

Title of Report:	Rates Estimates
Report Submitted To:	Rates Strike Council Meeting
Date of Meeting:	25 February 2021
For Decision or For Information	For decision

Linkage to Council Strategy (2019-23)	
Strategic Theme	All themes
Outcome	The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways
Lead Officer	Chief Executive

Budgetary Considerations	
Cost of Proposal	Annual Estimates
Included in Current Year Estimates	YES/NO
Capital/Revenue	
Code	
Staffing Costs	Finance Staff time

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

1.1 The purpose of this report is to inform the rates setting process for 2021/22. The paper sets out the estimated impact of the larger known high level influences on the rates and offers proposals to reduce the setting of the rate for 2021/22 to an acceptable figure. Presently there are three important issues:

- The extent to which local government may be compensated for Covid-19 related income losses in financial year 2021/2022;
- The extent to which businesses will be supported or rates income underwritten in financial year 2021/2022;
- The ability to decouple the domestic and non-domestic Rates.

1.2 At this stage it appears that the Department for Communities will compensate Councils for income losses during financial year 2021/2022 through a prepaid grant and the rates holiday for businesses will be extended for 6 months into the next financial year. Stormont has indicated that the regional rate will be frozen next year although it should be noted that this only comprises approximately five percent of their budget income.

1.3 The attached spreadsheet report shows a rates pressure of **2.49%**, subject to Members agreeing to the proposed Directorate savings, and prepaid appropriations (*reserve allocation*) of £761,838.

2.0 Headline pressures on the Rates

2.1 In considering the first draft of the rates there are a number of significant high level pressures which must be included:

2.2 **Wages and Salaries.** Wages and salary costs are estimated to increase by 2% for a pay award. This takes into account the recent announcement by the Chancellor of the Exchequer regarding a pay freeze for the public sector, although local government is not obliged to follow that direction. Salaries are agreed at a national level. Last year a 2.75% increase was agreed with Council having provided for 2% in the estimates. Therefore this draft allows for the additional backdated increase of 0.75%; presently other Councils are estimating between 0% and 3% for the pay award.

2.3 **Insurance.** Insurance costs have risen in recent years and with the continued uncertainty around EU Exit coupled with a new tender for insurance services the insurance budget has been increased to approximately £1.3m, up from approximately £940k in the current financial year.

2.4 **Waste Contracts.** The budget for our waste contract has been increased by approximately £1.2m taking into account a combination of increased waste tonnages and rates.

2.5 **Planning income.** This has been reduced by £241k reflecting the reduction in service income during the past year; in particular the lack of large scale applications.

3.0 **Other Factors**

3.1 Presently the Actual Penny Product (APP) is forecast to provide a benefit of c£635k. Domestic properties in the rating system have been showing strong growth in this past year; offsetting losses in the business sector. This figure has been reduced due evaluation appeals by NI Railways Network (£117k) and Community Rescue Services (£47k).

3.2 The year-end budgetary position for March 2021 is forecast to be c.£6.1 million.

4.0 **Proposals to reduce the rates increase.** (As detailed in the rates booklet).
The following is a summary of proposed headline cost savings, further detail is included at **Appendix 1:**

• Hook Loader Kit purchase to remove hire costs:	26,000
• Caravan park 5% VAT benefit:	287,827
• Reduced Hire of 9 RCV's	234,000
• Training:	55,000
• Route optimisation	101,738
• Travel costs	50,543
• Catering	30,000
• Advertising costs:	30,000

The following prepaid appropriations (*reserves allocations*) are proposed, removing expenditure cost:

• Elections reserve (<i>for 3 years</i>)	84,000 per year
• Provision for Discount Rate Reserve (<i>for 3 years</i>)	192,971 per year
• Landfill regulation (<i>for 3 years</i>)	145,423 per year
• Sinking Fund (<i>for 2 years</i>)	304,444 per year
• Area plan (<i>for 3 years</i>)	35,000 per year
Total:	£761,838

Other suggested reserve allocations without impact on the rates:

• Provision against future Covid-19 related losses:	1,500,000
• HALP investment fund	300,000
• Special Covid recovery events:	150,000
• Reorganisation reserve:	200,000
• Repairs and maintenance reserve:	500,000
• Increase in general fund (based on £6.1m year-end):	778,701

5.0 **Recommendation**

It is recommended that Council strikes a rate of **2.49 percent**.

