

Foreword

The CIPFA *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) underpins the system of capital finance. This new edition makes important changes that reflect developments since the Prudential Code was last updated in 2011.

Local authorities determine their own programmes for capital investment in non-current assets that are central to the delivery of quality local public services. The Prudential Code has been developed as a professional code of practice to support them in taking these decisions. Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003, in Scotland under Part 7 of the Local Government in Scotland Act 2003 and in Northern Ireland under Part 1 of the Local Government Finance Act (Northern Ireland) 2011.

The Prudential Code is set out in this document and comprises the paragraphs in bold type. The explanatory statements are in standard type and shall be regarded as part of the Prudential Code insofar as they assist in interpreting the Prudential Code.

The *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (CIPFA, 2017) sets out good practice in treasury management and is complementary to this Code.

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