

GLOSSARY OF ACCOUNTING TERMINOLOGY

ACCOUNTING PERIOD

The period of time covered by the accounts; if for the full financial year 12 months commencing on 1st April. The end of the accounting period is 31st March for the year, which will be the balance sheet date.

ACCOUNTING POLICIES

The specific accounting principles, rules and procedures selected and consistently followed by the council as being, in the opinion of the management, appropriate to its circumstances and best suited to present a true and fair view of its results and financial position.

ACCOUNTING STANDARDS BOARD (ASB)

The role of the Accounting Standards Board (ASB) is to issue accounting standards. Accounting standards developed by the ASB are contained in 'Financial Reporting Standards' (FRSs). Soon after it started in 1990, the ASB adopted the standards issued by the Accounting Standards Committee (ASC), so that they also fall within the legal definition of accounting standards. These are designated 'Statements of Standard Accounting Practice' (SSAPs). Whilst some of the SSAPs have been superseded by FRSs and IFRSs, others remain in force. Accounting standards apply to all companies, and other kinds of entities that prepare accounts which are intended to provide a true and fair view.

ACCRUALS

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid. For example, expenditure accruals relate to value of goods/services/works received or carried out, if not paid for, in the accounting period.

ACCUMULATED ABSENCES

Absences earned but not taken by the end of the financial year i.e. holiday pay entitlement.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- (a) Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or
- (b) The actuarial assumptions have changed.

AGENCY SERVICES

Services provided by the Council, as an agent on behalf of the responsible body, where the principal reimburses the Council for the cost of the work carried out.

AMORTISATION

The writing down in value of intangible fixed assets, which is charged to service revenue accounts to reflect the cost of such assets, used in the provision of those services. This is the equivalent of depreciation for fixed assets.

ANNUAL GOVERNANCE STATEMENT (AGS)

The AGS comprises mainly a policy statement; recognition of core principles of Good Governance; the Council's corporate governance arrangements; and an Annual Governance Review (AGR) with associated conclusions and list of evidence files supporting the AGR.

ASSET

Something of worth which is measurable in monetary terms.

ASSETS HELD FOR SALE

A split is made of surplus assets, between those where there are clear intentions of the authority for disposal within the following 12 months (Assets Held for Sale) and those assets

with longer term disposal plans. Assets for immediate sale are classified as current assets rather than non-current assets.

AUDITOR'S OPINION

The opinion required by statute from the Council's external auditors, indicating whether the statement of accounts presents fairly the financial position of the Authority.

BALANCE SHEET

This statement sets out the financial position of the Council at year-end 31 March. It shows a summary of non-current assets held, the current assets employed, the balances and reserves of the Council, and the Council's financial liabilities.

BALANCES

These are the Council's corporate revenue reserves.

BILLING AUTHORITY

A local authority which bills and collects business rates e.g. a district council or unitary council.

BUDGET

A statement of the Council's spending plans for revenue and/or capital expenditure over a specified period of time. Also an individually approved, or part of approved constituent budget total – for a service or cost centre or type of expense or income. In other words, a budget is a financial plan of what needs to be achieved.

BUDGET HEAD

Each section of the Council's budget for which estimates are produced and control exercised.

CAPITAL CHARGES

This represents charges made to services' revenue accounts to reflect the cost of fixed assets used in the provision of services, e.g. depreciation.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS

Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances.

CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

CASH FLOW STATEMENT

This statement summarises the Council's inflows and outflows of cash arising from transactions with third parties during the year, for revenue and capital purposes.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CODE - Code of Practice on Local Authority Accounting (the CODE)

This Code replaces CIPFA's Statement of Recommended Practice 2009 (SORP) and is now based on the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) adapted as interpreted for the public sector by the International Public Sector Accountancy Standards (IPSASs).

COLLECTION FUND – Income and Expenditure Account

The Collection fund shows the transactions of the Council in relation to the collection from taxpayers and distribution to precepting, authorities, the Council and the government of council tax and non- domestic rates.

