

Appendix B

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 2022/23.

Table 1: Summary of Capital Expenditure in £000s

	2022/23 Original Budget £000s	2022/23 Current Budget £000s	2022/23 Outturn £000s
Property, Plant and Equipment	11,397	23,583	2,165
Investment Properties	1,178	984	3
Intangible Assets	84	513	60
REFCUS	10,136	15,446	7,441
Infrastructure	20	283	139
Assets Under Construction	0	0	387
Community	443	684	0
Loan	206	306	0
Total	23,464	41,899	10,195

The major variations (out of a total of £31.7m) between the current budget and the outturn include;

- Huntingdon Redevelopment -£16.1m
- Market Towns Programme -£12.3m
- Hinchingsbrooke Country Park Redevelopment -£2.7m
- Estates and Facilities -£1.1m
- Bridge Place Car Park -£0.3m
- ICT projects -£0.5m
- Vehicles and Plant -£0.6m
- Leisure -£0.2m
- St Neots Riverside -£0.4m
- Car Parking -£0.4m
- Operations Projects -£0.6m

- CIL Contributions (Grant Funded) +£0.9m
- A14 Contribution early payment +£2.9m
- Disabled Facilities Grants +£0.2m

Full details of the variances are included in the Capital Outturn report.

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: Summary of Capital financing in £000s

	2022/23 Original Budget £000s	2022/23 Current Budget £000s	2022/23 Outturn £000s
Capital Receipts	984	984	662
Capital Grants and Contributions	17,042	33,811	5,095
Minimum Revenue Provision	2,800	2,800	2,556
Internal Borrowing	2,638	4,304	1,882
Total	23,464	41,899	10,195

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: Summary of Capital Financing Requirement (CFR)

	2022/23 Original Budget £000s	2022/23 Current Budget £000s	2022/23 Outturn £000s
Opening CFR	70,378	70,378	70,378
Net expenditure	2,638	4,304	1,882
Closing CFR	73,016	74,682	72,260

Note the 2022/23 budget is set before the 2021/22 outturn is known, and as a result underspends in 2021/22 are not taken into account in the CFR balance.

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.

Table 4: Summary of the capital receipts

	2022/23 Original Budget £000s	2022/23 Current Budget £000s	2021/22 Outturn £000s
Asset sales	250	0	0
Housing clawback	450	450	452
Loan Repayments	284	68	209
Sub-Total	984	518	662
Places for People Loan Repayment ⁽¹⁾			4,467
Total			

⁽¹⁾ Held in the capital receipts reserve for future use.