

CIPFA FAN Training and Development

Practitioners Guide to Local Authority Capital Accounting

09.30 - 10.00 **Registration Period**

10.00 - 10.10 **Introduction and Housekeeping**

10.10 - 11.20 **What is Capital Expenditure?**

The opening session of the day summarises the qualification routes for capital expenditure and discusses some of the technical arguments in relation to typical 'grey areas' where professional judgement is often required. This includes topics such as Cloud computing, staff recharges, demolition costs and incremental costs linked to capital projects. The session also covers the main journal entries where expenditure is capitalised under statute, along with the practical application of de minimis thresholds for capitalisation.

11.20 - 11.35 **Comfort Break**

11.35 - 12.40 **Capital Planning and the Prudential Framework**

This session explores the Prudential Framework and the role of prudential indicators to demonstrate compliance with the framework's key principles. It explores the calculations and supporting processes for the various capital and treasury management indicators, the linkages between them, and reviews the requirements for and role of the Capital Strategy.

12.40 - 13.25 **Lunch Break**

13.25 - 14.25 **Capital Financing in Practice**

This session explores the various options for financing capital expenditure and the related accounting requirements. It also discusses the mechanics of the Capital Financing Requirement (CFR) and the options for ensuring the statutory requirements to finance it are met. The session also discusses the practical considerations for capital financing estimates and actuals and explores the mechanics of capital closedown through an exercise.

14.25 – 16.10

Capital Accounting Overview

The main accounting session of the workshop explores the interaction between 'proper accounting practice' and the basis of setting budgets and local taxation, and the mechanics of how those differences are presented in the financial statements.

The session reviews the various capital reserves and their role and explores the technical considerations in relation to accounting for assets and capital expenditure in a local authority context. Topics that are covered include:

- Fair Value and its application for local authority assets
- The accounting requirements for all key stages of an asset's life (including classification, valuation, depreciation and components, HRA considerations, asset derecognition and disposals)
- Accounting for capital grants, contributions and donated assets
- Changes in the 2025/26 Code that impact asset measurement

This session will include a comfort break.

16.10 – 16:25

Q&A Session

16.25 – 16:30

Summary and Close

Timings for individual sessions can vary however we will aim to finish no later than the scheduled closing time above.