED COSTS

Costs which comprise pension scheme past service costs, settlements and curtailments.

NON-OPERATIONAL ASSETS

Assets held by the Authority but not directly used for the provision of services, e.g. assets surplus to requirements, commercial properties, and assets under construction.

PRECEPTS

The income which the County Council requires from the collection funds of the district councils.

PROVISION

An amount set aside for any liabilities or losses of uncertain timing or amounts that have been incurred.

PUBLIC WORKS LOAN BOARD (PWLB)

A government body from which local authorities may raise long term loans, usually at advantageous interest rates.

REVENUE SUPPORT GRANT (RSG)

Grant paid by the Government in respect of general local authority expenditure.

RECHARGE

The transfer of costs from one service account to another.

RESERVE

An amount set aside for purposes falling outside the definition of a provision.

REVENUE FUNDING OF CAPITAL

The financing of capital expenditure by a direct contribution from revenue.

REVENUE

Expenditure that the County Council incurs on the day to day running costs of its services including salaries and wages, running expenses of premises and vehicles as well as the annual payment of capital charges. The expenditure is financed from charges for services, government grants and income from Council Tax and National Non-Domestic Rates.

SERVICE LEVEL AGREEMENT (SLA)

An agreement between users and providers of support services which specifies the service to be provided and the charge to be made.

SPECIFIC GRANTS

Grants paid by the Government for a particular service, e.g. School Standards Grant, Supporting People.

STATEMENT OF STANDARD ACCOUNTING PRACTICE (SSAP)

A statement of common accounting practice, devised by the Accounting Standards Board (itself a division of the Financial Reporting Council), which is applicable to the majority of large organisations, both public and private sector. SSAP's are being progressively replaced by Financial Reporting Standards.

STATEMENT OF THE MOVEMENT ON THE GENERAL FUND BALANCE

A reconciliation showing how the balance of resources generated/ consumed in the year links in with statutory requirements for raising council tax.

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

Demonstration of how the movement in net worth in the Balance Sheet is identified to the Income and Expenditure Account surplus/ deficit and to other unrealized gains and losses.

TRUST FUNDS

Funds administered by the County Council for such purposes as charities, prizes and specific projects.