



Minutes

Members present:

Herefordshire:

Brigadier P Jones CBE, (Vice-Chair) and Mr D C Taylor.

Worcestershire:

(Chair) Mr D W Prodger MBE, Mr R Adams, Mr A Amos, Mrs P Agar, Mr M Broomfield, Mr S Cross, Mrs L Duffy, Mr A Fry, Mr P Gretton, Mr P Grove, Mr A Hardman, Mrs A Hingley, Mrs R E Jenkins, Mrs F M Oborski, Mr S R Peters, Prof J W Raine, Mr C Taylor, Mr P Tuthill and Mr R Udall.

No.	Item
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1.	Apologies for Absence
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Apologies for absence were received from Mrs M Lloyd-Hayes, Mr B Matthews, Mr P Sinclair-Knipe and Mr P Watts.

2.	Declarations of Interest
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Brigadier Jones declared an interest in agenda item number 7 as his wife's son is a firefighter.

Councillor P Grove declared an interest in agenda item number 7 as one of the options for consideration fell within the area in which he lives.

3.	Confirmation of Minutes
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RESOLVED that the minutes of the meeting of the Fire Authority held on 11 December 2013 be agreed and signed by the Chairman.

4.	Chairman's Announcements
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The Chairman made the following announcements:

1.	<u>Thanks for Support Given During the Floods</u>
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The Chairman extended thanks to the firefighters of the Service and other responders from the Local Resilience Forum for the stirring work

they had undertaken during the prolonged period of flooding.

Members were advised that a full update on flooding and water related incidents would be given under agenda item 9 – The Chief Fire Officer's Service Report.

2. Retirement of Staff

The Chairman advised Members that the Personal Assistant to the Treasurer, Pat Lee, and Diana Glendenning, Corporate Support Officer, would both be retiring shortly. He wished them both a long and happy retirement and thanked them for the assistance they had both given him during his time as Chairman.

5 Public Participation

No applications to participate in the meeting had been received from members of the public.

6 Budget and Precept 2014/15 and Medium Term Financial Plan

The Treasurer presented a report that asked Members to determine the Revenue and Capital Budgets and the Council Tax Requirement for 2014/15, to approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2014/15 and to identify potential future resources, their consequential impact on future year budgets and the future Council Tax requirement. The Treasurer advised Members that appendices 4, 5, 6, and 7 had been prepared for two scenarios version (a) if the Authority were to take a decision to freeze Council Tax and version (b) for a precept increase.

Members were advised that since the Policy and Resources Committee meeting in January 2014 further figures had been received and there had been a significant improvement in the budget figures in that the Tax Base had gone up by 2% which increased resources by £0.4m. The Retained Business Rate had also improved by £0.2m and as a result the budget gap would be reduced.

Councillor R Udall proposed a motion as follows: "that £485,000 made available from the Authority's non-earmarked general reserves to support front-line services in 2014/15."

The motion was seconded by Councillor A Amos.

Upon a vote the motion was carried.

RESOLVED

That the Authority approve:

- 1.(i) the Capital and Budget Programme for 2014/15 of**

£7.0m, as attached at (Appendix 1);

- (i) the Revenue Budget for 2014/15 of £32.637M and Revenue Budget Allocation as attached at Appendix 2;**
- (ii) an increase in Council Tax Precept of 1.93% for 2014/15 as attached at Appendix 3;**
- (iii) the Medium Term Financial Plan for 2014/15 as attached at Appendix 4;**
- (iv) the Statement of Prudential Indicators as attached at Appendix 5;**
- (v) the Minimum Revenue Provision (MRP) Policy for 2014/15 as attached at Appendix 6; and**

2.£485,000 be made available from non-earmarked general reserves to support frontline services for 2014/15;

7 Community Risk Management Plan 2014-2020 – Consultation Responses

The Chief Fire Officer presented a report that sought approval of the draft Community Risk Management Plan (CRMP) and to consider recommendations for the implementation of the Fire and Emergency Cover Review, taking account of the responses to public consultation.

