

NOTES TO THE CORE FINANCIAL STATEMENTS

25 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2017/18 £000	2016/17 £000
Opening Capital Financing Requirement	27,097	27,260
<u>Capital investment</u>		
Operational assets	2,889	2,765
<u>Sources of Finance</u>		
Government grants and contributions	(21)	-
Capital receipt	-	(14)
<u>Sums set aside from revenue</u>		
Minimum Revenue Provision	(2,131)	(2,155)
Direct revenue funding	(906)	(759)
Closing Capital Financing Requirement	26,928	27,097
Explanation of movements in year	2017/18 £000	2016/17 £000
Increase/(Decrease) in underlying need to borrow	(94)	(94)
(Decrease) in PFI/lease liabilities	(75)	(69)
Increase/(decrease) in Capital Financing Requirement	(169)	(163)

26 LEASES

26.1 OPERATING LEASES AS LESSEE

Total rentals paid during the year amounted to £0.854m. It is estimated that the outstanding liability for future years, in relation to existing lease agreements is £1.398m.

	2017/18 £000	2016/17 (Restated) £000
<u>Payments recognised as an expense in year</u>	854	847
<u>Future Minimum Lease Payments payable:</u>		
Not later than one year	514	584
Between one and five years	884	579
Total	1,398	1,163