



The Local Authorities (Capital Finance and Accounting)  
(England) (Amendment) Regulations 2008. Minimum  
Revenue Provision Guidance

**Results of the consultation**





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Revenue Provision Guidance

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April 2008

Product Code: 07LGF05198

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1. On 8 November 2007 the Department issued the following consultation document <http://www.local.communities.gov.uk/finance/capital/amdregletcon.pdf> to all local authorities in England and other interested parties, with a request for comments by 21 December 2007. Over 100 responses were received from the bodies listed in the Annex below. Responses were discussed with representatives of the Local Government Association, London Councils, the Audit Commission and CIPFA. The following note summarises the main points made by consultees and indicates the action taken by Communities and Local Government in response.

## (1) Capital Finance Regulations

### ***Bond Redemptions (Amendment Regulation 3)***

2. In accordance with comments by respondents on the definition of “bond”, the regulation has been revised to make clear that it applies only to the disposal of bonds which when acquired would have generated capital expenditure.

### ***Revenue Provision (Amendment Regulation 4(2) – Past deficiencies in Minimum Revenue Provision***

3. This regulation, which inserts a new regulation 29 into the Capital Finance Regulations, is meant to protect authorities which have made insufficient Minimum Revenue Provision (MRP) in earlier years. It was suggested in the consultation that the regulation be widened to indemnify authorities which might have made other more serious kinds of errors in the past. However, after careful consideration, the Department concluded that such an extension would not be consistent with its policies.
4. There were requests for clarification about the timing of the note in the statement of accounts which is required on the part of authorities which benefit from the regulation. The regulation has accordingly been revised to say that authorities treating earlier calculations as correct should include a note to that effect in their statement of accounts for a financial year ending no later than 31 March 2010. Authorities recording a credit in a revenue account are to include the note in the statement of accounts for the year in which the credit is recorded.
5. A further change to improve clarity has been made which did not arise directly from the consultation. The regulation now provides that authorities recording a credit in a revenue account are to do so before 1 April 2010.

### ***Financial Guarantees (Amendment Regulation 6)***

6. Some respondents suggested that the cut-off date of 9 November 2007 be extended. However, the Department concluded that there was no evidence this would in fact be a problem and no change has been made.

## (2) Minimum Revenue Provision Guidance

7. The move from regulations to guidance was widely welcomed by respondents. The main request was for an annuity method of calculating provision and this is being included. Other changes are being made to clarify issues relating to the transition to the new system. It is also being made clearer that authorities have the discretion to make provision in ways other than those exemplified in the guidance, provided that they are satisfied that these are prudent.

# Annex

## List of Respondents

Adur District Council  
Arlingclose  
Barnsley Metropolitan Borough Council  
Basingstoke and Deane Borough Council  
Bassetlaw District Council  
Bath and North East Somerset Council  
Bedford Borough Council  
Bedfordshire County Council  
Birmingham City Council  
Blackburn with Darwen Borough Council  
Blackpool Borough Council  
Brighton and Hove City Council  
Butlers  
Castlepoint Borough Council  
Cheshire Police Authority  
Chartered Institute of Public Finance and Accountancy (CIPFA )  
Core Cities Group  
Coventry City Council  
Cumbria County Council and District Councils  
Dartford Borough Council  
Derby City Council  
Dover District Council  
Dudley Metropolitan Borough Council  
East Riding of Yorkshire Council  
East Sussex County Council  
Eastleigh Borough Council  
Enfield London Borough Council  
Forest Heath District Council  
Gateshead Metropolitan Borough Council  
Gloucestershire County Council  
Greater London Authority  
Greater Manchester Passenger Transport Authority and Executive

Greater Manchester Police Authority  
Hampshire County Council  
Haringey London Borough Council  
Hertfordshire County Council  
Havering London Borough Council  
Hounslow London Borough Council  
Hull City Council  
Islington London Borough Council  
Kensington and Chelsea – Royal Borough  
Kent County Council  
Kent Fire and Rescue Service  
Lancashire County Council  
Lancashire Police Authority  
Lambeth London Borough Council  
Leeds City Council  
Leicester City Council  
Leicestershire County Council  
Luton Borough Council  
Manchester City Council  
Metropolitan Police Authority  
Milton Keynes Council  
Newham London Borough Council  
Norfolk Constabulary  
Norfolk County Council  
North East Lincolnshire Council  
North Norfolk District Council  
North Tyneside Metropolitan Borough Council  
Northumberland County Council  
North Warwickshire Borough Council  
Nottingham City Council  
Nottinghamshire and City of Nottingham Fire and Rescue Authority  
Nottinghamshire County Council  
Oxford City Council  
Police Authority Treasurers' Society  
Reading Borough Council  
Redcar and Cleveland Council  
Richmondshire District Council  
Rotherham Metropolitan Borough Council

Runnymede Borough Council  
Sector Group  
Sefton Metropolitan Borough Council  
Sheffield City Council  
Shepway District Council  
Slough Borough Council  
Society of County Council Treasurers  
Society of District Council Treasurers  
Solihull Metropolitan Borough Council  
South Gloucestershire Council  
South Lakeland District Council  
South Tyneside Council  
Southwark London Borough Council  
Staffordshire County Council  
Staffordshire Fire and Rescue Authority  
Stockton-on-Tees Borough Council  
Stockport Metropolitan Borough Council  
Suffolk County Council  
Sunderland City Council  
Surrey County Council  
Sutton London Borough Council  
Tameside Metropolitan Borough Council  
Teignbridge District Council  
Thanet District Council  
Torbay Council  
Tradition  
Trafford Metropolitan Borough Council  
Transport for London  
Wakefield Metropolitan District Council  
Walsall Metropolitan Borough Council  
Waveney District Council  
West Lancashire District Council  
West Wiltshire District Council  
West Yorkshire Police and West Yorkshire Police Authority  
Wigan Metropolitan Borough Council  
Wirral Metropolitan Borough Council  
Woking Borough Council