

Continuing Statutory Service (Proposed Base Budget Reduction Targets) – Template 2 BOP 035			
Service name Capital Financing Charges	Service description – please see below		
	2015/16 £m	2016/17 £m	2017/18 £m
Forecast before savings	37.085	36.789	36.330
Budgeted savings (cumulative)	0.000	0.000	0.000
Planned net expenditure (Approved 2015 net budget)	37.085	36.789	36.330
August 15 monitoring position	-9.500		
Demand variations (cumulative)		-5.774	-5.774
Price variations (cumulative)		0.000	0.000
Undeliverable savings (cumulative)	0.000	0.000	0.000
Loss of grant (cumulative)	0.000	0.000	0.000
Revised Resource Requirement	27.585	31.015	30.556
Additional savings target for approval (cumulative)	0.000	-7.000	-7.000
Revised proposed budget	27.585	24.015	23.556
Proposed risk reserve provision (discrete year)		0.000	0.000
Policy Decisions needed to deliver the target savings	The basis for calculating the minimum revenue provision is to be changed. This will extend the period over which debt will be repaid and an annuity rather than a straight line basis is to be used to calculate the charge where appropriate.		
Impact on service	The proposal is a financing rather than a service change. Therefore there is no direct impact on services. Costs will increase in later years putting pressure on services		
Actions needed to deliver the target savings	<ul style="list-style-type: none"> Minimum Revenue Provision Policy needs to be approved by the full County Council to change basis of the calculation 		
Equality Analysis	Click here to view document		

What does this service deliver?

The County Council has a statutory responsibility to make an annual charge to the revenue account to pay for capital expenditure that was originally funded by debt. The minimum charge to be made in any year is referred to as the minimum revenue provision (MRP) and is made in accordance with a policy agreed by the full County Council.