

Written statement of a budget and policy framework decision

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| Title | The rescheduling of debt repayment costs |
| Decision maker | Cabinet* for recommendation to: Council * Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251 |
| Date of decision | 28 September 2017 |
| Report exemption class | Open |
| A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. | |
| General exception or special urgency (as defined in the constitution) | No |
| Purpose | To recommend to full Council an amendment to the council's current Minimum Revenue Provision (MRP) policy to change the debt repayment calculation basis to an annuity method. |
| Decision | (a) It be recommended to full Council that an amendment be approved to the current MRP policy within the Treasury Management Strategy to be based on the estimated life of the assets, in accordance with regulations, and the method of repayment to be through an annuity calculation (providing a consistent overall annual borrowing charge). |
| Reason for the decision | As set out in the report. Documents relating to this decision are available at http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50022939 |
| Options considered | 1. Continue using the current MRP policy approach to debt write down, which is a combination of reducing balance and straight line. Advantages It is a simpler approach to the write down of debt than the annuity method. Disadvantages The current debt write down approach does not reflect the flow |

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| | <p>of benefits from the assets funded from borrowing as the charge is higher in earlier years. In addition it does not fully write down the borrowing balance due to the reducing balance method applied to supported borrowing.</p> <p>2. The revised debt write down approach could be implemented with effect from 1 April 2004. Advice from independent advisors and external auditors is that an implementation date of 1 April 2008 is reasonable.</p> <p>3. The council is able to devise its own debt write down approach within the MRP policy; no alternative options to those presented in this report have been identified.</p> |
| Declarations of interest (see below) | |
| Call-in expiry date | <p>Budget and policy framework item</p> <p>Under part 4, section 3 of the constitution, this decision is not subject to the usual call-in procedure as it is a budget and policy framework item and therefore must be decided at a meeting of the full Council.</p> |

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| <p>Councillor:</p> <p>Leader of the Council (Councillor AW Johnson)</p> | <p>Date 28 September 2017</p> |
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.