

Identifying capital expenditure for community grant purposes

June 2024

The council offers capital grants to community-based organisations. These grants are provided through the council's capital budget and as such should only be spent on items deemed to be capital expenditure.

Projects must take place within the district or within a three-mile radius of the district boundary and be able to demonstrate that significant numbers of South Oxfordshire residents will benefit from the project, or that the project will improve outcomes for disadvantaged groups and will contribute towards at least one of the council Corporate Plan priorities for 2020-2024.

Capital expenditure includes expenditure on non-current assets such as land, buildings, and plant and equipment. To us a long-term asset must have a life of at least five years for a grant of up to £25,000 and ten years for grants over £25,000. It must remain the property of the organisation we are funding for the requisite 5 or 10 year term.

Monies spent on the project must be recorded as capital expenditure in the grant recipient's end of year accounts.

We will only fund capital expenditure (excluding vehicles) from this scheme like buying, building, replacing or making improvements to long term assets (buildings, play areas and equipment). We are unable to consider projects that only maintain an asset, e.g. general repairs.

Below are some examples of expenditure, explaining why they qualify as capital spend:

Project type	Is it capital expenditure?	Reason
Construction of new building	Yes	<ul style="list-style-type: none"> It is a creation of an asset Likelihood to be beneficial for more than a 5 – 10 year term
Purchase of land/building	Yes	<ul style="list-style-type: none"> Acquisition of an asset, which will provide benefit for more than a 5 – 10 year term
Building conversion	Yes	<ul style="list-style-type: none"> Enhancement of an existing asset which will last for more than a 5 – 10 year term

Replacement windows	Yes	<ul style="list-style-type: none"> • Purpose of improved energy efficiency or building enhancement • If the project covers a number of windows replaced rather than 1 or 2
Creating a new, Multi Use Games Area (MUGA)	Yes	<ul style="list-style-type: none"> • Creation of an asset • Enhancement of an existing asset which will last for more than a 5 – 10 year term
Sports equipment	Yes	<ul style="list-style-type: none"> • If the project covers a whole new set of equipment and not singular items • Likelihood to be beneficial for more than a 5 – 10 year term
New white goods	Yes	<ul style="list-style-type: none"> • If the project is for a complete refurbishment of an asset, new white good can be included • Enhances the current asset • Likelihood to be beneficial for more than a 5 – 10 year term
Solar panels	Yes	<ul style="list-style-type: none"> • Purpose of improved energy efficiency • Creation of an asset
Tree planting or rewilding of an area	Yes	<ul style="list-style-type: none"> • Creation of an asset
Investment in new energy saving measures	Yes	<ul style="list-style-type: none"> • Purpose of improved energy efficiency • Enhances the asset
Electronic hardware (eg: laptops, iPads & monitors)	Yes	<ul style="list-style-type: none"> • New assets that provide benefit for more than a 5 – 10 year term
Development of software (eg: a new website)	Yes	<ul style="list-style-type: none"> • Software that has been developed or purchased by an entity is normally regarded as an intangible asset.
Project managers/contractors	Yes	<ul style="list-style-type: none"> • As required to carry out the creation/enhancement of an asset

Below are some examples of expenditure, explaining why they will not qualify as capital spend:

Project type	Is it capital expenditure?	Reason
Repairs to boiler after breakdown	No	<ul style="list-style-type: none"> • Repairs only maintain the asset • yes, if the project is purchasing a new boiler or replacing with a more energy efficient model
Replacing roof tiles	No	<ul style="list-style-type: none"> • Repairs only maintain the asset • yes, if a whole new roof which will extend the use of the building and can improve the building's energy efficiency
Signage	Yes	<ul style="list-style-type: none"> • If internal signs for the building such as, 'fire exit' or a 'no smoking' then no • If the signage is there to promote the use the building (directions to the building) then it can be supported
General ground or building maintenance (includes painting and decorating)	No	<ul style="list-style-type: none"> • Only maintains the asset • yes, if part of a new build or large scale refurbishment
Funding training classes	No	<ul style="list-style-type: none"> • No asset is being created