The Collection Fund is an agency statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

COMMUNITY ASSETS

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves statement.

CONSISTENCY

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

CONTINGENCY SUM

A sum which may be set aside to provide for foreseen but unquantifiable future commitments or for unforeseen expenditure which may become necessary during the year.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the local authority's control. Contingent assets are not recognised in the accounting statements, they but are disclosed by way of notes if the inflow of a receipt or economic benefit is probable. Such disclosures indicate the nature of the contingent asset and an estimate of its financial effect.

CONTINGENT LIABILITY

A contingent liability is either:

- (a) A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control, or
- (b) A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE (CDC)

The corporate and democratic core includes all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no apportionment of these costs to services.

COST CENTRE

Each individual unit to which items of income and expenditure are charged for either managerial or detailed control purposes.

COSTS OF MANAGEMENT AND ADMINISTRATION

An allocation to service accounts of the net cost of the central administrative and professional departments that support all of the Council's services, e.g. central departments such as Finance, Human Resources, Legal Services.

COUNCIL TAX

A tax that local authorities raise to pay for their services. It is partly a property based and partly a person based tax. Each home has been put (by the Valuation Office Agency of HM Revenue & Customs) into a valuation band (A to H) – currently based on what the dwelling would have sold for on 1st April 1991.

CREDITOR ACCRUAL

An amount owed by the Council for goods received, or services rendered to it within the accounting period, but for which payment has not been made at the end of that period.

CURRENT ASSETS

Current assets are items that can be readily converted into cash (e.g. Debtors).

CURRENT LIABILITIES

Current liabilities are amounts which will become payable or could be called in within the next accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

CURTAILMENT (PENSIONS)

For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- (a) termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- (b) termination, or amendment to the terms, of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

DCLG

The Department for Communities and Local Government (DCLG) was created in May 2006 with a remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government. DCLG is responsible for advising Ministers on national policy on local government in England, examining the future of local government and local democracy; reviewing performance and measurement through inspection and audit; driving through the modernisation agenda of efficiency and improvement of service delivery; and maintaining and developing a framework for local government finance and accounting (the latter in conjunction with CIPFA).

DEBTOR ACCRUAL

An amount of income due to the Council within the accounting period but not received at the balance sheet, or period end, date.

DEFERRED CAPITAL RECEIPTS

Capital receipts to be received by instalments over agreed periods of time.

DEFERRED CHARGES

Capital expenditure which may properly be deferred for charging to revenue services, but which does not result in, or remain matched with, tangible assets of the Council (i.e. is amortised (or written off to revenue accounts)). An example of a deferred charge is expenditure on private sector housing improvement grants.

DEFINED BENEFIT SCHEME

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

DEFINED CONTRIBUTION SCHEME

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEPRECIATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

DWP

The Department of Work and Pensions is the Government department that largely funds the Housing and Council Tax Benefits payable to council claimants and also the administration of those benefits.

EARMARKED RESERVES

Money set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.

ESTIMATED BUSINESS RATES AGGREGATE

The total business rates forecast to be collected by all billing authorities in England.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RATE OF RETURN ON PENSIONS ASSETS

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXPENDITURE

The costs incurred, for goods received or services rendered or work done, relating to the accounting period irrespective of whether or not the amounts due have been paid or not.

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items.

FAIR VALUE

In accounting, fair value is used as an estimate of the market value of an asset (or liability) for which a market price cannot be determined (usually because there is no established market for the asset). Where a reasonable estimation of fair value cannot be calculated assets are carried at historical cost.

FINANCE LEASE

Finance Leases are where the terms of the lease, or a right to use an asset in return for payment, transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. Finance lease(s), are accounted for as deferred liabilities.

FINANCIAL YEAR

The council's financial year runs from the 1st April to 31st March.

GENERAL FUND

The main revenue fund of the Council. Day-to-day spending on services is met from the fund.

