

Model	Capital costs £	Loan £	Interest Rate %	Loan period	IRR	Payback Period (Years)	Negative impact on MTFS £	Total cost/(saving) over 25 years £	Total cost/(saving) over 40 years £	Comments
1 Total capital costs funded by loan.	1,940,000	1,940,000	2%	15 years	nil	nil	1,048,592	19,673	-	No saving/return over 25 years. 15 years before positive impact on MTFS
1a Total capital costs funded by loan - Sensitivity at 3%	1,940,000	1,940,000	3%	15 years	nil	nil	1,216,852	187,934	-	No saving/return over 25 years. 15 years before positive impact on MTFS
2 Total capital costs funded by loan. Sensitivity - model over 40 years	1,940,000	1,940,000	3%	15 years	nil	26 years	1,216,852	-	(1,491,117)	as 1, but model spread over 40 years. 15 years before positive impact on MTFS
3 Total capital costs funded by internal borrowing - Sensitivity - borrowing at 0%	1,940,000	1,940,000	0%	15 years	nil	23 years	733,352	(295,467)	-	15 years before positive impact on MTFS. Modelled at 0% for comparison purposes, but not a viable option
4 Total capital costs funded by internal borrowing - sensitivity - borrowing at 0%, modelled over 40 years	1,940,000	1,940,000	0%	15 years	nil	22 years	733,352		(1,974,404)	as 3, but model spread over 40 years. Not a viable option. 15 years before positive impact on MTFS
5 Total capital costs part funded by contribution of £373k from reserve	1,940,000	1,567,000	3%	15 years	nil	23 years	750,910	(278,009)	-	Assume use of 17/18 increase in fees, ringfenced for scheme, subject to council approval. 15 years before positive impact on MTFS
6 Total capital costs part funded by contribution of £373k from reserve & £275k capital receipt	1,940,000	1,292,000	3%	15 years	nil	19 years	407,387	(621,532)	-	Assume as per no 5, plus use of cemetery lodge capital receipt, subject to council approval. 15 years before positive impact on MTFS
7 As no 6, but with increased income volume from 2027, in line with population/death statistics	1,940,000	1,292,000	3%	15 years	3.69%	12 years	265,942	(4,144,707)	-	The additional income could be accomodated by the existing and 1st new chapel, so this is not a true incremental increase. 9 years before positive impact on MTFS
8 Mothball the existing chapel, no re-use. Capital costs re 2nd chapel only. Total capital costs funded by 3% loan. Assumes popoulation/death increases from 2027	1,000,000	1,000,000	1.80%	15 years	2.25%	18 years	801,320	(1,914,641)		assumes all cremations undertaken in new and second chapel, with volume increases in 2027. Assumes business rates still payable on mothballed chapel, per JG. 9 years before positive impact on MTFS
9 Mothball the existing chapel, no re-use. Capital costs re 2nd chapel only. Total capital costs part funded by contribution of £373k from reserve & £275k capital receipt, but no increased volumes of activity	1,000,000	352,000	1.80%	15years	nil	nil	866,228	866,228	-	assumes all cremations undertaken in new and second chapel - no overall increase in volume. Assumes business rates still payable on mothballed chapel. No saving/return over 25 years. Negative impact on MTFS over all 25 years
10 As 9, Mothball the existing chapel, no re-use. Capital costs re 2nd chapel only. Total capital costs part funded by contribution of £373k from reserve & £275k capital receipt, but with increased volumes of activity re population increase. Loan over 15 years at 1.8%, based on current PWLB loan rate February 2017	1,000,000	352,000	1.80%	15years	4.46%	14 years	355,937	(2,656,947)	-	As no 9, but additional volume of cremations from 2027 across new & 2nd chapel. High risk if death statistics are not as expected in 10 to 25 year's time and estimated increased activity does not materialise. Also assumes business rates still payable on mothballed chapel. 9 years before positive impact on MTFS. Shortfall could be met by increase of £26.50 re environmental charges from year 1, creating a positive impact on MTFS, starting in year 1 . This fee increase would result in overall impact on MTFS of £4.061m over 25 years
Recommended option -										
11 As 10, Mothball the existing chapel, no re-use. Capital costs re 2nd chapel only. Total capital costs part funded by contribution of £373k from reserve & £275k capital receipt, but with increased volumes of activity re population increase and loan over 25 years at 2.40%, based on PWLB rates ar February 2017	1,000,000	352,000	2.4%	25 years	4.50%	12 years	283,252	(2,590,032)	-	As above but loan over 25 years at a rate of 2.4%, per PWLB rates Feb 17. 9 years before positive impact on MTFS. Shortfall could be met by increase of £26.50 re environmental charges from year 1, creating a positive impact on MTFS, starting in year 1 . This fee increase would result in overall impact on MTFS of £3.994m over 25 years.

Capital costs		
Reuse of existing chapel	898,000	
Build of 2nd chapel	957,000	
Project management/Backfilling (based on 50% of similar costs for approved 1st new chapel)	85,000	(reduced to £43000 (25%) options 8 - 11)
	1,940,000	