

Glossary of Terms

Term	Explanation
<u>General terms</u>	
CLG	Department for Communities and Local Government
HRA	Housing Revenue Account - records all income and expenditure in relation to the provision and management of Council owned homes in the city.
GF	General Fund - The General Fund is the fund within which, since April 1990, most transactions of a local authority take place. Other funds held by a local authority may include a collection fund, superannuation fund and trust funds held for charitable purposes.
RPI	Retail Prices Index
<u>Rent and income terms</u>	
Rent Restructuring	Government policy which means that rents for all council owned dwellings will gradually increase to match the <u>social</u> rent levels charged by Housing Associations
Target rent	Rent calculated in accordance with government rent restructuring policy that should be charged for each dwelling. These are generally higher than current actual rent levels.
Rent convergence	Process for moving current rents up to target rents. The aim is for these to converge by 2015/16. The convergence charge cannot exceed £2 per week, which means that some dwellings will not reach their target rent by 2015/16.
Affordable rent	Rent that Housing Associations can charge for newly built properties and when some existing properties are relet. It can be up to 80% of market rents. These have no effect on our rent levels.
Service charge	Separate charge from the rent that is levied to cover the cost of specific service. This may recover the full cost of that service, or just a proportion of it.

Term	Explanation
<u>Borrowing terms</u>	
Prudential borrowing	Also known as unsupported borrowing. The Housing Revenue Account meets the full interest costs with no support from Government.
Debt cap	Maximum level of long term debt that the HRA can have outstanding at 31 March each year. The sum is calculated using a formula set by CLG.
Borrowing headroom	Difference between the debt cap and the actual HRA long term debt outstanding at any time
PWLB	Public Works Loan Board. This is the main source of borrowing for local authorities.
Debt settlement	Sum that we will have to pay to CLG on 28 March 2012.
Long term debt	Money borrowed for a period greater than 364 days.