Appendix 1

In summary the budget for Environmental Services has increased by £1,720K from £22.784M in 2020/21 to £24.504M in 2021/22, split between the following service areas.

This ES position was achieved during a 2 stage process.

Stage 1 (First Cut) – 10 December 2020. Estimated increase £2.665m.

ZZB Draft Estimates			
10 December 2020 - 10.39%			
Head of Service Description	2020/21 Annual Budget	21/22 Estimated Budget	Difference 21/22 v's 20/21
Estates	3,546,199	3,734,428	188,229
Health and Built Environment	2,070,403	2,143,171	72,768
Infrastructure	(1,067,307)	(386,510)	680,797
Operations	17,531,162	19,244,110	1,712,948
ES Business Support	576,200	581,024	4,824
Environmental Services CM	127,037	132,925.75	5,889
	22,783,694	25,449,148	2,665,454

The increases at this first cut made the following assumptions.

- Increased Employee Costs - £835k made up of 0.75% for those earning >£24k and 1.75% for those earning < £24k. Increase also included 10No. Estates staff to complete outstanding building maintenance works. There still remains 11 gapped posts compared to agreed structure. £165k for project officers' salaries which cannot be capitalised in 20/21.
- Increased Waste Costs (tonnage and price/t) - £1,290k
- Increased Insurance Costs - £125k – Initially assumed 20% increase.
- Increased utility cost (oil, gas, electricity – 1% increase based on 19/20 actuals.
- Increase on rates of 6% - £52k.
- Predicted income loss based on COVID-19 continued impact - £714k
 - Car Park Income reduction - £375k
 - Loss of 3rd party waste to landfill - £310k
 - Building Control and Licencing Fee reduction - £29k

Stage 2 (Second Cut) – 11 February 2021. Estimated increase £1.720m

ZZB Draft Estimates			
11 February 2021 - 2.65%			
Head of Service Description	2020/21 Annual Budget	21/22 Estimated Budget	Difference 21/22 v's 20/21
Estates	3,546,199	3,634,788	88,589
Health and Built Environment	2,070,403	2,052,693	(17,709)
Infrastructure	(1,067,307)	(801,443)	265,863
Operations	17,531,162	18,895,385	1,364,223
ES Business Support	576,200	587,687	11,487
Environmental Services CM	127,037	134,407	7,370
	22,783,694	24,503,517	1,719,823

- Increased Employee Costs - £869.5k made up of 2% increase. Plus additional costs as per 1st cut.
- Increased Waste Costs (tonnage and price/t) - £918k – As per Waste Tonnage Spreadsheet.
- Increased Insurance Costs - £197k
- Reduced hire of RCV due to the purchase of 9No. RCV's - £234k
- Income receipts lost income £310–based on loss of 3rd party waste at Craighulliar landfill. All other incomes have remained static based on the assumption that loss of income will be covered by Central Government COVID-19 grant aid.

Summary

The main decrease in variance for ES between Stage1 & 2 (£2,665,454 v's £1,719,823 = £945,631) are

- Waste Contract tonnage amended – (-£364k)
- Income Loss reduction – (-£393k)
- Reduced Hire of 9 RCV's – (-£234k)
- Increase in Insurance – (+£72k)
- Route Optimisation – (-£102k)

Leisure & Development

1. Following a ZBB process, the additional financial pressures / changes on the 20/21 Budget (£10,332,290) are:

- Increased Insurance Costs - £96,786
- Increased regeneration projects - £144,154
- Rates initially assumed increase of 6% - £70,369
- Maintenance Costs increase - £81,996
- Mileage/travel reduced by £64,935
- Salaries, Wages & agency costs reduced by £562,593, made up of reductions mainly for agency staff in sport and wellbeing £1m, removal of peace IV payroll costs offset with increases due to the pay increase and the filling of vacant posts.
- Supplies and services expenditure reduced by £1,842,753 due to the removal of peace IV
- Grant income reduced by £2,452,001 due to peace iv, RDP and Everybody Active projects ceasing.
- Customer receipts lost income £1,669,764 – initial assumption that 20/21 budgets would be significantly reduced and there may be no government funding.

