

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 2013/14 to 2015/16.
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 1% in 2012/13 to 3.3% by 2015/16
 - 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:-

	2013/14 Forecast £	2014/15 Forecast £	2015/16 Forecast £
Revenue Expenditure	834,649	851,342	868,368
Income	(1,639,515)	(1,660,925)	(1,729,984)
Revenue (Surplus)/Deficit	(804,866)	(809,583)	(861,616)
Less Capital Expenditure	3,357,160	61,140	70,310
(Surplus)/Deficit for year	2,552,294 Deficit	(748,443) Surplus	(791,306) Surplus

Projected Overall Financial Position				
Year	Balance B/Fwd	Revenue Surplus	Capital Expenditure	Balance C/Fwd
	£	£	£	£
2013/14	(2,564,639)	(804,866)	3,357,160	(12,345)
2014/15	(12,345)	(809,583)	61,140	(760,788)
2015/16	(760,788)	(861,616)	70,310	(1,552,094)

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 for funding to be extremely tight based on the current cost projections in 2013/14, however at this 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