



Report to: Strategic Policy & Resources Committee

Subject: **Local Government Finance Act (NI) 2011 Update**

Date: 9 December 2011

Reporting Officer: Ronan Cregan, Director of Finance and Resources

Contact Officer: Mark McBride, Head of Finance and Performance

1	Relevant Background Information
1.1	Members will recall that at the Strategic Policy and Resources Committee on the 4 November 2011, a report was presented which provided an overview of the implications of the new local Government Finance Act (NI) 2011.
1.2	The Act introduces a new capital financing system and sets out the legislative framework within which the council may manage its finances. This report provides an update on the programme for the development of council policies and prudential and treasury management indicators which will support the rate setting process for 2012/13 and in future years.
2	Key Issues
2.1	The Local Government Finance Act (NI) 2011 and the supporting Prudential and Treasury Codes produced by the Chartered Institute of Public Finance and Accountancy (CIPFA), require the council to adopt certain financial policies which support of the rate setting process and the management of the council's financial affairs.
2.2	The Director of Finance and Resources is also required to report to Members on the robustness of the annual estimates and provide key financial information in the form of prudential and treasury management indicators as part of the rate setting process.
2.3	The following table provides the timetable for the presentation of reports to Strategic Policy and Resources Committee in relation to the Act. The reporting schedule has been structured to provide the proposed policy documents to the December 2011 committee (and these have been included as an appendices to this report), with reports providing specific financial information being presented at the January 2012 meeting in order that they can be considered alongside the 2012/13 rate increase. Finally, the financial regulations will be updated and presented to the March 2012 committee meeting.

**Table 1
Finance Act Reporting Timetable**

Report	SP&R Meeting Date
Treasury Management Policy Statement	9 Dec 2011
Minimum Revenue Provision Policy Statement	9 Dec 2011
Report on 2012/13 Estimates	6 Jan 2012
Prudential Indicators	6 Jan 2012
Annual Treasury Management Strategy	6 Jan 2012
Revised Financial Regulations	3 Feb 2012

3	Recommendations
3.1	<p>Members are requested to:</p> <ul style="list-style-type: none"> • Agree the timetable for the presentation of new policy documents and financial information to the Strategic Policy and Resources Committee. • Approve the draft Treasury Management Policy Statement (Appendix A) • Approve the draft Minimum Revenue Provision Policy Statement (Appendix B)
4	<p>Decision Tracker Responsible Officers: Director of Finance & Resources</p>