

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. The quarter 2 financial monitoring report will provide further detail.

The updated budget includes rephased schemes from 2022/23, and growth schemes funded by grants, in addition to the schemes included in the original budget.

Table 1: Summary of Capital Expenditure

	2023/24 Original Budget £000s	2023/24 Current Budget ⁽¹⁾ £000s	2023/24 Forecast Outturn £000s
Property, Plant and Equipment	4,661	6,291	4,515
Investment Properties	1,802	2,262	2,851
Intangible Assets	102	168	99
REFCUS	19,419	20,916	11,437
Community Assets	3,202	3,207	531
Loans	206	306	100
Total	29,392	33,150	19,533

⁽¹⁾This includes new schemes funded from grant and rephased schemes from 2022/23

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

	2023/24 Original Budget £000s	2023/24 Current Budget £000s	2023/24 Forecast Outturn £000s
Capital Receipts Applied	359	359	359
Capital Grants and Contributions	19,030	21,666	7,651
Community Infrastructure Levy	3,476	3,476	4,215
Minimum Revenue Provision	2,771	2,771	2,771
Internal Borrowing/Resources	3,756	4,878	4,537
Total	29,392	33,150	19,533

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.

	2023/24 Original Budget £000s	2023/24 Current Budget £000s	2023/24 Forecast Outturn £000s
Opening CFR	71,592	72,260	72,260
Net expenditure	6,527	7,649	7,308
MRP	(2,771)	(2,771)	(2,771)
Closing CFR	75,348	77,138	76,797

The actual opening CFR for 2023/24 is £72.260m, taken from draft statement of accounts, CFR note, closing position 2022/23.

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 also generate capital receipts.

The summary of the capital receipts is shown in Table 4 below.

	2023/24 Original Budget £000s	2023/24 Current Budget £000s	2023/24 Forecast Outturn £000s
Housing Clawback	350	350	350
Loan Repayments	9	9	9
Total	359	359	359