



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

21 JANUARY 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2007-08 – POSITION AS AT THE END OF NOVEMBER 2007
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1. Summary

1.1 A report on was submitted to Cabinet on 7 January 2008 on the latest monitoring position for the Prudential Indicators for Capital Finance 2007-08. This is attached at Appendix A.

1.2 The Cabinet decision on 7 January 2008 was to recommend to Council that

a) They approve revised prudential indicators for 2007-08 for the Council's:

- Capital Expenditure Estimates,
- Capital Financing Requirement (CFR), and
- Estimate of Ratio of Financing to Net Revenue Stream

b) They formally adopt the CIPFA Code of Practice for Treasury Management in Public Services

2. Recommendations

2.1 That Council approve the following revised prudential indicator for the estimates of capital expenditure in 2007-08.

	2007-08
Estimates of Capital Expenditure	Estimate as at 30 Nov 2007
	£000
Housing Revenue Account (HRA)	9,075
General Fund (Non HRA)	10,113
Total	19,188

2.2 That Council approve the following revised prudential indicator for the Capital Financing Requirement (CFR) estimates

	2007-08
Estimates of Capital Financing Requirement	Estimate as at 30 Nov 2007
	£000
Housing Revenue Account (HRA)	(8,175)
General Fund (Non HRA)	21,848
Total	13,673

2.3 That Council approve the following revised prudential indicator for the estimate of ratio of financing to net revenue stream

Ratio of Financing Costs to Net Revenue Stream	2007-08
	%
HRA	(0.53%)
Non HRA	0.75%

2.4 That Council formally adopt the CIPFA Code of Practice for Treasury Management in Public Services.

3. Report Background

The report background and relevant issues are as set out in the Cabinet report and annex attached at Appendix A.

4. Implications (including financial implications)

4.1 Resources and Risk

4.1.1 Financial issues are dealt with in the main body of the Cabinet report and its annex.

4.1.2 Any significant risks that have been identified by officers are considered at individual indicator level in the Cabinet report annex.

4.2 Legal

4.2.1 Under the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council must set prudential limits and indicators as part of the overall budget setting process. The CIPFA Prudential Code for Capital Finance in Local Authorities, which regarded as mandatory guidance associated with the statute, requires the authority's Chief Finance officer to establish procedures for monitoring the Council's performance against prudential indicators for the forthcoming and following two financial years, to report significant deviations from expectations, and to take any proposed revisions to Council for approval

4.3 Other Implications

4.3.1 None

5. Background Papers

These are as set out in the Cabinet report attached at Appendix A.

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