

# **NORTH DEVON CREMATORIUM JOINT COMMITTEE**

**15<sup>th</sup> February 2019**

## **REPORT OF TREASURER**

### **BUDGET 2019/2020**

#### **1. INTRODUCTION**

- 1.1. This report forecasts the final estimated position for 2018/19 and recommends the budgets for 2019/2020 for consideration by the Joint Committee.

#### **2. RECOMMENDATIONS**

- 2.1. The Joint Committee is recommended to:

- 2.1.1. Approve the basic cremation charge of £700 or any other amount as deemed appropriate by the Joint Committee for 2019/2020 as detailed in paragraph 6.1.
- 2.1.2. Approve the 2019/2020 Budgets as set out in paragraph 3 of the report.
- 2.1.3. Approve the other fees and charges as detailed in paragraph 6.3 and Appendix 2.
- 2.1.4. Approve the distribution of surpluses for 2018/19 of £367,680 to the constituent authorities as set out in table 3. £220,608 to North Devon Council and £147,072 to Torridge District Council.
- 2.1.5. Approve the transfer of £100,000 to the Equipment Replacement Reserve.

### 3. BUDGET SUMMARY

	Actual 2017/2018	Budget 2018/2019	Probable 2018/2019	Budget 2019/2020 @ £700	Budget 2019/2020 @ £725
	£	£	£	£	£
Premises	204,801	210,200	217,165	259,710	259,710
Transport	772	1,000	764	1,000	1,000
Supplies & Services	178,009	181,810	161,738	174,060	174,060
Central Support & Employees	254,289	272,620	264,641	303,050	303,050
<b>Total Expenditure</b>	<b>637,871</b>	<b>665,630</b>	<b>644,308</b>	<b>737,820</b>	<b>737,820</b>
Fees	1,100,285	1,055,200	1,074,927	1,107,480	1,146,230
Sales	99,397	100,610	90,886	100,270	100,270
Interest	483	500	2,362	3,750	3,750
CAMEO*	7,771	7,000	6,344	5,000	5,000
Miscellaneous	132	0	305	0	0
<b>Total Income</b>	<b>1,208,068</b>	<b>1,163,310</b>	<b>1,174,824</b>	<b>1,216,500</b>	<b>1,255,250</b>
<b>Contribution to Earmark Reserve</b>	<b>15,000</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>
<b>Contribution to Equipment Replacement Res</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Distribution NDC</b>	<b>200,928</b>	<b>220,608</b>	<b>220,608</b>	<b>227,208</b>	<b>250,458</b>
<b>Distribution TDC</b>	<b>133,952</b>	<b>147,072</b>	<b>147,072</b>	<b>151,472</b>	<b>166,972</b>
<b>Surplus</b>	<b>120,319</b>	<b>0</b>	<b>32,836</b>	<b>0</b>	<b>0</b>

\* Crematoria Abatement of Mercury Emissions Organisation

### 4. PROBABLE ESTIMATE

4.1. The probable estimate for 2018/19 predicts a surplus of £32,836 after the surplus distribution is made to the two constituent authorities.

### 5. ESTIMATES 2019/2020

5.1. No general inflationary increase has been applied to the 2019/20 expenditure budgets. Budgets that involve staff have been increased in line with the agreed pay award for 2019/20. The part-time Administrator and part-time Gardener, previously approved, have been included within the 2019/20 salary budget.

- 5.2. All budgets have been reviewed and set in line with current activity and anticipated future spend. Buildings and grounds maintenance budgets have been set in line with the maintenance programme. An additional budget for £42k has been included for 2019/20 for a hearth replacement to one of the cremators.
- 5.3. For the purpose of the 2019/20 budget the estimated number of cremations is 1,550, which was used for the 2018/19 budget.

## 6. FEES AND CHARGES 2019/2020

- 6.1. In order to cover for the extra employee costs and the additional costs for the hearth replacement and to maintain the surplus distribution at a similar level, it will be necessary to increase the cremation fee by £40 to £700, this represents a fee increase of 6%. The current prices for neighbouring crematoria are detailed in appendix 1 of this report, with the majority also due an unknown increase from 1<sup>st</sup> April 2019. As North Devon Crematorium is still the cheapest of the local crematoria, and considerably cheaper than most, a second option has been included, this is to increase the cremation fee to £725, an increase of 10% to be considered by the Joint Committee. The early service price difference is retained at £100 less than normal cremation fee and the direct cremation fee has been included.
- 6.2. A movement of £10 to the cremation fee would have the impact of £15,500 p.a. on the revenue income.
- 6.3. The proposed fees and charges for 2019/20 are attached in appendix 2. Non-living memorials have been increased by 3% and living memorials have been increased by 10% to reflect the increased management they require. The urns and ashes burial fees have been retained at current levels. The current fees for 2018/19 have been included for comparison.

## 7. DISTRIBUTION OF SURPLUSES

7.1. The 2019/20 budget allows for either £378,680 or £417,430 to be distributed to the constituent authorities depending on which cremation fee is approved.

## 8. RESERVE TRANSFER

8.1. The estimate allows for a transfer to the Equipment Replacement Reserve of £100,000 at the end of the 2019/20 financial year.

8.2. If the probable estimated figures for 2018/19 are achieved, a working balance of £100,000 would be maintained, which is sufficient in light of the risks facing the Crematorium.

8.3. Projected funds available in the Capital and General Reserves are detailed below:

	31 <sup>st</sup> March 2018	Projected 31 <sup>st</sup> March 2019	Projected 31 <sup>st</sup> March 2020
	£	£	£
Crem Earmarked Reserve	494,319	293,319	293,319
Equipment Replacement Res	200,000	300,000	400,000
General Reserve	100,000	100,000	100,000
	<b>794,319</b>	<b>693,319</b>	<b>793,319</b>

8.4 These figures do not include the projected additional surplus identified in 3 above of £32,836.

8.5 The Crem Earmarked Reserve was set up to fund capital projects within the crematorium. Phase A (Aspen chapel refurbishment) is currently underway and the remaining balance will then be available for Phase B (Garage/Memorial Hall).

8.6 The Equipment Replacement Reserve has been established to set aside resources to ensure that sufficient funds are available when the cremators and filtration equipment reach the end of their useful life.

Mark Knight  
6<sup>th</sup> February 2019