

# **NORTH DEVON CREMATORIUM JOINT COMMITTEE**

**9<sup>th</sup> February 2018**

## **REPORT OF TREASURER**

### **BUDGET 2018/2019**

#### **1. INTRODUCTION**

- 1.1. This report forecasts the final estimated position for 2017/18 and recommends the budgets for 2018/2019 for consideration by the Joint Committee.

#### **2. RECOMMENDATIONS**

- 2.1. The Joint Committee is recommended to:

- 2.1.1. Approve the 2018/2019 Budgets as set out in paragraph 3 of the report.
- 2.1.2. Approve the basic cremation charge of £660 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 for 2017/18 of £334,880 to the constituent authorities as set out in table 3. £200,928 to North Devon Council and £133,952 to Torridge District Council.
- 2.1.5. Note the budgeted distribution of surpluses of £367,680 for 2018/19 set out in paragraph 7.1.
- 2.1.6. Approve the transfer of £100,000 to the Equipment Replacement Reserve.

### 3. BUDGET SUMMARY

	Actual 2016/2017 £	Budget 2017/2018 £	Probable 2017/2018 £	Budget 2018/2019 £
Premises	220,711	214,080	186,032	210,200
Transport	852	1,000	742	1,000
Supplies & Services	144,569	159,080	178,566	181,810
Central Support & Employees	237,346	262,210	255,001	272,620
<b>Total Expenditure</b>	<b>603,478</b>	<b>636,370</b>	<b>620,341</b>	<b>665,630</b>
Fees	1,050,617	992,700	1,019,742	1,055,200
Sales	95,423	79,150	91,145	100,610
Interest	1,560	1,750	486	500
CAMEO*	12,695	12,000	7,771	7,000
Miscellaneous	197	650	197	0
Business Rates Refund	77,586	0	0	0
<b>Total Income</b>	<b>1,238,078</b>	<b>1,086,250</b>	<b>1,119,341</b>	<b>1,163,310</b>
<b>Contribution to Earmark Reserve</b>	<b>263,760</b>	<b>15,000</b>	<b>15,000</b>	<b>30,000</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>Distribution NDC</b>	<b>162,504</b>	<b>200,928</b>	<b>200,928</b>	<b>220,608</b>
<b>Distribution TDC</b>	<b>108,336</b>	<b>133,952</b>	<b>133,952</b>	<b>147,072</b>
<b>Surplus</b>	<b>0</b>	<b>0</b>	<b>49,120</b>	<b>0</b>

\* Crematoria Abatement of Mercury Emissions Organisation

### 4. PROBABLE ESTIMATE

- 4.1. The probable estimate for 2017/18 predicts a surplus of £49,120 after the surplus distribution is made to the two constituent authorities. If this surplus is achieved at outturn it is proposed to transfer this additional surplus to the earmarked reserve to cover the increased costs of the Aspen Chapel refurbishment.

### 5. ESTIMATES 2018/2019

- 5.1. No general inflationary increase has been applied to the 2018/19 expenditure budgets. Budgets that involve staff

have been increased with forecast increases in salaries at 2%, which is the current level offered by the employers side in negotiations over salary increases for 2018/19 and 2019/20.

- 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.
- 5.3. For the purpose of the 2018/19 budget the estimated number of cremations has been increased from 1,500 to 1,550, which reflect the increased number of services.

## 6. FEES AND CHARGES 2018/2019

- 6.1. It is proposed to increase the cremation fee to £660 for 2018/2019. This represents an increase of 3.13%. 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 £15,500 p.a. on the revenue income.
- 6.3. The proposed fees and charges for 2018/19 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 "Burial of cremated remains" fees have been retained as these are relatively rarely used. Two new fees have been added, the "Bearing of coffin" fee and "Service cancellation within 72hrs of service" fee.

## 7. DISTRIBUTION OF SURPLUSES

- 7.1. The 2018/19 budget allows for £367,680 to be distributed to the constituent authorities. It is proposed that the surpluses to be distributed in respect of 2018/19 are £220,608 to North Devon Council and £147,072 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 2018/19 financial year.
- 8.2. If the probable estimated figures for 2017/18 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 2017	Projected 31 <sup>st</sup> March 2018	Projected 31 <sup>st</sup> March 2019
	£	£	£
Crem Earmarked Reserve	435,945	423,120	222,330
Equipment Replacement Res	100,000	200,000	300,000
General Reserve	100,000	100,000	100,000
	<b>635,945</b>	<b>723,120</b>	<b>622,330</b>

- 8.4 The Crem Earmarked Reserve was originally set up to fund the new Rowan chapel capital project. The balance is planned to be used for Phase A (Aspen chapel refurbishment) and Phase B (Garage/Memorial Hall). Phase A has been re-costed at £230,790 and is planned for 2018/19, the remaining balance of £222,330 will be used for Phase B in future years, costs and resources permitting.
- 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  
30<sup>th</sup> January 2018