

## Glossary

**Asset Management Revenue Account** - an account to ensure that the non cash accounting transactions for capital and fixed assets are eliminated and do not impact on the level of council tax or housing rents.

**Capital Expenditure** - expenditure on the acquisition of a fixed asset or expenditure which adds to the value, or extends the useful life, of an existing asset.

**Capital Receipts** - these arise from the sale of long-term assets and from the repayments of capital advances for home purchases and housing associations.

**CIPFA** - The Chartered Institute of Public Finance and Accountancy

**Collection Fund** - the Fund shows the income due from Council tax and national non-domestic rates and the application of the proceeds.

**Deferred Capital Receipts** - amounts derived from sales of long-term assets which will be received in instalments over agreed periods of time. They arise for example from mortgages on sales of Council dwellings.

**Deferred Charges** - expenditure on assets that do not belong to the Council.

**Finance & Operating Leases** - a finance lease transfers substantially all the risks and rewards of ownership to the lessee. An operating lease has the character of a rental agreement with the lessor usually being responsible for repairs and maintenance of the asset.

**General Fund** - the fund contains the income and expenditure relating to the services of the Council, other than Council housing, paid for by council tax revenues.

**Housing Revenue Account (HRA)** - the account which records the income and expenditure relating to the provision of Council housing.

**LASAAC** - Local Authority (Scotland) Accounts Advisory Committee

**National Non-Domestic Rate (NNDR)** - the level of NNDR (Business Rate) is determined by central government. Amounts collected by local authorities are paid into a national pool and the total is redistributed by Central Government.

**Precepts and Levies** - as well as providing services directly, the Council gives money to other organisations who provide services in the borough. These include the Greater London Authority (GLA).

**Private Finance Initiative (PFI)** - a contracting method with the private sector to deliver a public service on a long term basis. The private sector body takes on the risks of providing that service working to an agreed specification prepared by the Council.

**Provisions** - amounts set aside in the accounts for liabilities which are certain to arise in the future, but the amount and timing of which cannot be accurately quantified.

**Public Works Loan Board (PWLB)** - a government body which provides loans to local authorities for financing capital expenditure.

**Revenue Support Grant** - this is the amount of general government grant support for local authority expenditure.