

**MINUTES OF A MEETING OF THE CABINET HELD AT SIAMBR Y CYNGOR -
NEUADD Y SIR, LLANDRINDOD, POWYS ON DYDD MAWRTH, 16 IONAWR 2018**

PRESENT

County Councillor

County Councillors A W Davies, MC Alexander, P Davies, J Evans, S M Hayes and M Weale

In attendance: County Councillors

Apologies for absence were received from County Councillors L Fitzpatrick, M R Harris (Chair), R Powell and J Wilkinson

1.	YMDDIHEURIADAU
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Apologies for absence were received from County Councillors Rosemarie Harris and Rachel Powell who were meeting the Welsh Government Minister for Children and Social Care and County Councillors Liam Fitzpatrick and Jonathan Wilkinson.

2.	DATGANIADAU O DDIDDORDEB
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There were no declarations of interest reported.

3.	DARPARIAETH ISAFSWM REFENIW – DATGANIAD BLYNYDDOL
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Cabinet considered two changes to the Authority's Minimum Revenue Provision (MRP) policy in order to provide a more prudent approach whilst generating annual revenue savings. The first adjustment to the Capital Financing Requirement (CFR) would result in an annual saving of £48k which could be made over the next 50 years. A one off benefit of £624k could be taken by the Council in 2017/18 which equated to the annual reduction of £48k backdated over 13 years. The second adjustment involved revising the method of calculation to 2% straight line for the General Fund, for debt going forward. The review had identified that the current years MRP liability could be recalculated retrospectively for the period between 2007/8 and 2014/15 in order to facilitate the appropriate starting point for 2015/16.

This recalculation demonstrated prudence, in that the debt liability would be repaid eight years earlier, and effectively moved the start point of the 50 years useful asset life back to 2007/08. This meant that the debt liability would be reduced to nil in 2057, rather than in 2065. Over the years 2007/08 to 2016/17, the Authority would have charged a total of £19.988m less MRP on the General Fund CFR balance as at 2007/08 if it had adopted the 2% straight line method on its historic/supported debt in 2007/08. This would release non recurrent savings of £19.988m over a phased period by a reduction in the MRP charge over the next four years.

- 2017/18 £4m
- 2018/19 £5m
- 2019/20 £5m
- 2020/21 £5m

- 2021/22 £0.988m

RECOMMENDED to Council	Reason for Recommendation:
<p>a. Revise Adjustment A calculation to include long term investments and debtors to release an annual saving of £48k which can be made over the next 50 years. A one off benefit can be taken by the Council in 2017/18 of £624k which equates to the annual reduction of £48k backdated over 13 years.</p> <p>b. Amend the MRP policy to allow the utilisation of the method of calculation to 2% straight line for the General Fund, for recalculating MRP retrospectively for the period between 2007/8 and 2014/15</p> <p>c. Agree a prudent managed approach for the use of the savings generated by releasing them over a phased four year period to support the deficit recovery plan and future FRMs</p>	<p>Adjustment A calculations and policy amendments that allows prudence whilst delivering savings to support the deficit recovery plan and future years FRMs</p>

County Councillor