

Revised MRP Policy

- a) For capital expenditure incurred before 1<sup>st</sup> April 2008 or which in the future will be supported capital expenditure<sup>1</sup>, existing practice, outlined in the former DCLG regulations will apply;
- b) For capital expenditure that relates to the assets transferred from HRA to GF-MRP will be based on the estimated useful life, but taking into account the number of years the assets have been in existence, and previous funding allocated to them;
- c) For all unsupported borrowing<sup>2</sup> incurred after 1<sup>st</sup> April 2008 the MRP policy will be the Asset Life Method (***with the exception of d below***), i.e. the MRP will be based on the estimated life of the asset and borrowing charged to the revenue account in equal instalments over the life of the asset.
- d) ***In respect of the Council's investments in a Directly Managed Property Fund under s25(b)/s25(d) of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council will make no MRP provision as it is anticipated the investment will be repaid in full. The investment and CFR position will be reviewed on at least an annual basis and if there is a likelihood of capital loss, a prudent MRP provision will commence.***

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<sup>1</sup> Supported Capital Expenditure means the total amount of capital expenditure which a local authority has been notified by Government will be given as part of the grant payment

<sup>2</sup> Unsupported borrowing is any borrowing not covered by Government grants.

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