GOING CONCERN

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority, especially in financing Capital Expenditure but also may be toward Revenue Expenditure.

GROSS EXPENDITURE

The cost of service provision before allowing for related income.

HERITAGE ASSETS

Heritage assets are assets that are held principally for their contribution to knowledge or culture.

HOLDING ACCOUNT

An account in which the costs of an activity are collected prior to their re-allocation to the users of the activity.

IFRS

International Financial Reporting Standards (IFRS) replaced the annual Statement of Recommended Practice (SoRP), for all local authorities in the UK from the financial year commencing 1st April 2010.

IMPAIRMENT

A reduction in the value of a non-current asset below its value brought forward in the balance sheet. Examples of factors which may cause such a reduction in value include, general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

INCOME

Amounts that the Council receives, or expects to receive, from any source. The Council's main income sources include government grants, Council Tax, rents, fees, charges, sales and capital receipts.

INFRASTRUCTURE ASSETS

Non-current assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INTANGIBLE ASSETS

Purchased intangible assets (e.g. software licences) should be capitalised as assets. Intangible assets should be amortised on a systematic basis over their economic lives.

INTEREST

An amount received or paid, or accrued, for the use of a sum of money when it is invested or borrowed. Rates of interest may be fixed or variable, depending on the agreement or authorisation.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS

Short Term and Long Term investments are reported on for the year end in the full Statement of Accounts. A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be classified as such only where an intention to hold for the long term can be clearly demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

INVESTMENT PROPERTY

An Investment property is used to earn rentals or for capital appreciation or both.

LEASING

A method of utilising assets where a rental charge is paid for a specified period of time, instead of outright purchase.

LENDER OPTION, BORROWER OPTION (LOBO)

A LOBO is a type of loan instrument. The borrower borrows a principal sum for the duration of the loan period (typically 20 to 40 years), initially at a fixed interest rate. Periodically (typically every 3 to 5 years), the lender has the ability to alter the interest rate. Should the lender exercise this option, the borrower then has the option to continue with the instrument at the new rate or alternatively to terminate the agreement and pay back the principal sum with no other penalty.

LIABILITIES

Money the Council will have to pay to people or organisations in the future. They may be Current or Long Term.

LOANS OUTSTANDING

The total amounts borrowed from external lenders for capital and temporary revenue purposes but not repayable by the balance sheet date.

LONG TERM ASSETS

Non-current assets that yield benefits to the council and the services it provides for a period of more than one year.

LONG TERM BORROWING

The total amount borrowed from external lenders for capital purposes which has not been repaid at the balance sheet date.

LONG-TERM DEBTORS

These are debts of a capital nature repayable over a period of time

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion by a reader of those statements.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the Council's revenue account each year so as to set aside for the repayment of external loans.

NATIONAL NON-DOMESTIC RATE (NNDR)

National non-domestic rate poundages for commercial premises are set annually by the government and collected by the local authorities, who are billing authorities, including district councils such as Hyndburn. The rateable values are set by the Valuation Office Agency of HM Revenue & Customs, and there is a statutory revaluation every 5 years.

With the introduction of the Business Rates Retention Scheme from 1st April 2013 councils will pass on to Central Government 50% of the collectable amount, retaining 40% themselves and passing 9% and 1% to the County Council and combined Fire and Rescue Authority respectively.

NET BOOK VALUE

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value (Gross Book Value), less the cumulative amounts provided for depreciation.

NET ASSETS

Assets less liabilities which are matched by the reserves held by the council.

NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NET DEBT

The authority's borrowings less cash and liquid resources. Where cash and liquid resources exceed borrowings, reference should be to net funds rather than net debt.

NET EXPENDITURE

The net cost of providing a service, or activity, after the deduction, from Gross Expenditure, of specific grant(s) and other service-related income.

NET REALISABLE VALUE

The open market value of the asset in its existing use (or market value in the case of non operational assets), less the expenses to be incurred in realising the asset.

