

Annual Minimum Revenue Provision (MRP) Statement

Statutory guidance issued by the government in February 2008 requires the council to prepare an annual statement regarding the amount of debt that will be repaid in the following year.

The following statement is recommended for approval for 2017/18:

For 2017/18 the following provision will be made in the revenue account:

- For all debt where the government has provided revenue support (supported capital expenditure), the council will provide MRP at a rate of 2% on a straight line basis, excluding any Housing Revenue Account (HRA) debt.
- For debt where the government provides no revenue support:
 - Where the debt relates to an asset, the council will set aside a sum equivalent to repaying debt over the life of that asset either in equal annual instalments or on an annuity basis, the method determined as the most financially beneficial to the council over the life of the asset;
 - Where the debt relates to expenditure which is subject to a capitalisation direction issued by the Government the council will set aside a sum equivalent to repaying debt over a period consistent with the nature of the expenditure under the annuity basis;
 - In the case of assets under construction, MRP will be delayed until the relevant asset becomes operational;
 - Where the debt relates to capital loans to a third party, the council will make MRP payments consistent with the repayment of loan instalments from the third party.
- In the case of finance leases and on-balance sheet PFI contracts the MRP requirement will be regarded as met by a charge equal to the element of the lease payment or unitary charge that is applied to write down the balance sheet liability in the year.