Consequently the first-cut of the Budget for 21/22 is £12,349,148.

2. A second stage process resulted in the following reductions:
- Assuming that Central Government will compensate for the majority of loss of income reinstated customer receipts budget by £1,336,376.
 - Adjusted variable staff costs to align with expected service in Sport, Wellbeing and Cultural Facilities as income budget has been reinstated to a “normal year”, therefore opening hours reinstated leading to an increase in salary and wages costs of £402,712.
 - Reduced regeneration projects by £94,154.
 - Reduction in supplies and services of £242,645 including tourism events grants of £160,450 and associated costs with NW 200 £21,170.
 - Review of premises costs further savings identified in repairs, renewals and estates costs of £237,745.

Second Cut of the Budget for 21/22: £10,840,939.

3. A third stage process was applied to apply further net reductions and refine previous calculations:
- Overall in Holiday and leisure parks increase of income of £313,592 which includes the Caravan Site VAT benefit of £287,827.
 - Reduced in discretionary spend in areas such as training £9,471, travel £14,515, advertising £25,428 and catering £23,237.
 - Increase salary costs of £9,755 previously omitted.

Final Cut of the L&D Budget for 21/22 is £10,462,220.

Corporate Services

In summary the budget for Corporate Services has increased by £349K from £4.559 M in 2020/21 to £4.908 M in 2021/22, split between the following service areas.

	<u>Budget 21/22</u>	<u>Budget 20/21</u>	<u>21/22 v 20/21</u>
1. Democratic Services	1,631,602.31	1,618,580.00	13,022.31
2. Land and Property	144,287.00	131,586.00	12,701.00
3. Human Resources	1,062,715.26	973,295.78	89,419.48
4. ICT and Business Continuity	1,224,473.14	1,133,183.00	91,290.14
5. Policy & Community Planning	349,677.00	308,127.00	41,550.00
6. Contributions to Other Bodies	142,192.00	117,310.00	24,882.00
7. Internal Audit	126,806.00	83,627.00	43,179.00
8. Centrally Managed	226,722.62	193,782.65	32,940.00
TOTAL	4,908,475.33	4,559,491.43	348,983.90

Detail Breakdown on Increase

Employee Related Expenditure	£231,052 (includes savings of £41K L&D)
Premises	£40.00
Transport	£-13,677 (Travel and mileage savings)
Supplies and Services*	£-59,404 (Treatment of Election costs)
3 rd Party Payments*	£61,882
Support Services *	£70,632 (£14k savings across various codes)
Income	£19,828
Client Receipts	£38,631
Total	£348,984

(*Coding realignment between these areas)

The following narrative provides details of both the increases in expenditure and savings achieved resulting in an overall £349K increase. During this exercise coding between and within codes was further refined.

Increases in Expenditure

1. Employee Expenses – Increase of £231K.

- Salaries and Wages – Increase £231K – includes an additional post of c£40k in Audit, Risk and Governance. It also allows for 2% increase on S&W and incremental point increases where applicable. The current Full Time Equivalent staffing numbers in Corporate Directorate is 53.
- In ODHR, Training and Development Budget has been decreased by £41K, with Occupational Health Costs – increase by £14,200, Job Evaluation Costs – increase by £10K, Job Advertising Costs - £10K.
- There is a statutory requirement for a Data Protection Officer (c£40K) This has not been allowed for within these Estimates 2021/22. “Under Article 37(1) of the new GDPR regime a public authority is required to designate someone to take responsibility for data protection compliance and act as a “Data Protection Officer”. It is a statutory post with a range of statutory obligations attached to it”.

2. Transport Related Costs

Reduction of £13.7 from budget 2020/21 to 2021/22, re travel and mileage.

