
WELSH STATUTORY INSTRUMENTS

2003 No. 3239

**The Local Authorities (Capital Finance
and Accounting) (Wales) Regulations 2003**

PART 5

MINIMUM REVENUE PROVISION

Calculation of minimum revenue provision

22.—(1) Subject to paragraph (4) and regulation 23, the minimum revenue provision for the current year must be calculated by the local authority in accordance with the following formula—

$$\frac{4[\text{CFR} - (\text{A} - \text{HC})]}{100}$$

where —

CFR is the capital financing requirement at the end of the preceding year;

A is an adjustment (which may be a positive, nil or negative amount) to be calculated in accordance with the following formula—

$$\frac{[\text{CFR} - \text{ACC}] + \left(\frac{[\text{HA} - \text{HB}]}{2} \right)}{2}$$

where—

CFR is the capital financing requirement on 31st March 2004;

ACC is the adjusted credit ceiling on 31st March 2004;

HA is the housing amount on 31st March 2004; and

HB is the opening HRA capital financing requirement for the financial year beginning on 1st April 2004; and

HC is the opening HRA capital financing requirement for the current year.

(2) For the purposes of this regulation and regulation 23—

“adjusted credit ceiling” has the same meaning as that term had on 31st March 2004 in paragraph 18 of Schedule 3 to the Local Government and Housing Act 1989(1);

“capital financing requirement” has the same meaning as in the CIPFA Prudential Code for Capital Finance in Local Authorities;

“current year” means any financial year for which the local authority is determining the amount of its minimum revenue provision;

(1) Part 4 of, and Schedule 3 to, the Local Government and Housing Act 1989 (c. 42) are repealed on 1st April 2004, and the Local Authorities (Capital Finance) Regulations 1997 (S.I. 1997/319) made under those provisions will accordingly be revoked on that date.

“housing amount” has the same meaning as that term had on 31st March 2004 in Part XII of the 1997 Regulations (Minimum revenue provision);

“Housing Revenue Account”, also referred to as “HRA”, has the same meaning as in section 74 of the Local Government and Housing Act 1989;

“opening HRA capital financing requirement” means for the financial year beginning on 1st April 2004 and any subsequent financial year, the amount calculated in accordance with paragraph (3);

“preceding year” means the financial year immediately preceding the current year.

(3) The amount referred to in the definition of “opening HRA capital financing requirement” in paragraph (2) has the same meaning as the “opening HRA capital financing requirement” for the current year in the (Wales) General Determination of the Item 8 Credit and Item 8 Debit made under section 75 of and Schedule 4 to the Local Government and Housing Act 1989 for that year.

(4) Where the amount calculated in accordance with the formula for the minimum revenue provision in paragraph (1) is a negative amount, that amount must be treated as nil.