

Report on	Minimum Revenue Provision Policy
Date of Meeting	Monday 1 st March 2021
Reporting Officer	Director of Finance
Contact Officer	Director of Finance

Is this report restricted for confidential business? If 'Yes', confirm below the exempt information category relied upon	Yes	<input type="checkbox"/>
	No	<input checked="" type="checkbox"/>

1.0	Purpose of Report
1.1	To provide Members with an update in relation to Council's 2021/22 Minimum Revenue Provision Policy.
2.0	Background
2.1	Members will recall that Council considered and adopted a Minimum Revenue Provision (MRP) Policy as part of the process of striking its Rate for the financial year 2020/21.
2.2	<p>This report is prepared to facilitate Council's duty under Regulation 6 of the Local Government (Capital Accounting and Finance) Regulations (Northern Ireland) 2011 which states:</p> <p>"During the financial year beginning on 1st April 2012 and every subsequent financial year, a council shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent and—</p> <p>(a) shall charge to the general fund that minimum revenue provision for that financial year; and</p> <p>(b) may charge to the general fund any amount in addition to that minimum revenue provision,</p> <p>in respect of the financing of capital expenditure incurred by the council in that year or in any financial year prior to that year."</p>
3.0	Main Report
3.1	Council previously adopted a MRP policy in 2020/21 which confirmed the basis of calculating MRP for inclusion in the Rate estimates.
3.2	Prior to striking the 2016/17 Rate, the officers, having reflected on the adequacy and appropriateness of its original (2015/16) policy which specifically calculated the estimated useful lives of relevant asset categories, e.g.

	<ul style="list-style-type: none"> • Land and buildings – 25 years • Vehicles – 8 years • ICT – 5 years • Assets under construction – not applicable, <p>considered that the policy should also allow Council to match its MRP with associated loan principal repayment schedules where it is deemed appropriate.</p>
3.3	Council accepted the officers' recommendation to amend the 2015/16 MRP Policy prior to striking the 2016/17 Rate. This amended MRP Policy was reconfirmed by Council prior to striking the Rate in subsequent years.
3.4	The officers would remind Members that, due to the forthcoming introduction of IFRS 16 – Leases which will now be effective for the 2022/23 accounting period, it amended its MRP policy in 2020/21 to include provision that MRP charges for leases will be calculated as being equal to the relevant lease payment in that year.
3.5	As the officers continue to be satisfied that the amendment to the 2020/21 MRP policy is sufficient to enable Council to fund its capital programme on a consistent and prudent basis, they therefore recommend that the 2021/22 MRP Policy replicate the Council's current (2020/21) MRP Policy.
3.6	The draft proposed Rate estimates have been prepared on the basis of this recommendation.
4.0	Other Considerations
4.1	Financial, Human Resources & Risk Implications
	Financial: See above
	Human: N/A
	Risk Management: N/A
4.2	Screening & Impact Assessments
	Equality & Good Relations Implications: N/A
	Rural Needs Implications: N/A
5.0	Recommendation(s)
5.1	That Council notes the recommendation of the Policy & Resources Committee at its January 2021 meeting and confirms its existing MRP policy as being appropriate for the financial year 2021/22.

6.0	Documents Attached & References
6.1	N/A