

Annual Prudential Indicators Statement

1. Purpose of the Report

- 1.1 To propose the Council's prudential indicators for 2006/07 and the two following years. This report will need to be submitted for the approval of Council.

2. Recommendation

- 2.1 **The Executive is asked to recommend to Council the prudential indicators as outlined in Appendix to this report.**

3. Background

- 3.1 The Prudential Code for Capital Finance in Local Authorities requires all Councils to consider and set 'prudential indicators' as part of the budget process. The indicators link to the approval of the Council's capital and revenue budget for 2006/07 and the Medium Term Financial Plan. The indicators set a framework for the Council's treasury management activities and guide the Treasury Management Strategy.

4. Financial Implications

- 4.1 The interest earned on the Council's investments (budgeted at £1.29 million in 2006/07) supports the Council's revenue budget. The Prudential Code and the indicators are intended to ensure the Council's spending plans are prudent and affordable.

5. Community & Environmental Implications

- 5.1 None.

6. Equal Opportunities Implications

- 6.1 None

7. Human Resources

- 7.1 None

8. Legal Implications

- 8.1 The Council is required to comply with the Prudential Code under the Local Government Act 2003. The Act also requires the Council to determine its affordable borrowing limit, which equates to the 'authorised borrowing limit' outlined in this report.

Background Papers

- The Code of Practice on Treasury Management in the Public Services.
- The Prudential Code for Capital Finance in Local Authorities.

REPORT OF THE STRATEGIC MANAGER, CORPORATE SERVICES TO THE EXECUTIVE – 2ND FEBRUARY 2006

Report Author: Peter Tovey
Chief Accountant
(01249) 706282