In view of the previous decision to make £485,000 available from reserves, Members were minded to defer consideration of the Community Risk Management Plan report in order to consider what implications that had.

RESOLVED that consideration of the Community Risk Management Plan 2014-2020 – Consultation Responses Report be deferred.

8 Pay Policy Statement

The Assistant Chief Fire Officer (Service Support) presented a report that brought to the attention of the Authority the requirement for the Service to publish the Annual Pay Policy Statement for the year 2014/15.`

RESOLVED that the Pay Policy Statement and Supporting Information be approved for publication.

9 Chief Fire Officer's Service Report

The Chief Fire Officer presented his Service Report which informed the Authority of recent key developments and activities.

RESOLVED that the report be noted.

10 Report from Audit and Standards Committee

The Chairman of the Audit and Standards Committee presented a report that advised Members of the proceedings of the Audit and Standards Committee meeting held on 22 January 2014. Members' attention was drawn to the fact that the External Audit fee for 2014/15 had remained static.

RESOLVED that the proceedings of the Audit and Standards Committee meeting held on 22 January 2014 be noted.

11 Report from Policy and Resources Committee

The Chairman of the Policy and Resources Committee presented a report that advised Members of the proceedings of the Policy and Resources Committee meeting held on 28 January 2014.

RESOLVED that the contents of the report be noted.

The meeting finished at 12.05 pm.

Signed: _____

Date: _____

Chairman

Hereford & Worcester Fire Authority

Budget 2014/15 : Capital Programme

			(1)	(2)	(3)	(4)	(5)	(6)	(7)
			PRIOR YRS ACTUAL £m	REV.BUD, 2013/14 £m	BUDGET 2014/15 £m	PROGRAMME			TOTAL £m
						2015/16 £m	2016/17 £m	2017/18 £m	
	Vehicle Programme								
1	Routine Replacements (Pumps)			1.012	0.253	1.011	1.011	1.011	4.298
2	Routine Replacements (4WD)			0.048					0.048
3	Routine Replacements (Off-Road)			0.027					0.027
4	Rope Rescue Vehicle			0.006					0.006
5	Command Unit			0.350					0.350
6	Routine Replacements - Water Carrier					0.120	0.120		0.240
7	Routine Replacements - RAVs					0.190			0.190
8	Response Cars				0.108	0.310		0.120	0.538
9	Response Cars	note 1			0.230	0.125			0.355
10				1.443	0.591	1.756	1.131	1.131	6.052
	Major Building Schemes								
11	Strategic Training Facilities		1.053	1.223					2.276
12	Malvern Fire Station		0.145	2.364	(0.509)				2.000
13	Worcester Fire Station		0.050	2.997	1.353				4.400
14	Pebworth (retentions)			0.037					0.037
15	Other Schemes	note 2	0.005	0.552	4.965	3.109	1.046		9.677
16			1.253	7.173	5.809	3.109	1.046	0.000	18.390
	Other Schemes								
17	Control Resilience Project		1.663	0.624					2.287
18	Minor Property, Info. Tech. Comms, Equip etc.			1.499	0.600	0.600	0.600	0.600	3.899
				2.123	0.600	0.600	0.600	0.600	6.186
19	Annual Total			10.739	7.000	5.465	2.777	1.731	30.628

Note 1 : previously assumed to be financed from leasing

Note 2 : Individual scheme sums approved by FRA, but not currently disclosed as contracts subject to tender etc.

Note 3 : Excludes impact of any slippage from 2013/14

Hereford & Worcester Fire Authority

Budget 2014/15 : Revenue Budget

Precept Increase at 1.93%

Col. Line	1	2 £m
1	2013/14 Core Budget	32.549
	<u>Cost Pressures</u>	
2	Pay Awards	0.386
3	General Inflation Contingency	0.300
4	LGPS Revaluation	0.108
5	Capital Programme	0.396
6	RDS Training (reduced operational activity)	0.100
7	RDS P/T working National Settlement	0.090
8		1.380
	<u>non-Front Line Savings</u>	
9	12/13 Redundancy Pay Protection	(0.007)
10	12/13 Watch size reduction	(0.077)
11	14/15 Day Crew Plus	(0.367)
12	Catering Review	(0.144)
13	Media & Design Review	(0.034)
14	Secretariat Restructure	(0.027)
15	Finance Restructure	(0.016)
16	P&I posts removed	(0.055)
17	Fire Control	(0.100)
18	Inflation provision saving	(0.232)
19	Budget-holder saving in 13/14 alloc	(0.047)
20	Target budget reductions	(0.150)
21		(1.256)
22	2014/15 Projected Expenditure Need	32.673
23	Savings to be identified	(0.036)
24	2014/15 Core Budget	32.637

