

CHILTERN CREMATORIUM JOINT COMMITTEE – 16 FEBRUARY 2015

REPORT OF THE TREASURER

MEDIUM TERM FINANCIAL STRATEGY

Contact Officer: Tracey Campbell (01494 732204)

1. The purpose of this report is to review the medium term financial position of the Chilterns Crematorium.
2. The following assumptions have been made in arriving at the forecast figures:
 - a) A 2-3% inflation factor has been applied each year to both expenditure and income items, with the 2015/16 budget forming the basis of the forecasts;
 - b) Interest rates did not rise to the anticipated level and remain at 1% or less.
 - c) The only capital expenditure factored into the forecasts is that currently shown in the proposed Capital Programme, and this includes provision for the construction of a new crematorium.
3. The following tables show the forecast position for the next three years:

	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £
Revenue Expenditure *	918,798	948,584	925,226
Income *	(1,920,086)	(1,968,345)	(2,030,348)
Revenue (Surplus) / Deficit	(1,001,288)	(1,019,761)	(1,105,123)
Less Capital Expenditure	1,433,820	198,573	434,280
(Surplus)/Deficit for year	432,532 Deficit	(821,188) Surplus	(670,843) Surplus

* These figures only relate to the existing crematorium site and do not account for the effects of opening a facility in the North of the County.

Projected Overall Financial Position				
	Balance B/Fwd £	Revenue Surplus £	Capital Expenditure £	Balance C/Fwd £
2016/17	(1,664,478)	(1,001,288)	1,433,820	(1,231,946)
2017/18	(1,231,946)	(1,019,761)	198,573	(2,053,134)
2018/19	(2,053,134)	(1,105,123)	434,280	(2,723,977)

4. From the tables above it can be seen that there are currently significant balances held. The Long Term Capital and Maintenance Programme show how these funds may need to be drawn upon in the future. Until the new crematorium project is complete there will be some uncertainty around the level of reserves in the future. However based on forecasts of income and expenditure it is not unreasonable to anticipate being in a position to distribute surpluses in 2017/18.
5. The Joint Committee is in a strong financial position but Members will need to continue to be mindful of the long term capital and maintenance requirements and future development opportunities. Also the numbers of cremations will need to be monitored to determine the impact of demographic and supply (i.e. number of crematoria) changes.

Classification: OFFICIAL

6. As the development of the new site progresses the cash flow situation will need to be carefully monitored. If build costs increase or are bought forward cash flow may become an issue that will need to be managed as part of the overall project.

RECOMMENDATION

That the Joint Committee note the Medium Term Financial Strategy forecast.

Background Papers: None

Classification: OFFICIAL