3. Supplies and Services

Elections Expenses Provision (£100K p/a) will now be treated as an Appropriation and therefore appears as a saving this year in the Estimates. (Distributing reserves against future charges, building up to ensure there is sufficient funds in the account to pay for the next Election, so instead of including within the Rates, fund from reserves) The increase in ICT Licensing of £64K, other savings in some codes and coding refinements, offsets the overall decrease to £59K.

4. 3rd Party Payments

Increase in Contributions to other bodies, NI Ombudsman c£20K and Knockagh Monument £2K

5. Support Services – Increase of £70K

Increase in Insurance £66K, Valuation/Registration Fees in Land and Property £5K, Legal Fees in ODHR £20K, offset by savings and budget realignment £15K.

6. Income/Client Receipts

Reduction of £58K, due to amounts previously budgeted for not realised.

Title of Report:	Report by the Chief Financial Officer on the 2021/22 estimates
Committee Report Submitted To:	Council
Date of Meeting:	25 February 2021
For Decision or For Information	

Linkage to Council Strategy (2019-23)	
Strategic Theme	All themes
Outcome	The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways
Lead Officer	Chief Financial Officer

Budgetary Considerations	
Cost of Proposal	Annual Estimates
Included in Current Year Estimates	YES/NO
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Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
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1.0 Purpose of the report

1.1 To provide Members with an update in relation to the robustness of the 2021/22 Rate estimates.

2.0 Background

2.1 This report is prepared to facilitate Council's duty under Section 4 of the Local Government Finance Act (Northern Ireland) 2011 which states:

(1) The chief financial officer of a council shall submit to the council a report on the robustness of the estimates.

(2) A council shall have regard to that report when considering the estimates under section 3(2)(a).

(3) In this section "the estimates" means the estimates submitted to the council under section 3(1).

3.0 Report of the Chief Finance Officer on the 2021/22 estimates

3.1 The 2021/22 Rate estimates have been prepared, in so far as possible, on a zero-base basis. This is generally accepted as a more robust method of preparing budgets than the more usual practice of incremental based budgeting.

3.2 The amounts included within the Rate estimates have been prepared based on extensive discussions with the relevant Directors and associated budget holders and have regard to the officers' best estimates of known financial pressures and the resource requirements of continuing to deliver Council services in 2021/22.

3.3 The recommended rate estimates expressly provide for the:

- Annual pay award of 1.25% in addition to the shortfall of 0.75% in the previous estimates where an award of 2% was provided for but the eventual award was 2.75%;
- Increased waste management costs of approximately £1.3m
- Increased insurance costs of approximately £360k
- One-off events costing £150k
- Capital financing costs of approximately £8.8m

3.4 Uncertainties

3.4.1 As in all budget estimate processes, senior officers have utilised their professional judgment where appropriate and had regard to market forces in so far as it has been practicable to do so.

3.4.2 The estimation of future financial requirements has also had regard to the projected financial outturn in 2017/18 and the desire to utilise prior period

surpluses, where possible, to deliver outcomes in the Borough as agreed with Council.

- 3.4.3 Members should note that the proposed estimates have been prepared on the basis of assumptions and information provided to Council by third parties such as the Department for Communities and Land and Property Services previously notified to the Council.
- 3.4.4 Members will be aware of the continuing uncertainty surrounding the quantum of Rate Support Grant (RSG) which will ultimately be allocated to Council. As RSG typically funds approximately 4% of Council's net cost of services, a shortfall in RSG received (compared to budget) will have the potential to significantly impact on Council's ability to finance its services in 2021/22. In addition to the uncertainty around the total RSG available to all receiving Councils, the allocation to be received by this Council is projected to fall to 13.3% from 13.65%, this being a further reduction from 16.2% in 2019/20.
- 3.4.5 The on-going situation with regards the worldwide COVID pandemic continues to disrupt all facets of daily life including the local economy. It is too early to be able to project the long-term effects this will have but the potential remains high for a longer-term adverse effect on the local economy and consequently the non-domestic rates base in this Borough. These effects will be offset by continuing Central Government support in 2021/22 but beyond that Council will need to have regard for the aftereffects of the pandemic.

