

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council : 27 February 2008

Subject: Prudential Indicators 2007/08 to 2010/11 and Treasury Management Strategy 2007/08 to 2010/11

1. Purpose

1.1 The purpose of this report is to advise Council of the proposed:

- (a) Prudential Indicators for 2007/08 to 2010/11, and the
- (b) Treasury Management Strategy for 2007/08 to 2010

2. Background

2.1 With the introduction of the Prudential Code, the Council has freedom over capital expenditure so long as it is prudent, affordable and sustainable. In order to show it is working within these limits the Council must approve, revise and monitor a range of prudential indicators covering the forthcoming three years.

3. Main Issues

3.1 The Local Government in Scotland Act 2003 requires the Council to adopt the CIPFA Prudential Code and to produce prudential indicators. Appendix I of this report details the Council's revised indicators for 2007/08, revises the indicators for 2008/09 and 2009/10 and introduces new indicators for 2010/11. the indicators are reviewed on a regular basis and will be reported to Council for amendment when and if necessary.

3.2 Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy for 2008/09 is included as Appendix II to complement the prudential indicators relating to the treasury activity.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 The prudential indicators detailed in Appendix I show the Council's likely capital financing and borrowing requirements for the period 2007/08 to 2010/11.

6. Risk Analysis

- 6.1** The main risk is that capital receipts which affect the capital financing and borrowing requirement will not materialise and borrowing will require to increase as a result.

7. Conclusions

- 7.1** The Prudential Indicators and the Treasury Management Strategy for 2007/08 to 2010/11 are detailed in Appendices I and II.

8. Recommendations

8.1 Members are requested to:

(a) Adopt the Prudential Indicators and Limits set out within Appendix I:

- **Capital Expenditure and Capital Financing Requirements (Tables A and B)**
- **Authorised Limits and Operational Boundaries (Table D)**
- **Actual and estimates of the ratio of financing costs to Net Revenue Stream (Table E)**
- **Incremental impact of capital investment decisions on the Band D Council Tax (Table F)**
- **Incremental impact of capital investment decisions Housing Rent levels (Table G)**

(b) Approve the statement by the Executive Director of Corporate Services regarding the external borrowing level in comparison to the Capital Financing Requirement (Appendix I - Point 3.4).

(c) Approve the Treasury Management Strategy 2008/09, within Appendix II.

(d) Adopt the Treasury Prudential Indicators and Limits set out in Appendix II (Table K).

Joyce White
Executive Director of Corporate Services
Date: 18 February 2008

Wards Affected: All wards affected.

Appendices: I Prudential Indicators 2007/08 to 2010/11
II Treasury Management Strategy 2007/08 to 2010/11

Background Papers: General Services Capital Budgetary Control (Period 9) –
Council 27 February 2008

General Services Capital Plan 2008/09 –
Council 27 February 2008

Treasury Management Strategy 2007/08 –
Council 28 February 2007

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