

Appendix 2 - Glossary

Capital Expenditure	Capital Expenditure is the funds invested in long term assets like buildings, infrastructure, equipment, or technology. The expenditure is significant and provides lasting benefits and are depreciated over time. It contrasts to operating expenditure which are day to day expenditure.
Capital Financing	Capital Financing is how we raise money for to invest in capital projects. It can involve selling assets, borrowing money, using existing balances, and obtaining grants. Borrowing money means interest payments during the life of the loan plus the repayment of loan.
Capital Programme	A strategic plan outlining long term investments in assets like building and technology. It identifies projects and budgets, sets timelines, assesses risks and has approval processes. The plan aligns Capital Expenditure with Corporate Objectives.
Department for Levelling Up Housing and Communities (DHUHC)	The Department for Levelling Up, Housing and Communities, formerly the Ministry for Housing, Communities, and Local Government, is a department of His Majesty's Government responsible for housing, communities, and local government in England and the levelling up policy
Depreciation	An accounting method that allocates the cost of a tangible asset over its useful life. The process matches the cost of the asset with the benefit it provides reflecting its diminishing value over time.
Financial Regulations	Financial regulations are a set of financial procedures and rules that ensure good financial governance is observed. They include policies, procedures, financial delegation, and approvals and protect both staff and the council from financial misconduct.
General Fund (GF)	The main operating fund used for expenditure such as salaries and the running costs of day-to-day operations.
Grants and Contributions	Financial support received from external sources such as Central Government or developers. They can be for specific projects or more general.
Housing Revenue Account (HRA)	A separate accounting system for local authorities to manage their housing services. It includes rental income, housing related costs and is distinct from the General Fund. The HRA is used for improvements, maintenance and operational expenses related to local-authority owned housing.
Medium Term Financial Strategy	This Medium-Term Financial Strategy (MTFS) sets out the Council's strategic approach to the management of its finances and provide a framework within which decisions can be made regarding future service provision and council tax levels.

	It is based on a five-year rolling forecast and is reviewed annually. The MTFS provides the financial context for the Council's financial resource allocation and budget setting processes.
Minimum Revenue Provision (MRP)	An annual provision made to set aside funds for repaying debt associated with Capital Projects. It ensures the gradual allocation of resources to cover debt repayment obligations and is set out in the Prudential Code.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.