

#### 4 MEDIUM TERM FINANCIAL STRATEGY

Contact Officer: Tina Pearce (01494 732233)

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 1.5% in 2013/14 to 2% by 2016/17, this is lower than previously anticipated
  - 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>2014/15 Forecast £</b>	<b>2015/16 Forecast £</b>	<b>2016/17 Forecast £</b>
Revenue Expenditure	878,314	969,080	944,761
Income	(1,708,012)	(1,726,572)	(1,769,804)
<b>Revenue (Surplus)/Deficit</b>	<b>(829,699)</b>	<b>(757,493)</b>	<b>(825,042)</b>
Less Capital Expenditure	2,681,910	1,051,880	138,080
<b>(Surplus)/Deficit for year</b>	<b>1,852,211 Deficit</b>	<b>294,387 Deficit</b>	<b>(686,962) 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>2014/15</b>	(3,527,267)	(829,699)	2,681,910	(1,675,056)
<b>2015/16</b>	(1,675,056)	(757,493)	1,051,880	(1,380,668)
<b>2016/17</b>	(1,380,668)	(825,042)	138,080	(2,067,631)

4. From the above tables it can be seen that there are currently significant balances held. The Capital Programme and Long Term Capital and Maintenance Programme show how these funds may need to be drawn upon without the need for borrowing.
5. The Joint Committee is in a strong financial position but in considering this report Members will need to continue to be mindful of the long term financial strategy and future development opportunities, long term capital and maintenance requirements and the potential for future distribution of surplus funds.

#### RECOMMENDATION

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

*Background Papers: None*