

Identifying Capital Expenditure for REPF grant purposes.

The Rural Fund supports the aims of the government’s Levelling Up White Paper and Future Farming Programme. It funds capital projects for small businesses and community infrastructure. This will help to improve the productivity and strengthen the rural economy and rural communities.

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.

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 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
Purchase of land/building	Yes	<ul style="list-style-type: none"> Acquisition of an asset, which will provide a long term benefit
Building conversion	Yes	<ul style="list-style-type: none"> Enhancement of an existing asset
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
Sports equipment	Yes	<ul style="list-style-type: none"> If the project covers a whole new set of equipment and not singular items

New white goods	Yes	<ul style="list-style-type: none"> • If the project is for a complete refurbishment of an asset, new white goods can be included. • Enhances the current asset
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.
Electric vehicles	Yes	<ul style="list-style-type: none"> • Purpose of improved energy efficiency • Creation of a new 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	No	<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