32.637

Hereford & Worcester Fire Authority**Budget 2014/15 : Personnel Budget**

	Wholetime Firefighters FTE	On-Call Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Core Budget 2013/14	291.0	369.0	25.0	126.3	811.3
USAR - Section 31 Grant Funded	17.0	14.0			31.0
Capitalised against major building schemes				4.0	4.0
	308.0	383.0	25.0	130.3	846.3
Training Centre Review	(1.0)			0.5	(0.5)
Training Centre Review - one year post				1.0	1.0
Property Review				(4.5)	(4.5)
Media & Design Review				(1.1)	(1.1)
Catering Review				(7.9)	(7.9)
Finance Review				(1.0)	(1.0)
Secretariat Review				(1.0)	(1.0)
P&I Review				(2.0)	(2.0)
Bromsgrove - Day Crew Plus	(14.0)				(14.0)
USAR/Droitwich Combination	(10.0)				(10.0)
	(25.0)	0.0	0.0	(16.0)	(41.0)
Included in Budget 2014/15	283.0	383.0	25.0	114.3	805.3

% change

-8.1%

-12.3%

-4.8%

Hereford & Worcester Fire Authority

Budget 2014/15 : Medium Term Financial Forecasts

Precept Increase at 1.93%

Col Row	1	2 2015/16 Prov £m	3 2016/17 Forecast £m	4 2017/18 Forecast £m	5 2018/19 Forecast £m	6 2019/20 Forecast £m
1	2014/15 CORE BUDGET	32.637	32.637	32.637	32.637	32.637
	<u>Cost Pressures</u>					
2	Pay Awards	0.436	0.880	1.334	1.788	2.242
3	General Inflation Contingency	0.260	0.560	0.860	1.160	1.460
4	LGPS Revaluation	0.009	0.019	0.039	0.059	0.079
5	Capital Programme	0.159	0.394	0.430	0.363	0.374
6	Ending of Pensions NI Contracting Out			0.360	0.360	0.360
7		0.864	1.853	3.023	3.730	4.515
	<u>Savings</u>					
8	12/13 Redundancy Pay Protection	(0.007)	(0.007)	(0.007)	(0.007)	(0.007)
9	14/15 Day Crew Plus	(0.034)	(0.034)	(0.034)	(0.034)	(0.034)
10	CFS/TFS rationalisation	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)
11	Target budget reductions	(0.150)	(0.150)	(0.150)	(0.150)	(0.150)
12	Droitwich/USAR	(0.194)	(0.315)	(0.315)	(0.315)	(0.315)
13	FDS Review	(0.050)	(0.169)	(0.200)	(0.200)	(0.200)
14		(0.635)	(0.875)	(0.906)	(0.906)	(0.906)
15	NET PRESSURE/(SAVING)	0.229	0.978	2.117	2.824	3.609
16	BEFORE FIRE COVER REVIEW	32.866	33.615	34.754	35.461	36.246
		2015/16 Prov £m	2016/17 Forecast £m	2017/18 Forecast £m	2018/19 Forecast £m	2019/20 Forecast £m
17	Business Rate increase	2.00%	2.00%	2.00%	2.00%	2.00%
18	Base-line Funding Reductions	-8.14%	-8.00%	-8.00%	-8.00%	-8.00%
19	Tax-base Increase	0.50%	0.50%	0.50%	0.50%	0.50%
20	Band D Tax Increase	0.00%	2.00%	2.00%	2.00%	2.00%
21	Consolidated Revenue Support Grant	(8.424)	(7.514)	(6.672)	(5.893)	(5.171)
22	Future Council Tax Freeze Grants	(0.210)	(0.193)	(0.178)	(0.164)	(0.151)
23	Fire Revenue Grant	(1.280)	(1.280)	(1.280)	(1.280)	(1.280)
24	Retained Business Rates	(2.531)	(2.582)	(2.633)	(2.687)	(2.741)
25	Council Tax Precept	(19.422)	(19.909)	(20.408)	(20.920)	(21.444)
26	Council Tax Collection Fund	0.000	0.000	0.000	0.000	0.000
27	PROJECTED RESOURCES	(31.867)	(31.478)	(31.171)	(30.944)	(30.787)
28	GAP BEFORE FIRE COVER REVIEW	0.999	2.137	3.583	4.517	5.459
29	Savings required from 2015/16 and on-going	0.999	0.999	0.999	0.999	0.999
30	Savings required from 2016/17 and on-going		1.138	1.138	1.138	1.138
31		0.999	2.137	2.137	2.137	2.137
32	Savings required from 2017/18 and on-going			1.448	1.448	1.448
33	Savings required from 2018/19 and on-going				0.932	0.932
34	Savings required from 2019/20 and on-going					0.942
35				1.448	2.380	3.322
36		0.999	2.137	3.585	4.517	5.459

