

AGENDA ITEM

CORPORATE AFFAIRS COMMITTEE

27 SEPTEMBER 2006

TREASURY MANAGEMENT ANNUAL REPORT

DIRECTOR OF RESOURCES: Paul Slocombe

PURPOSE OF THE REPORT

- 1 To present to Members the Annual Report on Treasury Management.

BACKGROUND

2. The Code of Practice recognises the importance of Members understanding what is being done in the name of the Authority and what the financial implications are. Central to such understanding is the need for responsible officers to report to Members.
3. Members must have regard to the budgetary impact on the Council of effective treasury management, in particular with regard to:
 - a) the impact on the budget of restructuring of debt;
 - b) effective management of short-term cash balances;
 - c) timing of long-term borrowing decisions.

Ward Implications

- 4 There are no implications for individual wards.

FINANCIAL CONSIDERATIONS

4. In 2006/07 Middlesbrough Council will pay out interest totalling around £5.5 million on its long-term borrowing. Interest received on short-term cash balances is estimated to be over £1 million. The proper control and monitoring of the Treasury Management function has a significant bearing on the amounts of interest paid out and received.

RECOMMENDATIONS

5. Approval is sought for the following recommendations:
 - a) accept the report shown at Appendix 1;
 - b) note the changes to Treasury Management Practices reported in sections 23 to 24 of the Appendix.

BACKGROUND PAPERS

No background papers were used in the preparation of this report.

AUTHOR

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