

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 17 FEBRUARY 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **MINIMUM REVENUE PROVISION – 2015/16 POLICY**

1.00 PURPOSE OF REPORT

1.01 To present to Council the recommendations of the Cabinet in relation to the setting of a prudent Minimum Revenue Provision for the repayment of debt.

2.00 BACKGROUND

2.01 At its meeting of 17th February 2015, Cabinet considered the Corporate Finance Manager's report in respect of the calculation of Minimum Revenue Provision for 2015/16.

2.02 The report of 17th February 2015 detailed the requirements and associated guidance in respect of:-

- The four available options for making prudent provision.
- The circumstances for using the options, two of which are available in respect of capital expenditure funded by way of Welsh Government supported borrowing and a further two in respect of that funded by unsupported (prudential) borrowing.

3.00 CONSIDERATIONS

3.01 The recommendations of Cabinet to County Council are set out in Section 4.00 of the report to Cabinet of 17th February 2015, a copy of which is included as Appendix 1 to this report.

4.00 RECOMMENDATIONS

4.01 In relation to the Council Fund, Council is requested to agree the recommendations of the Cabinet, being that:-

- Option1 (Regulatory Method) be used for the calculation of the Minimum Revenue Provision in 2015/16 for all supported borrowing.

- Option 3 (Asset Life Method) be used for the calculation of the Minimum Revenue Provision in 2015/16 for all unsupported (prudential) borrowing.

4.02 In relation to the Housing Revenue Account (HRA), Council is requested to agree the recommendations of the Cabinet, being that:-

- Option 2 (Capital Financing Requirement Method) be used for the calculation of the HRA's Minimum Revenue Provision for all HRA capital expenditure funded by debt. This represents a continuation of how the calculation has been carried out in 2014/15, although the governing regulations have changed for 2015/16.

5.00 FINANCIAL IMPLICATIONS

5.01 The 2015/16 revenue budget provides for the Minimum Revenue Provision as follows:

- Council Fund capital expenditure funded by supported borrowing, on the basis of Option 1 - Regulatory Method calculation.
- Council Fund capital expenditure funded by unsupported (prudential) borrowing, on the basis of Option 3 – Asset Life Method calculation.
- HRA capital expenditure funded by borrowing, on the basis of Option 2 - Capital Financing Requirement Method calculation.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None required.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

Appendix 1 - Report to Cabinet 17th February 2015: Minimum Revenue Provision 2015/16 Policy

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Various Welsh Government papers.

Contact Officer: Liz Thomas
Finance Manager – Technical Accountancy
Telephone: 01352 702289
Email: liz.thomas@flintshire.gov.uk