

FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Tuesday, 16 th February 2016
Report Subject	Minimum Revenue Provision - 2016/17 Policy
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

This report seeks Council approval in setting the annual policy for prudent Minimum Revenue Provision for the repayment of debt.

At its meeting on 16th February, 2016 Cabinet considered and approved a detailed report from the Corporate Finance Manager in respect of the setting of a prudent Minimum Revenue Provision for the repayment of debt, which is included at Appendix 1. Any comments from the Cabinet will be reported verbally.

RECOMMENDATIONS

1	<p>That Members approve for Council Fund (CF):-</p> <ul style="list-style-type: none"> Option 1 (Regulatory Method) be used for the calculation of the MRP in 2016/17 for all capital expenditure funded from supported borrowing; this represents a continuation of the approved and adopted policy for 2015/16. Option 3 (Asset Life Method) be used for the calculation of the MRP in 2016/17 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangements; this represents a continuation of the approved and adopted policy for 2015/16.
2	<p>That members approve for Housing Revenue Account (HRA):-</p> <ul style="list-style-type: none"> Option 2 (Capital Financing Requirement Method) be used for the calculation of the HRA's MRP in 2016/17 for all capital expenditure funded by debt; this represents a continuation of the approved and adopted policy for 2015/16.

REPORT DETAILS

1.00	EXPLAINING THE MINIMUM REVENUE PROVISION
1.01	<p>Local Authorities are required each year, under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 ('the 2008 Regulations'), to set aside some of their revenue resources as provision for the repayment of debt.</p> <p>Regulation 22 of the 2008 Regulations requires an authority to each year make an amount of Minimum Revenue Provision (MRP) which it considers to be 'prudent', though the regulation itself does not define 'prudent provision'.</p> <p>Welsh Government (WG) has provided guidance which makes recommendations to authorities on the interpretation of the term, this guidance was last updated in April 2010.</p> <p>Authorities are required to prepare an annual statement of their policy on making MRP.</p> <p>Further detail is provided in the attached report to Cabinet (Appendix 1).</p>
2.00	RESOURCE IMPLICATIONS
2.01	As per the attached report (Appendix 1).
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	As per the attached report (Appendix 1).
4.00	RISK MANAGEMENT
4.01	As per the attached report (Appendix 1).
5.00	APPENDICES
5.01	Appendix 1 - Report to Cabinet 16 th February, 2016 - Minimum Revenue Provision - 2016/17 Policy.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Liz Thomas, Finance Manager, Technical Accountancy Telephone: (01352) 702289 E-mail: liz.thomas@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	As per the attached report (Appendix 1).