

### Capital Prudential Indicators

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. This includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

The summary of the capital expenditure is shown in the Table 1 below, further detail is available in the capital section of the Finance Performance Report 2021/22.

Table 1: Summary of Capital Expenditure in £m

	2021/22 Original Budget £m	2021/22 Current Budget £m	2021/22 Outturn £m
Property, Plant and Equipment	2.873	11.741	7.769
Investment Properties	0.565	2.481	0.604
Intangible Assets	0.031	1.001	0.210
REFCUS	14.700	24.450	2.655
Loan	0.000	0.306	0
<b>Total</b>	<b>18.169</b>	<b>39.979</b>	<b>11.238</b>

The major variations (out of a total of £28.9m) between the current budget and the outturn include;

- Future High Streets Fund £12.1m
- Huntingdon Redevelopment £8.5m
- Hinchingbrooke Country Park Redevelopment £1.5m
- Oak Tree Centre Remedial Works £1.3m
- Disabled Facilities Grants £0.6m
- A14 Upgrade Contribution £0.6m
- Vehicles and Plant £0.3m
- Bridge Place Car Park Construction £0.3m

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing).

Table 2: The summary of Capital financing in £m

	<b>2021/22 Original Budget £m</b>	<b>2021/22 Current Budget £m</b>	<b>2021/22 Outturn £m</b>
Capital Receipts	1.065	1.065	0.609
Capital Grants and Contributions	14.101	26.291	8.774
Internal Borrowing/Resources	3.003	12.623	1.855
<b>Total</b>	<b>18.169</b>	<b>39.979</b>	<b>11.238</b>

Debt is only temporary source of finance since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP).

Table 3: The summary of Capital Financing Requirement (CFR) in £m

	<b>2021/22 Budget £m</b>	<b>2021/22 Outturn £m</b>
Opening CFR	83.700	71.431
Net expenditure	00.200	(1.053)
<b>Closing CFR</b>	<b>83.900</b>	<b>70.378</b>

Note the 2021/22 is set before the 2020/21 outturn is known, and as a result underspends in 2020/21 are not taken into account.

When a capital asset is no longer needed, it may be sold so that the proceeds known as capital receipts can be spent on new assets or to repay debt. Repayments of capital grants, loan and investments from third parties also generate capital receipts.

The summary of the capital receipts is show in Table 4 below in £m.

	<b>2021/22 Budget £m</b>	<b>2021/22 Outturn £m</b>
Asset sales	0.565	0.000
Housing clawback	0.500	0.291
Loan Repayments	0.000	0.318
<b>Total</b>	<b>1.065</b>	<b>0.609</b>