Statement of Prudential Indicators

Introduction

The Prudential Code for Capital Finance in Local Authorities (Prudential Code) has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide a code of practice to underpin the new system of capital finance embodied in Part 1 of the Local Government Act 2003. Since 1 April 2004, Local Authorities are no longer subject to government controlled borrowing approvals and are free to determine their own level of capital investment controlled by self-regulation.

The key objectives of the Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.

The Prudential Code supports a system of self-regulation that is achieved by the setting and monitoring of a suite of Prudential Indicators that directly relate to each other. The indicators establish parameters within which the FRA should operate to ensure the objectives of the Prudential Code are met.

Prudential Indicators

The Prudential Indicators for which the Fire Authority is required to set limits are as follows:

1. Net Borrowing and the Capital Financing Requirement

This Prudential Indicator provides an overarching requirement that all the indicators operate within and is described in the Prudential Code as follows:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years”.

The Treasurer reports that the Fire Authority had no difficulty meeting this requirement since 2002/03, nor are any difficulties envisaged for the current or future years. This view takes into account all plans and commitments included in the 2014-15 Budget and MTFP.

2 Capital Expenditure

The actual amount of capital expenditure that was incurred since 2012/13, and the estimates of capital expenditure to be incurred for the current and future years that are proposed in the 2014/15 Budget and MTFP are as follows:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Capital Expenditure	3,415	10,739	7,000	5,465	2,777	1,731
Leased Assets	-	325	-	27	70	30
	3,415	11,064	7,000	5,492	2,847	1,761

2. Ratio of Financing Costs to Net Revenue Stream

Financing Costs include the amount of interest payable in respect of borrowing or other long term liabilities and the amount the Fire Authority is required to set aside to repay debt, less interest and investments income.

The actual Net Revenue Stream is the 'amount to be met from government grants and local taxation' taken from the annual Statement of Accounts, and the estimated figure is the Fire Authority's budget net of any transfers to or from the balances.

The prediction of the Net Revenue Stream in this Prudential Indicator for future years assumes increases in the Fire Authority's funding from government and the local taxpayer consistent with expectations in the Medium Term Financial Strategy. This is indicative only and in no way meant to influence the actual future years funding or in particular the funding from Precepts.

The indicator only requires that the costs associated with capital expenditure are measured in this way. However the Fire Authority has used, and may continue to use Operational Leasing as a cost effective method of acquiring vehicles. In the spirit of the Prudential Code these costs are included for comparative purposes.

The rise in this ratio is partially due to the fact that capital expenditure prior to the formation of the FRA is not charged to the Fire Authority. In other words, the Fire Authority inherited all its assets without any cost. Thus, as investment is made in vehicles, for example the increased costs are in the Fire Authority accounts but the savings are elsewhere.

