

## 7. TREASURY MANAGEMENT REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007

<b>General Manager responsible:</b>	Paul Anderson, GM Corporate Services, DDI 941-8540
<b>Officer responsible:</b>	Diane Brandish, Corporate Finance Manager

### PURPOSE OF REPORT

1. The purpose of this paper is to report on the management of the Council's borrowings and investments during the period ended 31 December 2007.

### EXECUTIVE SUMMARY

2. The Local Government Act 2002 requires publication of a Liability Management Policy and an Investment Policy (Policies). These are included as part of the Long Term Council Community Plan (LTCCP) adopted by Council.
3. The Council's policies require periodic reporting to the Council. The Council has delegated reporting requirements to the Council through the Audit and Risk Sub-committee.
4. To provide a regular and ongoing review, a Treasury Review Team appointed by the Chief Executive Officer in terms of the Policies overviews this function. Bancorp Treasury Services Ltd provides independent treasury advice.
5. The attached schedules summarise the results of management of Council's borrowings and investments for the period ending 31 December 2007. There are no budget comparatives as balance sheet budgets are not currently produced. External borrowings are \$3.1m higher than in June 2007. \$2.6m of this is the initial drawdown of the \$43.7m facility put in place for Vbase. They are forecasting a further \$11.0m in April, \$16.2m in October and the balance of \$13.8m in April 2009. All borrowings are matched with loans to Vbase. Investments total \$319m, \$52m lower than in June 2007. This reduction is due to monies being used for the capital programme and, in addition, working capital at (financial) year end was very high and has now dropped to a more realistic figure. All of the policy limits and KPI's were met.

### STAFF RECOMMENDATIONS

It is recommended that the Subcommittee receive the Treasury Management Report.