4.0 Conclusion

- 4.1 Subject to the uncertainty surrounding RSG and the ongoing pandemic and on the assumption that Council approves rate estimates which make provision for the cost pressures as set out in 3.3 above I am satisfied that the recommended rate estimates as presented are sufficiently robust to allow Council to deliver all its services in 2021/22.

Title of Report:	Report by the Chief Financial Officer on the reserves
Committee Report Submitted To:	Council
Date of Meeting:	25 February 2021
For Decision or For Information	

Linkage to Council Strategy (2019-23)	
Strategic Theme	All themes
Outcome	The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways
Lead Officer	Chief Financial Officer

Budgetary Considerations	
Cost of Proposal	Annual Estimates
Included in Current Year Estimates	YES/NO
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	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose

- 1.1 To provide Members with an update in relation to the adequacy of Council's projected reserves for 2021/22.

2.0 Background

- 2.1 This report is prepared to facilitate Council's duty under Section 6 of the Local Government Finance Act (Northern Ireland) 2011 which states:

(1) Regulations may make provision requiring a council to maintain financial reserves in accordance with the regulations.

(2) The chief financial officer of a council shall submit to the council a report on the adequacy of any proposed financial reserves for a financial year.

(3) A council shall have regard to that report when considering the estimates for that year under section 3(2)(a).

3.0 Main report

- 3.1 At 31st March 2020 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £3.770m (2019 - £3.762m) equating to 5.85% (2019 – 6.19%) of the Net Operating Expenditure.

- 3.2 Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£3.217m and £4.825m) of the Net Operating Expenditure.

- 3.3 Although the 2020/21 financial outturn is not yet known, the officers estimate that when the financial commitments that the 2020/21 Rate income was intended to fund are accounted for, Council's General Fund Balance will be increased after taking into account Council's decision to create a COVID cost reserve of £1.5m. This will allow the level of the General Reserve to remain comfortably above the required minimum level of 5% of Net Operating Expenditure.

- 3.4 There continues to be cost pressures on Council revenue budgets but this will potentially be added to by income pressures as the Borough and it's economy recovers from the current pandemic. It is vital therefore that a rate estimate budget is approved that allows Council to at least maintain reserves at their current level.

- 3.5 In year forecasts of the Actual Penny Product for 2020/21 produced by Land & Property Services show a substantial positive outturn in the region of £701k.

- 3.6 After considering all the information above I am of the opinion that Council reserves will be adequate.

**Minimum Revenue Provision (MRP) Policy Statement
2021-2022**

Review Date: Jan '22

Minimum Revenue Provision (MRP) Policy Statement 2021-22

Background

Under regulation 6 of the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011, Councils now have a statutory requirement, to charge to its general fund, an amount of Minimum Revenue Provision (MRP) which it considers to be “prudent”. This replaced the previous requirement whereby the revenue charge was broadly equivalent to the amount of loans and leasing principal paid in any one year.

The regulations also state that authorities are required to prepare an annual statement of their policy on making MRP for approval by Council. This report sets out Council’s policy for 2021/22.

What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which provide future service potential and have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. Financing of these assets can come from a variety of sources, such as Grants, Capital Receipts and Borrowing. In order to account for the repayment of the councils borrowing, irrespective of when the timing of loan receipts and payments might take place, the council will be making an annual prudent provision for repayment of debt through a charge to the General Fund referred to as Minimum Revenue Provision (MRP).

The Regulation does not define a ‘prudent provision’. However, the Department of the Environment (DoE) has issued guidance which makes recommendations to authorities on the interpretation of that term. The guidance came into effect on 1 April 2012.

The Annual MRP Statement

Councils are required to prepare an annual statement of their policy on making MRP for submission to their full Council by the prescribed date of 15 February (1 March for 2021) each year (or by the date the Rates are set). This mirrors other requirements in the Finance Act to report on the Councils Prudential borrowing limit and investment policy. The aim is to give elected members the opportunity to scrutinise the proposed use of the freedoms conferred under the regulations.

This statement indicates how it is proposed to discharge the duty to make prudent MRP in the financial year in question. If it is ever proposed to vary the terms of the original statement during any year, a revised statement will be put to Council at that time.

