

## CHILTERNS CREMATORIUM JOINT COMMITTEE – 27 JANUARY 2011

### REPORT OF THE TREASURER

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#### 6.4 MEDIUM TERM FINANCIAL STRATEGY

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1. The purpose of this report is to review the financial position of the Chilterns Crematorium in the medium term from 2012/13 to 2014/15.
2. The following assumptions have been made in arriving at the forecast figures:-
  - a) a 2% inflation factor has been applied each year to both expenditure and income items
  - b) interest rates are assumed to rise over the period from 2% in 2011/12 to 4% by 2014/15
  - c) the only capital expenditure factored into the forecasts is that currently shown in the proposed Capital Programme.
3. The following tables show the forecast position for the next three years:-

	<b>2012/13 Forecast £</b>	<b>2013/14 Forecast £</b>	<b>2014/15 Forecast £</b>
Revenue Expenditure	773,048	788,509	804,279
Income	(1,580,133)	(1,584,735)	(1,599,150)
<b>Revenue (Surplus)/Deficit</b>	<b>(807,085)</b>	<b>(796,226)</b>	<b>(794,871)</b>
Less Capital Expenditure	1,239,680	2445630	52,470
<b>(Surplus)/Deficit for year</b>	<b>432,595 Deficit</b>	<b>1,649,404 Deficit</b>	<b>(742,401) Surplus</b>

<b>Projected Overall Financial Position</b>				
<b>Year</b>	<b>Balance B/Fwd</b>	<b>Revenue Surplus</b>	<b>Capital Expenditure</b>	<b>Balance C/Fwd</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2012/13</b>	(1,892,602)	(807,085)	1,239,680	(1,460,007)
<b>2013/14</b>	(1,460,007)	(796,226)	2,445,630	189,397
<b>2014/15</b>	189,397	(794,871)	52,470	(553,005)

4. From the above tables it can be seen that although there are currently significant balances held should the site development project come to fruition there is a potential shortfall in funding based on the current cost projections in 2013/14, however at this early stage this merely highlights that funds whilst significant will quickly be re-invested if the project proceeds.
5. The Joint Committee is in a strong financial position but in considering this report Members will need to be mindful of the long term financial strategy and future development opportunities.

## **RECOMMENDATION**

**That the Joint Committee consider and note the Medium Term Financial Strategy forecast.**

*Background Papers: None*