

**Belfast City Council
Minimum Revenue Provision Policy Statement
February 2014**

1. Introduction

1.1 The Local Government (Capital Financing and Accounting) Regulations (NI) 2011 require Councils to determine an amount of minimum revenue provision (MRP) which it considers to be prudent. This provision will be charged to the general fund each year and will be in respect of the financing of capital expenditure incurred in current or prior years.

2. Commencement of the Minimum Revenue Provision (MRP)

2.1 The general MRP provision for capital expenditure financed by sanctions issued by the Department of the Environment up to and including 2011/12 and for borrowing incurred in 2012/13 and later years, will be charged to the general fund on a straight line basis in-line with the asset life determined for depreciation purposes either:-

- In the financial year in which the expenditure was incurred, if the expenditure was incurred during the first six months of the financial year.

or

- In the financial year following the one in which the expenditure was incurred, if the expenditure was incurred during the last six months of the financial year.

2.2 The MRP will not be made on the value of Long term Debtors outstanding, as these will be repaid by third parties and it is not therefore deemed necessary to make an additional revenue charge in relation to these amounts. However, if a third party is not making annual repayments of principal, the MRP payments will be made over the asset life.

2.3 If the Council enters into finance leases, the MRP will be calculated in accordance with the requirements of International Financial Reporting Standards (IFRS) and be equal to the principal elements of the lease payments.