

## CHILTERN CREMATORIUM JOINT COMMITTEE - 24 FEBRUARY 2010

### REPORT OF THE TREASURER

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#### 2 TREASURY MANAGEMENT STRATEGY

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1. One of the issues highlighted by the external auditors was the lack of a formal Treasury Management Strategy that had been approved by the Joint Committee. This should not be interpreted as a criticism of the management of the Crematorium's funds as this has always been a key priority for officers but represents instead a requirement to meet best practice now that the Crematorium is subject to a more rigorous external audit regime.
2. The investments of the Crematorium are guided by the treasury team of the lead authority, Chiltern District Council, and its external treasury advisers. It is recommended that the Joint Committee formally adopts the council's Treasury Management Policy Statement as set out in *Appendix 2.1*.
3. The key policy objective is to invest surplus funds prudently. The Joint Committee's is requested to approve the following investment priorities:-
  - Security of the sums invested
  - Liquidity of the sums invested
  - Yield optimisation, commensurate with security and liquidity

#### Current Position on Investments

4. It is estimated that investments outstanding at the end of March 2010 will be approximately £2 million. The majority of this is held in a business reserve account and the remainder in a business account with current bankers Co-Operative Bank PLC.
5. Surplus funds are held by the Joint Committee on behalf of the constituent authorities and are primarily used to fund capital projects, the most recent examples being the Milton Chapel project and the current mercury abatement and heat transfer/recovery project. Further information and discussion on surplus funds and longer term financial plans is dealt with in another report.
6. The rate of return on the Crematorium's investments has been adversely affected by the economic downturn. The outlook for interest rates is for a slow improvement towards the end of 2010.

#### RECOMMENDATIONS

##### That the Joint Committee;-

- a) **Formally adopt the Treasury Policy Statement of the lead authority.**
- b) **Approve the investment priorities as set out in the report**
- c) **Note the latest position in respect of the Crematorium's investments.**

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***Background Papers: None***