NON CURRENT ASSETS

Assets that yield benefits to the Council and the services it provides for a period of more than one year – e.g. tangible assets such as land, buildings and vehicles.

NON-OPERATIONAL ASSETS

Fixed assets held by the Council, 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 LEASE

An Operating lease is a lease other than a finance lease. This is a method of financing assets which allows the Council to use, but not own an asset. A third party purchases the asset on behalf of the Council, who then pay the lessor an annual rental over the life of the asset. Expenditure financed by operating leasing does not count in capital expenditure. Rentals paid under Operating leasing agreements are accrued and accounted for through the Revenue Accounts in the period to which they relate.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PENSIONS NET LIABILITY

This is the net position at the year-end for Hyndburn's portion for the present values of pension scheme liabilities (pensions required to be provided for former and existing employees) less assets (investments) – as estimated by the appointed scheme actuary via the administering authority, Lancashire County Council.

PENSIONS RESERVE (NOTIONAL)

Unlike other 'Reserves' this is a negative reserve (debit balance). It is equal in amount to, and offsets, the Net Pensions Liability.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council Taxpayers on their behalf. Apart from the district council itself, the major precepting authorities on the council's Collection Fund are the County Council, the Police and Crime Commissioner and the Lancashire Combined Fire Authority. Local precepts are parish or town council precepts – e.g. Altham Parish Council.

PRIMACY OF LEGISLATIVE REQUIREMENTS

The non-cash effects of transactions and other events should be reflected, as far as is possible, in the financial statements for the accounting period in which they occur and not in the period in which any cash involved is received or paid. (This replaces the principle of matching that underlays the accruals concept.)

PRIOR PERIOD ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount set aside in the accounts for anticipated future liabilities or specific losses that are reasonably certain to be incurred, but which cannot be quantified accurately at the balance sheet date (are uncertain in amount and date). Any provision is intended to represent the best estimate at the Balance Sheet date of expenditure required to settle the obligation; and, later, should only be applied to the precise purpose for which the provision was recognised.

PRUDENCE

Accounts should be prepared in accordance with the prudence concept. Income should only be anticipated to the extent that it will be received, as cash or other assets, with reasonable certainty and full and proper allowance should be made for all known and foreseeable losses and liabilities.

PRUDENTIAL CODE FOR CAPITAL FINANCE

This code for local authorities was introduced from 1st April 2004. The basic principle is that local authorities are now free to invest so long as their capital spending plans are affordable, prudent and sustainable. The prudential code sets out indicators that the authority must use and factors that they must take into account to demonstrate that they have fulfilled this objective. The Government does have reserve powers to limit local authority borrowing.

PUBLIC WORKS LOAN BOARD (PWLB)

A Government agency that provides longer-term loans to local authorities.

RELATED PARTY TRANSACTION(S)

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for, a related party irrespective of whether a charge is made. The materiality of related party transactions should be judged not only in terms of their significance to the council, but also in relation to its related party.

RESERVE

Amounts, where cash-backed, set aside in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, which may be incurred in future period(s). (Any amounts set aside for purposes falling outside the definition of Provisions have been accounted for as reserves.)

RESIDUAL VALUE

The estimated or actual net realisable value of an asset at the end of its useful life. Estimated residual values are based on prices prevailing at the date of the acquisition (or revaluation) of the asset and do not take account of expected future price changes.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE ACCOUNT

An account that records an authority's day-to-day expenditure and income on such items as salaries and wages and other running costs of services

REVENUE CONTRIBUTIONS

A method of financing capital expenditure through the revenue account.

REVENUE EXPENDITURE

This represents day to day running costs incurred in the provision of Council services. Such costs principally include employees' costs, supplies & services costs.

REVENUE SUPPORT GRANT (RSG)

A grant paid to the Council by the Government to finance the Council's general expenditure 'needs' and not specific services, after taking into account the level of Council Tax and NNDR income.

