

Statement of Policy on making Minimum Revenue Provision

Minimum Revenue Provision for the year 2021/22 and 2022/23 -

Unsupported borrowing: The Council's policy for MRP is to calculate the amount to be charged to the Income and Expenditure Account by applying the following methods:

Prudential Code debt incurred prior to 1 April 2008 - the Council will calculate MRP by applying 4% to the apportionment of the value attributed to each financial year's opening CFR in relation to such capital expenditure.

Prudential Code debt incurred in the year 2008/09 - the Council will calculate the amounts for MRP by applying 2% to the apportionment of the value attributed to each financial year's opening CFR in relation to such capital expenditure where the item purchased/built is expected to have a life of 50 years or more.

Prudential Code debt incurred in the year 2009/10 and onwards in relation to income generating property acquisitions - the Council will calculate the amounts for MRP by applying an annuity formula incorporating a long-term borrowing rate commensurate in duration to the estimated life of the item purchased/built to the apportionment of the value attributed to each financial year's opening CFR in relation to such income generating capital expenditure where the item purchased/built is expected to have a life of up to 50 years or more.

Prudential Code debt incurred in the year 2009/10 and onwards in relation to other non-income generating capital expenditure - the Council will calculate the amounts for MRP by applying a linear percentage akin to the estimated life duration of the item purchased/contributed/built to the apportionment of the value attributed to each financial year's opening CFR in relation to such capital expenditure where the item purchased/contributed/built is expected to have a life of up to 50 years or more.

Prudential Code debt incurred in relation to Housing Development generating capital expenditure - the Council will calculate the amounts for MRP by matching debt repayment percentage to the annual income generated in the business plan of each individual scheme, or the period of up to 50 years, or in full in the year that the asset is disposed.

It is normal and accepted practice in relation to amounts borrowed by reference to the Prudential Code, for the Council to calculate MRP in the year that follows the year of the capital expenditure.

Minimum Revenue Provision - for the year 2020/21 & 2021/22 -

Supported borrowing: No circumstances relating to supported borrowing exist for the Council at the current time. Should the situation arise the Council would apply annual MRP charge set at 4% of the CFR at the end of the preceding financial year.

All of the above elements are subject to further regard of regulatory amendments where applicable. This policy presents a prudent and robust approach to the Council's duty to calculate and make charges for MRP.