

# METROPOLITAN BOROUGH OF WIRRAL

## FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JUNE 2006

### REPORT OF THE DIRECTOR OF FINANCE

#### TREASURY MANAGEMENT - FINANCIAL MONITORING

##### 1. EXECUTIVE SUMMARY

1.1 This is one of a series of reports submitted to Members throughout the year, the purpose of which is to highlight the financial performance of the Treasury Management budget during 2006/07. Included in this report is the composition of the departmental budget. Members are asked to note the report.

##### 2. BUDGET FOR THE FINANCIAL YEAR 2006/07

2.1 Further to the reporting of the Estimates 2006/07 to Cabinet on 20 February and to Council on 1 March 2006, the approved budget for Treasury Management was £14,505,700 CR. The changes from the original Budget Estimates reported are as follows :

	£
Budget presented to Select Committee and then submitted to Budget Cabinet	14,505,700 CR
Approved variations:	
Capital Financing (see section 3.4.1)	91,000 DR
Budget Approved by Council 1 March 2006	14,414,700 CR

2.2 The budget can be analysed over service areas as follows:-

	£
Corporate Management	2,485,700 DR
Democratic Representation	2,013,300 DR
Pensions	1,768,900 DR
Asset Management	<u>20,682,600 CR</u>
Total for Treasury Management	<u>14,414,700 CR</u>

##### 3. FINANCIAL MONITORING 2006/07

###### 3.1 Progress On Policy Options

3.1.1 There were no policy options affecting these budgets.

## **3.2 Progress On Savings**

3.2.1 There were no savings for 2006/07 which affected these budgets.

## **3.3 Bridging Finance**

3.3.1 There was no bridging finance allocated to these budgets.

## **3.4 Cabinet decisions**

3.4.1 Cabinet on 20 February 2006 agreed to additional schemes being included within the capital programme totalling £1.8 million. For these prudential borrowing (Invest-To-Save) schemes the net effect is an increase in borrowing costs of £91,000 for 2006/07.

3.4.2 There have been no further Cabinet decisions affecting the Treasury Management budgets.

## **3.5 Service Re-engineering**

3.5.1 The Treasury Management budgets essentially relate to the financing costs of asset management with the related staffing and accommodation running costs being held within departmental budgets. Consequently there is no service re-engineering target for this particular budget.

## **3.6 Variations**

3.6.1 The Asset Management budget has income and expenditure of over £39 million and around £15 million per annum respectively which due to its size and complexity may vary significantly. Any variations in interest rates and market conditions, for example, would impact on these budgets. All budgets continue to be monitored and at this stage no significant variations have arisen.

## **4. FINANCIAL AND STAFFING IMPLICATIONS**

4.1 For 2006/07 the agreed current estimate for the Treasury Management budget is £14,414,700 CR.

4.2 There are no staffing implications arising from this report.

## **5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 There are none arising directly from this report.

## **6. HUMAN RIGHTS IMPLICATIONS**

6.1 There are none arising directly from this report.

**7. COMMUNITY SAFETY IMPLICATIONS**

7.1 There are no specific implications arising from this report.

**8. LOCAL MEMBERS SUPPORT IMPLICATIONS**

8.1 There are no specific implications for any Member or Ward.

**9. LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are none arising directly from this report.

**10. PLANNING IMPLICATIONS**

10.1 There are none arising from this report.

**11. BACKGROUND PAPERS**

11.1 None were used in the preparation of this report.

**12. RECOMMENDATIONS**

12.1 That the report be noted.

12.2 That a further report be submitted to the next meeting.

IAN COLEMAN  
DIRECTOR OF FINANCE

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