SCHEME LIABILITIES (PENSION SCHEME)

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

SECTION 137 (3) EXPENDITURE (DISCRETIONARY EXPENDITURE)

Section 137 of the Local Government Act 1972, as amended by Section 36 of the Local Government and Housing Act 1989, empowered authorities to incur expenditure for the benefit of some or all of their inhabitants that is not authorised under other powers, within set maximum values per head of relevant population.

The Local Government Act 2000 granted new powers to local authorities to promote well-being in their areas. However, principal authorities like the council are to continue to disclose any expenditure under S137, subsection 3, comprising expenditure on contributions to:

- (a) funds of any charitable body in furtherance of its work in the United Kingdom; or
- (b) funds of any body which provide any public service in the UK; or
- (c) any fund raised in connection with a particular event affecting UK residents on behalf of whom there is a mayoral appeal.

There is no specific statutory limit on S137 (3) expenditure.

SHORT-TERM BORROWINGS

Loans where repayment can be demanded or made within one year but excluding deposits which can be recalled without penalty on notice of no more than 24 hours.

SERVICE REPORTING CODE OF PRACTICE FOR LOCAL AUTHORITIES (SeRCOP)

Local authorities in England prepare their Comprehensive Income & Expenditure Statement in accordance with the Service Reporting Code of Practice for Local Authorities (SeRCOP) as from year 2011/12. The SeRCOP stipulates the service divisions to be used in the

Comprehensive Income & Expenditure Statement including the collection of central managerial costs under 'Other Central Services'.

SOLACE

The Society of Local Authority Chief Executives and Senior Managers was formed in 1974. SOLACE is the representative body for senior strategic managers working in the public sector. Its aim is to promote excellence in public service.

SOFT LOANS (within Financial Instruments)

A soft loan is a loan made to a party at a preferential rate of interest, ie below market rate (and may be at nil rate of interest). In accordance with the SoRP 2008, and embodied in the 2010/11 Accounting Code onwards, the difference between the interest payable to the Council by the recipient of the loan and the amount they would have paid if they had acquired a loan for the same amount on the open market is charged to the CIES under the relevant Cost of Services heading.

SPENDING POWER

Spending power comes from council tax, government revenue grants and NHS funding for social care.

STATEMENT OF ACCOUNTS (SoA)

This is the full document for prescribed annual, financial reporting by means of various core financial statements, notes and supplementary statements, and the self-contained annual governance statement is included.

TANGIBLE FIXED ASSETS

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year – such as land, buildings, vehicles and equipment.

The classes of tangible fixed assets required to be included in the accounting statements are:
Operational assets (where applicable)

- Council dwellings
- Other land and buildings
- Vehicles, plant, furniture and equipment
- Infrastructure assets
- Community assets

Non-operational assets

- Investment properties
- Assets under construction
- Surplus assets, held for disposal

TEMPORARY INVESTMENTS

Comprises deposits of temporary surplus funds with local authorities, building societies, banks or similar approved institutions, for period(s) of up to and including 364 days.

TOTAL COST

The total cost of a service or activity includes all costs which relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, support services and capital charges. This includes an appropriate share of all support service and overheads which need to be apportioned.

TREASURY MANAGEMENT

This relates to Borrowing and Cash activities (including Investment) of the authority, and the effective management of any associated risks. Local authorities' treasury management activities are prescribed by statute – in England & Wales the source of such powers is the Local Government Act 2003.

UNUSABLE RESERVES

Reserves that the Authority is not able to use to provide services as they reflect unrealised gains and losses.

USABLE RESERVES

Reserves that the Authority may use to provide services subject to maintaining a prudent level and any statutory limitations. They are cash backed.

USEFUL LIFE (NON-CURRENT ASSETS RELATED)

The period over which the local authority will derive benefits from the use of a non-current asset.

WORK IN PROGRESS

The cost of work done on an uncompleted project at a specified date, which should be accrued where appropriate.