

## **Appendix G – Flexible use of Capital Receipts Policy for 2024/25**

### 1. Introduction

- This policy outlines the criteria for the flexible use of capital receipts by Somerset Council for the financial year 2024/25.
- The policy is based on the guidelines provided by the UK government for the flexible use of capital receipts.
- The policy aims to ensure that the use of capital receipts is in line with the council's financial objectives and priorities.

### 2. Criteria for the Flexible Use of Capital Receipts

- Capital receipts can only be used for revenue expenditure if they are received within the timescales that authorities have a Flexible Receipts Strategy.
- Only receipts from Property, Plant, and Equipment (PPE) can be used where the authority ceases to have an interest in the asset.
- The authority must be able to demonstrate that ongoing savings are a result of the application of receipts.
- Discretionary redundancy payments cannot be funded from capital receipts, but statutory redundancy and pension strain payments are allowable.

### 3. Projects Which Meet the Criteria

- The costs of implementing Local Government Reorganisation Business Case approved by the Secretary of State meet the criteria.
- The projects with the Councils Transformation Programme which includes the 're-sizing' of the council, future workforce transformation, Childrens Service Transformation, Partnerships & Devolution and 'My Life, My Future'.

### 4. Conclusion

- This policy must be approved by Council and submitted to the Secretary of State.
- A revised strategy may be replaced by another during the year through the same approval process.