

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included within the relevant Forward Plan

Cabinet: 8TH February 2017

Report of the Director of
Finance, Assets and IT

PRUDENTIAL INDICATORS 2017/18

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval to the Council's 2017/18 Prudential Indicators in accordance with the requirements of the 2003 Local Government Act.

2. Recommendations

2.1 It is recommended that:

- **Members approve the Prudential Indicators set out at Appendix B for the financial year 2017/18 to 2019/20;**
- **Further monitoring reports be submitted on the indicators during the year as necessary.**

3. Background

- 3.1 The Prudential Code provides a framework that supports effective capital investment decision making by local authorities.

3.2 The framework has two main objectives:

- To ensure that capital investment is affordable, prudent and sustainable;
- To ensure that Treasury Management decisions are made in accordance with good practice.

4. Prudential Indicators

- 4.1 To ensure that these objectives are achieved, the framework sets out a number of factors that must be taken into account by local authorities as part of the revenue budget setting process and when making capital investment decisions. These are set out below: -

- Service objectives e.g. as set out in the Corporate Plan;
- Stewardship of assets e.g. asset management planning;

- Value for Money e.g. options appraisals;
- Prudence and sustainability e.g. the implications for the Authority's external borrowing and whole life costing;
- Affordability e.g. the implications for Council Tax payers and Council Housing rents;
- Practicality e.g. achievement of the Medium Term Financial Strategy.

4.2 Having consideration to the above factors each authority is required to set a suite of prescribed Prudential Indicators. For information purposes a methodology paper is attached at Appendix A. This provides a description of each indicator and the nature of its calculation. The actual prudential indicators for the forthcoming year are attached at Appendix B for approval.

5. Treasury Policy & Strategy Statements 2017/18

5.1 These are the key operational documents for the Council in relation to treasury management. They detail the framework, objectives and strategies upon which the prudential indicators are based. Member approval of these statements is required and is therefore presented elsewhere on this agenda.

6. Consultations

6.1 The prudential indicators set out in this report were established in consultation with the Council's Treasury Management advisers.

7. Reduction of Crime and Disorder

7.1 None arising directly from this report.

8. Employee Implications

8.1 There are no direct employee implications arising from this report.

9. Financial Implications

9.1 The prudential indicators are factored into the wider budget.

10. Appendices

10.1 Appendix A - Prudential Indicators Methodology Paper
Appendix B - Prudential Indicators 2017/2018

11. Background Papers

11.1 The following documents and publications were used in the preparation of the Prudential Indicators :

- CIPFA's Treasury Management Code of Practice
- CIPFA's Prudential Code for Capital Finance in Local Authorities.
- Papers from the Council's Treasury Management advisers (Capita).

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