

NOTES TO THE ANNUAL ACCOUNTS

STATEMENT 8

14.2 Property, Plant and Equipment - PPP and DBFM Schools

The value of assets held under two PPP contracts and a DBFM contract are as follows: -

Cost or Valuation

Value as at 1 April

Additions

Revaluation increase / (decreases) recognised in the Revaluation Reserve

Value as at 31 March

Aggregate Depreciation

Value as at 1 April

Charge for year

Depreciation written out to the Revaluation Reserve

Value as at 31 March

Net Book Value

As at 31 March

2023/24 £'000	2022/23 £'000
222,672	221,985
74	687
-	-
222,746	222,672
24,502	12,240
12,318	12,262
-	-
36,820	24,502
185,926	198,170

14.3 Financial Liabilities - PPP and DBFM Schools

The value of financial liabilities resulting from PPP and DBFM contracts are as follows: -

As at 1 April

Additions / Adjustments

Principal repayments

As at 31 March

Split

Short term Creditors

Long term Creditors

2023/24 £'000	2022/23 £'000
76,667	79,247
(4)	(22)
(4,232)	(2,558)
72,431	76,667
4,015	4,231
68,416	72,436
72,431	76,667

14.4 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with 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 council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed.

Scottish Government Finance Circular 10/2022 allows councils to apply flexibility to accounting treatment for service concession arrangements in place prior to 1 April 2022. The calculation of the revised repayment charges using an asset life of 50 years on an annuity basis was compared to current charges due over the contract life and resulted in a retrospective adjustment of £27.603 million in 2022/23, an amount of £3.277 million was accounted for in 2023/24. The reprofiling of this debt liability repayments increases the council's CFR however this will reduce as repayments are made. The service concession flexibility has been assessed to be prudent, affordable and sustainable within the parameters of the council's revenue, capital and treasury management plans.

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
Opening Capital Financing Requirement		810,049		763,286
Capital Investment				
Property, Plant and Equipment and Intangible Assets		95,712		94,673
		905,761		857,959
Sources of Finance				
Capital Receipts	(18,006)		(15,082)	
Government Grants	(22,485)		(25,584)	
Contributions from Other Bodies	(13,302)		(6,896)	
Capital Financed from Current Revenue	(13,201)		(13,709)	
Service Concessions	3,277		27,603	
Finance Lease Principal (incl. PPP)	(4,232)		(3,248)	
Loans Fund Principal	(14,325)	(82,274)	(10,994)	(47,910)
Closing Capital Financing Requirement		823,487		810,049
(Decrease) / Increase in Capital Financing Requirement		13,438		46,763