The estimates of the ratio of financing costs to net revenue stream are dependent on decisions taken by the Authority in respect of Council Tax increases for 2014/15. However, the tables below show that the difference is marginal.

If precept is frozen:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Financing Costs	1,984	2,506	2,715	2,874	3,109	3,145
Net Revenue Stream	32,652	31,285	31,210	30,429	30,014	29,683
Ratio	6.08%	8.01%	8.70%	9.44%	10.36%	10.60%

If precept is increased by 1.93%:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Financing Costs	1,984	2,506	2,715	2,874	3,109	3,145
Net Revenue Stream	32,652	31,285	31,366	30,587	30,198	29,891
Ratio	6.08%	8.01%	8.66%	9.40%	10.30%	10.52%

3. Capital Financing Requirement

The capital financing requirement (CFR) is a measure of the extent to which the Fire Authority needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any one point in time. The Fire Authority arranges its treasury management activity via a Service Level Agreement (SLA) with Worcestershire County Council (WCC) which has an integrated treasury management strategy where there is no distinction between revenue and capital cash flows and the day to day position of external borrowing and investments can change constantly.

The capital financing requirement concerns only those transactions arising from capital spending, whereas the amount of external borrowing is a consequence of all revenue and capital cash transactions combined together following recommended treasury management practice.

Estimates of the end of year capital financing requirement are shown overleaf

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
CFR at 31st March	15,958	17,064	20,685	23,276	26,411	26,788

4. Authorised Limit

The Authorised Limit represents an upper limit of borrowing that could be afforded in the short term but may not be sustainable. This limit includes a risk assessment of exceptional events taking into account the demands of revenue and capital cash flows. The Authorised Limit gauges events that may occur over and above those transactions which have been included in the Operational Boundary.

These limits are higher than set in previous years to reflect the decisions taken by the Fire Authority to switch from leasing to more cost effective borrowing for the acquisition of operational vehicles.

The Fire Authority should note that the Authorised Limit represents the limit specified in section 3 (1) of the Local Government Act 2003 (Duty to determine affordable borrowing limit).

The following Authorised Limits for external debt, excluding temporary investments are recommended:

	2014/15	2015/16	2016/17	2017/18
Authorized Limit	£000	£000	£000	£000
External Borrowing	28,000	31,000	32,000	30,000

5. Operational Boundary

The Operational Boundary represents an estimate of the most likely, prudent, but not worst case scenario and provides a parameter against which day to day treasury management activity can be monitored.

The Treasurer reports that procedures are in place to monitor the Operational Boundary on a daily basis, via the SLA with WCC and that sufficient authorisation is in place to take whatever action is necessary to ensure that, in line with the Treasury Management Strategy, the cash flows of the Fire Authority are managed prudently.

Occasionally, the Operational Boundary may be exceeded (but still not breach the Authorised Limit) following variations in cash flow. Such an occurrence would follow controlled treasury management action and may not have a significant impact on the prudential indicators when viewed all together.

Both the Authorised Limit and the Operational Boundary include an element relating to debt restructuring where, for the short term only, external borrowing may be made in advance of the repayment of loans. In this circumstance External Borrowing is increased temporarily until the replaced loans are repaid. The converse can also apply where loans are repaid in advance of borrowings.

The following limits (shown overleaf) for each year's Operational Boundary, excluding temporary investments are recommended:

	2014/15	2015/16	2016/17	2017/18
Operational Boundary	£000	£000	£000	£000
External Borrowing	26,000	29,000	29,000	28,000

6. Actual External Debt

The Fire Authority's actual external debt as at 31 March 2013 was £14.971 million; comprising £14.971 million External Borrowing and £0 (zero) Other Long Term Liabilities.

7. The Incremental Impact of Capital Investment Decisions on the Council Tax

This indicator identifies specifically the additional cost to the taxpayer of the **new** capital investment proposed in the 2014/15 – 2017/18 Capital Programme. As the indicator deals only with new investment the impact of the previously approved programme was included in the equivalent report provided to the FRA in Feb 2013.

