

# **NORTH DEVON CREMATORIUM JOINT COMMITTEE**

**10<sup>th</sup> February 2017**

## **REPORT OF TREASURER**

### **BUDGET 2017/2018**

#### 1. INTRODUCTION

- 1.1. This report forecasts the final estimated position for 2016/17 and recommends the estimates for 2017/2018 for consideration by the Joint Committee.

#### 2. RECOMMENDATIONS

- 2.1. The Joint Committee is recommended to:

- 2.1.1. Approve the 2017/2018 Estimates as set out in paragraph 3 of the report.
- 2.1.2. Approve the basic cremation charge of £630 for 2017/2018 as detailed in paragraph 6.1.
- 2.1.3. Approve the fees and charges as detailed in paragraph 6.3 and Appendix 2.
- 2.1.4. Approve the distribution of surpluses of £270,840 to the constituent authorities as set out in table 3. £162,504 to North Devon Council and £108,336 to Torridge District Council.
- 2.1.5. Note the budgeted distribution of surpluses of £334,880 for 2017/18 set out in paragraph 7.1.
- 2.1.6. Approve the transfer of £100,000 to the Equipment Replacement Reserve.

### 3. BUDGET SUMMARY

|                                               | Actual<br>2015/2016<br>£ | Estimate<br>2016/2017<br>£ | Probable<br>2016/2017<br>£ | Estimate<br>2017/2018<br>£ |
|-----------------------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| Premises                                      | 179,704                  | 246,640                    | 212,089                    | 214,080                    |
| Transport                                     | 487                      | 1,000                      | 829                        | 1,000                      |
| Supplies & Services                           | 131,319                  | 123,510                    | 143,027                    | 159,080                    |
| Central Support & Employees                   | 229,474                  | 245,030                    | 240,461                    | 262,210                    |
| <b>Total Expenditure</b>                      | <b>540,984</b>           | <b>616,180</b>             | <b>596,406</b>             | <b>636,370</b>             |
| Fees                                          | 943,339                  | 910,700                    | 1,004,829                  | 977,700                    |
| Sales                                         | 68,257                   | 66,970                     | 98,520                     | 79,150                     |
| Interest                                      | 4,163                    | 700                        | 1,675                      | 1,750                      |
| CAMEO*                                        | 11,260                   | 8,000                      | 12,695                     | 12,000                     |
| Miscellaneous                                 | 1,054                    | 650                        | 449                        | 650                        |
| Business Rates Refund                         |                          |                            | 77,586                     |                            |
| <b>Total Income</b>                           | <b>1,028,073</b>         | <b>987,020</b>             | <b>1,195,754</b>           | <b>1,071,250</b>           |
| Contribution to Capital Reserve               | 387,089                  | 0                          | 0                          | 0                          |
| Contribution to Equipment Replacement Reserve | 0                        | 100,000                    | 100,000                    | 100,000                    |
| <b>Surplus</b>                                | <b>100,000</b>           | <b>270,840</b>             | <b>499,348</b>             | <b>334,880</b>             |

\* Crematoria Abatement of Mercury Emissions Organisation

### 4. PROBABLE ESTIMATE

4.1. The probable estimate for 2016/17 shows a surplus of £499,348. The budget allowed for £270,840 to be distributed to the constituent authorities. This means it is projected that an additional surplus of £228,508 will be achieved. The Joint Committee resolved at the meeting of 5<sup>th</sup> August to consider the use and or, redistribution of the surplus at a meeting when the accounts for the year have been finalised.

### 5. ESTIMATES 2017/2018

5.1. No general inflationary increase has been applied to the 2017/18 expenditure budgets. Budgets that involve staff

have been increased with forecast increases in salaries at 1% and changes following the pension revaluation.

- 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. The rates budget has taken into account the recent revaluation. £11k has been removed for hearth replacement as none should be required in 2017/18.
- 5.3. For the purpose of the 2017/18 budget the estimated number of cremations has been increased from 1,400 to 1,500, which reflect the increases that have occurred during 2016/17.

## 6. FEES AND CHARGES 2017/2018

- 6.1. It is proposed to keep the cremation fee at £630 for 2017/2018. The current prices for neighbouring crematoria are detailed in appendix 1 of this report.
- 6.2. A movement of £10 to the cremation fee would have the impact of £15,000 p.a. on the revenue income.
- 6.3. The proposed fees and charges for 2017/18 are attached in appendix 2. It is proposed that the fees will not be increased.

## 7. DISTRIBUTION OF SURPLUSES

- 7.1. The 2017/18 budget allows for £334,880 to be distributed to the constituent authorities. It is proposed that the surpluses to be distributed in respect of 2017/18 are £200,928 to North Devon Council and £133,952 to Torridge District Council.

## 8. RESERVE TRANSFER

- 8.1. The estimate allows for a transfer to the Equipment Replacement Reserve of £100,000 at the end of the 2017/18 financial year.

- 8.2. If the probable estimated figures 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<br>2016 | Projected 31 <sup>st</sup><br>March 2017 | Projected 31 <sup>st</sup><br>March 2018 |
|---------------------------|--------------------------------|------------------------------------------|------------------------------------------|
|                           | £                              | £                                        | £                                        |
| Capital Works Reserve     | 172,186                        | 172,186                                  | 29,186                                   |
| Equipment Replacement Res | 0                              | 100,000                                  | 200,000                                  |
| General Reserve           | 100,000                        | 100,000                                  | 100,000                                  |
|                           | <b>272,186</b>                 | <b>372,186</b>                           | <b>329,186</b>                           |

- 8.4 The Capital Works Reserve has been established to set aside resources for major capital projects. In August 2016 the Joint Committee approved phase A works to be carried out during 2017/18 at an estimated cost of £143,000.
- 8.5 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  
31<sup>st</sup> January 2017