

Glossary of Terms

Budget

A statement of the Council's policies expressed in financial terms.

Business Rates Retention Scheme

Whereby the Council retains a proportion of the Business Rates it collects, allowing an incentive to Councils to encourage growth.

Capital Charge

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of a service. Charges consist of an annual provision for depreciation. The calculation of these charges is based on the opening Net Book Value (NBV) of each of the assets.

The capital financing charge is intended to reflect the fact that the level of capital investment is strictly rationed, in that capital tied up in providing a fixed asset for a particular service cannot be used for investment in another service.

Capital Expenditure

Expenditure on the acquisition of a non-current asset, both tangible and intangible, or expenditure, which adds to and not merely maintains the life or value of an existing fixed asset.

Capital Financing Costs

Sources of finance that have been used to fund the capital programme. The Council uses various methods to finance its capital expenditure, including direct revenue financing, useable capital receipts, borrowing, capital grants, reserves and other contributions from third parties.

Capital Receipts

Income from the sale of capital assets. Such income is used to repay loan debt and to finance new capital expenditure with the exception of certain housing capital receipts; part of which has to be pooled and paid to the Government.

Collection Fund

A fund administered by District Councils for the collection of Council Tax and Retained Business Rates income. The expenditure on the fund primarily includes precepts and demands from the County Council, Parish Councils and the Police and Fire authorities.

Corporate and Democratic Core

The corporate and democratic core comprises all activities, which local authorities engage in specifically because they are elected, multi-purpose authorities. It consists of democratic representation i.e. members allowances, mayoral costs and corporate management of the authority.

Council Tax Base

The total number of Band D equivalent properties in the borough, which is used in the calculation of Council Tax due.

Depreciation

The cost of the wearing out, consumption, or other reduction in the useful life of a fixed asset. This will arise from use, passage of time or obsolescence through technological or other changes. A charge is made to service revenue accounts each year to reflect the reduction in the value of the asset used in the delivery of services.

Employee Related Costs

Includes gross salaries and the employer's cost of pension and national insurance contributions relating to all Council employees. It also covers all indirect employee costs i.e. staff advertising, training, interview expenses, etc.

Government Grants

Grants made by the Government towards either revenue or capital expenditure to support the cost of the provision of services. These grants may be specifically towards the cost of particular schemes or to support the revenue spend of the Council generally.

Housing Revenue Account (HRA)

A ring-fenced landlord account, which provides for the management and maintenance of the Council's owned dwellings.

Major Repairs Reserve

A reserve fund available to finance capital expenditure on the Council's HRA owned dwellings.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to the council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

National Non Domestic Rate (NNDR)

This is a charge, which all businesses must pay for their premises. It is worked out by multiplying a property's rateable value by a nationally set multiplier. National Non-Domestic Rates are now partially retained by the Council under the new Business Rates Retention Scheme.

Precept

The levy made by the precepting authorities, i.e. the county council, parish councils, fire and police, on billing authorities, requiring the latter to collect income from local taxpayers on their behalf.

Premises Related Costs

This includes expenses directly related to the running costs of land and buildings i.e. repairs and maintenance, public utility costs, rent, rates, etc.

Provision

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

Reserves

Funds set aside for expenditure in future years. Certain reserves have constraints on how they can be spent.

Revenue Expenditure

Expenditure that the Council incurs on the day to day running costs of its services including salaries and wages, running costs i.e. premises costs, transport related costs, supplies and services, etc., payments to third parties and capital charges. The expenditure is financed from charges for services, government grants, income from Council Tax and the Business Rates Retention Scheme and other miscellaneous income.

Revenue Expenditure Funded from Capital under Statute

Spending on assets that have a lasting value which we do not own eg. grants to the community.

Revenue Funding of Capital

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

Revenue Support Grant

The main grant received by the Council from Central Government incorporating a number of non-specific grants. The calculation for our funding baseline includes the figures within the business rates retention scheme.

Section 106

These are receipts received by the Council from developers for a specific purpose. They arise as a result of a planning agreement between the Council and a developer.

Special Expenses

These are defined by the Council as those functions provided by the Council in part of the area, which are performed elsewhere in the area by a parish council and for which a separate Council Tax levy is raised. The Local Government Act 1992 had determined the following as special expenses:

- **Area of Former Urban District of Melton Mowbray**
Cemeteries, Open Spaces, Town Area Community Centres, War Memorial, Skate Facilities, Allotments.

- **Sproxton No 2 (Stonesby) and Sproxton No 4 (Saltby)**
Closed Churchyards
- **Frisby**
Closed Churchyard
- **Gaddesby (29)**
Closed Churchyard

Supplies and Services

This includes, for example, furniture, equipment and materials, catering, printing, stationery and other general office expenses, communications and IT and other miscellaneous expenses.

Support Services/Recharges

Those services that support front-line services in directly providing services to the public i.e. central services.

Third Party Payments

Payments to agencies and contracted service providers in return for the provision of a service, i.e. payment to the Council's waste collection contractor.

Transfer Payments

Payments made by the authority for which no goods or services are received in return by the authority i.e. rent rebates.

Transport Related Costs

This includes costs relating to the running of the Council's own vehicles and staff travelling expenses; both own vehicle costs and public transport.

Usable Capital Receipts

That part of income from the sale of capital assets that can be used to fund further capital expenditure.