

Title **Roads - capitalisation options**

Service Area **Development & Environment**

Estimated Savings **£189,212**

Summary

This business case involves paying for carriageway, footway, patching, lighting and drainage works from the Council's capital budget rather than the revenue budget.

The revenue budget can be spent on projects which can legitimately be termed as capital projects where:

- the expenditure adds to or replaces part of the asset
- extends the useful life of the asset and
- the cost can be measured.

By capitalising some revenue expenditure which meets the criteria, the revenue budget can be reduced and the projects carried out through the capital programme.

Repayments for the increased capital are made through the revenue budget, dependent on the rate of depreciation of the asset.

Impact

The same service would be provided through a different funding stream.

Repayments for capital borrowed will come from the revenue budget over the duration of the additional borrowed repayment period.