The Department for Communities (DfC) guidance includes specific examples of options for making a prudent provision. The aim of this is to ensure that the Provision for the borrowing which financed the acquisition/construction of an asset is made over a period that is reasonably commensurate to the useful life of that asset. Detailed below is a brief summary of each option.

Option 1 – Asset Life Method

The Asset Life Method is to make prudent provision over the estimated life of the asset for which the borrowing is undertaken. The MRP can be calculated using either an Equal Instalment Method or Annuity Method. The Asset Life Methods, as described below, are generally viewed as being easier to apply. Under both variations, councils may in any year make additional voluntary revenue provision, in which case an appropriate reduction is made in later years' levels of MRP.

(a) Equal Instalment Method

MRP is the amount given by the following formula:

$$\frac{A - B}{C}$$

Where:

A is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements

B is the total provision made before the current financial year in respect of that expenditure

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

(b) Annuity Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements. The council should use an appropriate interest rate to calculate this amount. Adjustments to the calculation to take account of repayment by other methods during the repayment period (e.g. by the application of capital receipts) should be made as necessary.

Option 2 – Depreciation Method

This option means making MRP in accordance with the standard rules for depreciation accounting.

MRP Commencement

Under both options the estimated life of the asset should be determined in the year that MRP commences and not subsequently be revised. If no life can be reasonably attributed to an asset, such as freehold land, the life should be taken to be a maximum of 50 years.

Provision for debt will normally commence in the financial year following the one in which the expenditure is incurred. However, under Option 1 the council may treat the asset life as commencing in the year in which the asset first becomes operational. It may postpone beginning to make MRP until the financial year following the one in which the asset becomes operational. In the case of major projects this could be perhaps two or three years, possibly longer. There would be a similar effect under Option 2 using the normal depreciation rules.

Existing Borrowing and Transitional Arrangements

Under the preceding arrangements, Councils charged to their general fund an amount which was broadly equivalent to the amount of loans and leasing principal paid in any one year. The new guidelines do not provide any examples on how Councils should account for their existing debt under the new Finance Act. The only duty is “to charge to its general fund an amount of MRP which it considers prudent”.

Councils’ Financial Statements for 2011/12 included a charge to the general fund in respect of loans and leasing principal for that year. It would be prudent to use this as the starting point regarding the provision for borrowing before the introduction of MRP. This will be referred to as “pre MRP Debt” for MRP purposes.

The legislative requirement to make a prudent provision came into effect from 1 April 2012. In order to properly account for these arrangements whilst dealing with capital financing existing at that date, the Council has put in place transitional arrangements outside of the two examples given by DfC in their guidance. These transitional arrangements provide for a full and prudent provision for existing borrowing requirements as at 31 March 2012 and are detailed in the policy statement below.

MRP Policy

Option 1, the Asset Life (Equal Instalment) Method will be used for capital expenditure incurred from 1 April 2012 which is financed by borrowings. Therefore the Minimum Revenue Provision Policy Statement for 2021/22 is as follows:

In accordance with the Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011 the Council's policy for the calculation of Minimum Revenue Provision in 2021/22 will be the Asset Life (Equal Instalment) method for borrowings following the introduction of MRP, loan principal on borrowings made before the introduction of MRP, and for finance leases the principal paid in 2021/22.

The adoption of this method will enable the Council to link the revenue charge to the flow of benefits received from the asset. It will also allow the Council to utilise the payments holiday while assets are under construction. This however could lead to a significant increase to MRP the year after a capital project comes into operation. It would therefore be prudent, particularly in respect of larger capital schemes, to make a full or voluntary contribution of MRP for assets under construction to avoid this.

Based on this policy an amount of £6,070,346 has been included in the Councils 2021/22 Estimates in respect of MRP, as follows: -

	2021/22 £
Forecasted Loans Principal Payment (on pre MRP debt)	3,676,273
MRP on Internal Borrowing (financing from own resources)	270,000
Voluntary extra provision	0
Prior Year Capital Expenditure funded from Borrowing	2,124,073
TOTAL	6,070,346
Interest costs on borrowings	2,703,861
TOTAL Cost for estimates	8,774,207

The policy will be reviewed on an annual basis.