



# COUNCIL

## 28 February 2008

**Agenda Status: Public**

**Directorate: Governance and Improvement**

<b>Report Title</b>	PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2008-09 to 2010-11
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### 1. Summary

1.1 The CIPFA Prudential Code for Capital Finance in Local Authorities requires the Council to set a range of prudential indicators for 2008-09 and the two following years. This must be done formally as part of the budget setting process each year.

1.2 This report sets out:

- The background to the prudential indicators
- Updated prudential indicators for 2007-08 where applicable
- Proposed prudential indicators for 2008-09 and the following two years
- A commentary to support the individual prudential indicators (Annex A)

### 2. Recommendations

2.1 That Council approve the prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities as set out at paragraph 3.2.2 of the Cabinet Report.

2.2 That in line with Guidance Notes to the Prudential Code issued by CIPFA, Council approve the delegation of authority to the Section 151 Officer to make adjustments between the “borrowing” and “other long term liabilities” categories within the overall total of the indicators for the operational boundary and the authorised limit for external debt, as shown at paragraph 3.2.2 (g) and (h) below. This will allow movements between borrowing and other long-term liabilities, should the Section 151 Officer deem that the use of finance leases for capital expenditure constitutes good and prudent financial management.

### **3. Report Background**

See Cabinet report attached

### **4. Implications (including financial implications)**

#### 4.1 Resources and Risk

See Cabinet report attached

#### 4.2 Legal

See Cabinet report attached

#### 4.3 Other Implications

See Cabinet report attached

### **5. Background Papers**

See Cabinet report attached

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