



REPORT

Committee	PRUDENTIAL CODE STEERING GROUP		
Venue	Queen Anne's Gate	Date	26 February 2003
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Subject	Draft Prudential Code		

PURPOSE

To consider revised draft of the second exposure draft of the Prudential Code for publication for consultation.

REPORT

- 1 At its meeting on 16 January, the Steering Group expressed the strong view that, notwithstanding the fact that the timing of legislation to commence the framework is uncertain, it is important that the Code is ready for a possible start date of 1 April 2004. The Steering Group considered the timetable for the preparation of the Code and noted that the publication of a second exposure draft in March 2003 for consultation would be important in order to meet this timetable. The Steering Group agreed to aim for approval of the second exposure draft of the Prudential Code for publication for consultation at the February meetings of the PCSG, the Treasury Management Panel and the Public Finance and Management Board.
- 2 The second exposure draft will be subject to modification in the light of comments received before the Code is finalised. Also, further links to developing secondary legislation will be able to be given in the final Code.
- 3 The Steering Group is asked to consider the revised draft of the Code enclosed with this report for recommendation to the Treasury Management Panel and the Public Finance and Management Board for publication for consultation subject to finalisation by the Secretariat in consultation with the Chairman.

- 4 The following changes have been made within the current draft
 - the points agreed at the January meeting of the Steering Group have been actioned
 - points of clarification have been made following the separate meeting with the LGA
 - an executive summary has been added
 - the appendices have been added
 - minor textual changes have been made.
- 5 All authorised information from local authorities who road tested the draft Code during 2002 received by the requested date has been separately circulated to members of the Steering Group. Further returns received will also be circulated.
- 6 Two copies of the draft Code are enclosed, one showing all amendments from the January draft, the other being a clean copy after amendments. A single copy of the new appendices is enclosed.

RECOMMENDATION

The Steering Group is asked to consider the revised draft of the second exposure draft of the Prudential Code for publication for consultation.