

# APPENDIX A

## MINIMUM REVENUE PROVISION POLICY STATEMENT 2024-25

The annual Minimum Revenue Provision Statement needs to be approved by Council before the start of each financial year. The MRP charges for 2024-25 will be on the following bases:

- i. Capital expenditure incurred before 1 April 2008 and any capital expenditure after 1 April 2008 that is government supported will be based on the Capital Financing Requirement on an annuity basis over 45 years.
- ii. The Council has previously recognised one significant asset. MRP will be charged on an annuity basis over the remaining asset life.
- iii. For unsupported capital expenditure, exercised under the Prudential Code, the MRP charge will be based on an annuity basis over the remaining asset life. The rate used in the annuity calculation will be based on the PWLB certainty rate for a loan equal to the asset life. For historical expenditure the rate will be as at the time of the policy change. The first charge can be delayed until the year after the asset is operational at the discretion of the Section 151 Officer.
- iv. For assets funded via Salex loans, MRP will be charged equal to the schedule of repayment of the loan.
- v. For assets reclassified as finance leases under International Financial Reporting Standards (IFRS) or resulting from a Private Finance Initiative, the MRP charge will be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability for the year.
- vi. Where loans are made to other bodies for their capital expenditure with an obligation for the bodies to repay, no MRP will be charged. The capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead. Where loans do not have an annual repayment MRP may be required or may be waived where capital receipts are expected within a prudent period.
- vii. MRP may be waived on expenditure recoverable within a prudent period of time through capital receipts (e.g. land purchases) or deferred to when the benefits from investment are scheduled to begin or when confirmed external grant payments towards that expenditure are expected.

The MRP Charge 2024-25 based on the estimated capital financing requirement is detailed below:

	Options	Estimated Capital Financing Requirement 31/03/24 £m	2024-25 Estimated MRP £m
Capital expenditure before 01/02/2008 and any after 01/04/2008 that does not result in a significant asset (Supported)	(i)	128.831	0.933
Supported capital expenditure – significant asset.	(ii)	2.631	0.083
Unsupported capital expenditure, exercised under the Prudential Code (Unsupported)		31.156	1.821
PFI, Finance Leases and other arrangements	(v)	12.974	1.001
<b>TOTAL COUNCIL FUND</b>		<b>175.592</b>	<b>3.838</b>