The incremental impact identifies transactions that will occur **over and above** what has already been provided for in the 2013/14 revenue budget and projected in the MTFP and assumes the funding available in 2013/14 will be carried forward in the future year's base budgets.

The incremental impact has been calculated using forward estimates of funding consistent with expectations in the Medium Term Financial Plan.

The impact on the revenue budget, and therefore the Council Tax, is felt by a combination of the following: debt costs of the new borrowing, the amount set aside from revenue to repay the principal element of external borrowing (Minimum Revenue Provision) and the revenue impact of a capital project

It should be noted that borrowing itself does not fund capital expenditure since the loans have to be repaid eventually. The actual funding comes from the Minimum Revenue Provision which is statutorily charged to revenue each year.

The estimate of the incremental impact of the capital investment detailed in the 2013/14 Budget on the Council Tax is as follows:

	2014/15	2015/16	2016/17	2017/18
Incremental Impact on Band D	-£ 0.13	-£ 0.16	-£ 0.20	+ £ 0.09

PRUDENTIAL INDICATORS FOR TREASURY MANAGEMENT

8. Treasury Management Code of Practice

The Fire Authority has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA): Code of Practice for Treasury Management in the Public Services.

The Treasury Management function is carried out on behalf of the Authority by Worcestershire County Council, who have also adopted the Treasury Management Code of Practice.

9. Fixed Interest Rate Exposures

It is recommended that the Fire Authority sets an upper limit on its fixed interest rate exposures as follows.

Upper limits for net principal sums outstanding at fixed rates

	2014/15	2015/16	2016/17	2017/18
Fixed Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	28,000	31,000	32,000	30,000

This represents the position that all of the Fire Authority's authorised external borrowing may be at a fixed rate at any one time.

10. Variable Interest Rate Exposures

It is recommended that the Fire Authority sets an upper limit on its variable interest rate exposures as follows.

Upper limits for net principal sums outstanding at variable rates

	2014/15	2015/16	2016/17	2017/18
Variable Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	7,000	8,000	8,000	8,000

This is the maximum external borrowing judged prudent by the Treasurer that the Fire Authority should expose to variable rates.

11. Maturity Structure of Borrowing

It is recommended that the upper and lower limits for the maturity structure of borrowings are as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

	Upper	Lower
Period of Maturity	Limit	Limit
	%	%
Under 12 months	25	0
12 months and within 24 months	25	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25

12. Investments for longer than 364 days

It is recommended that the upper limits of total principal sums invested for periods longer than 364 days are £5 million for each year.

Hereford & Worcester Fire Authority

Minimum Revenue Provision (MRP) Policy

Background

This is the amount charged every year to provide for the repayment of long term loans used to finance capital assets.

Under provisions of the Local Authorities (Capital Finance and Accounting) (England) Amendment) Regulations 2008, the FRA is required to “determine an amount of MRP which is considered to be prudent”.

The FRA has a statutory requirement to determine an MRP policy prior to the start of the financial year.

Guidance

In considering a prudent MRP policy the FRA needs to take into account the statutory guidance provided by CLG, and the issue of affordability. The guidance states that “provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service” – the “Asset Life” method.

Recommendation

To continue the policy already i.e.:

1. All expenditure from 2008/09 onwards - MRP using an Asset life basis:-
 - Buildings over 50 years – per depreciation policy;
 - IT equipment over 5 years - reflecting average life
 - Other Equipment over 7 years – reflecting actual average usage within the FRS;
 - Vehicles – on actual estimated life of each vehicle type
2. Vehicle Expenditure before 2008/09 – MRP on a proxy Asset Life basis using original cost, less cumulative MRP, over the remaining useful life of the individual vehicle.
3. Expenditure before 2008/09, (other than vehicles) - MRP on a proxy Asset Life basis using original cost, less cumulative MRP over average asset life as above

This means that after a specified time (depending on the life expectancy of the individual asset) there will be no further charge to the Revenue Account for MRP in relation to these assets. For some of the assets under (2) and (3) above this point was reached in 2013/14.