

# **NORTH DEVON CREMATORIUM JOINT COMMITTEE**

**7<sup>th</sup> February 2020**

## **REPORT OF TREASURER**

### **BUDGET 2020/2021**

#### 1. INTRODUCTION

- 1.1. This report forecasts the final estimated position for 2019/20 and recommends the budgets for 2020/2021 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 £715 or any other amount as deemed appropriate by the Joint Committee for 2020/2021 as detailed in paragraph 6.1.
- 2.1.2. Approve the 2020/2021 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 2019/20 of £347,680 to the constituent authorities as set out in table 3 and 7.1. £208,608 to North Devon Council and £139,072 to Torridge District Council.
- 2.1.5. Approve the transfer of £100,000 to the Equipment Replacement Reserve.

### 3. BUDGET SUMMARY

	Actual 2018/2019 £	Budget 2019/2020 £	Probable 2019/2020 £	Budget 2020/2021 £
Premises	225,975	259,710	282,797	285,740
Transport	695	1,000	784	1,000
Supplies & Services	157,387	174,060	167,944	188,630
Central Support & Employees	264,294	303,050	292,431	310,540
<b>Total Expenditure</b>	<b>648,351</b>	<b>737,820</b>	<b>743,956</b>	<b>785,910</b>
Fees	1,091,602	1,076,480	1,068,241	1,121,890
Sales	90,934	100,270	90,793	99,180
Interest	2,354	3,750	4,474	4,000
CAMEO*	6,344	5,000	6,333	4,000
Miscellaneous	1,161	0	0	0
<b>Total Income</b>	<b>1,192,395</b>	<b>1,185,500</b>	<b>1,169,841</b>	<b>1,229,070</b>
<b>Contribution to Earmark Reserve</b>	<b>30,000</b>	<b>0</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>95,480</b>
<b>Distribution NDC</b>	<b>220,608</b>	<b>208,608</b>	<b>208,608</b>	<b>208,608</b>
<b>Distribution TDC</b>	<b>147,072</b>	<b>139,072</b>	<b>139,072</b>	<b>139,072</b>
<b>Surplus/(Deficit)</b>	<b>46,364</b>	<b>0</b>	<b>(21,795)</b>	<b>0</b>

\* Crematoria Abatement of Mercury Emissions Organisation

### 4. PROBABLE ESTIMATE

- 4.1. The probable estimate for 2019/20 predicts a deficit of £21,795 after the surplus distribution is made to the two constituent authorities.

### 5. ESTIMATES 2020/2021

- 5.1. No general inflationary increase has been applied to the 2020/21 expenditure budgets. Budgets that involve staff have been increased in line with the anticipated pay award for 2020/21
- 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. A budget of £62k has been included for 2020/21 for a hearth replacement to one of the cremators.

- 5.3. For the purpose of the 2020/21 budget the estimated number of cremations is 1,550, which was used for the 2019/20 budget.

## 6. FEES AND CHARGES 2020/2021

- 6.1. It is proposed to increase the cremation fee to £715 for 2020/21. It is proposed to include the charge for a standard cardboard casket within the cremation fee from 2020/21. The proposed charge of £715 represents an increase of 2.94% plus the 2020 price of a cardboard casket at £15. The current prices for neighbouring crematoria are detailed in appendix 1 of this report. The early service price difference is retained at £100 less than normal cremation.
- 6.2. The proposed fees and charges for 2020/21 are attached in appendix 2. Fees and charges have been increased by 3% or other amount as deemed appropriate by the Crematorium Manager. However, Webcast/Tribute Services and burial fees have been retained at current levels. Webcast due to the supplier's costs not increasing and burial fees have remained to keep the fees in line with other crematoria charges. The current fees for 2019/20 have been included for comparison.

## 7. DISTRIBUTION OF SURPLUSES

- 7.1. The 2020/21 budget allows for £347,680 to be distributed to the constituent authorities.
- 7.2. It is proposed that the surpluses to be distributed in respect of 2019/20 are £208,608 to North Devon Council and £139,072 to Torridge District Council.

## 8. RESERVE TRANSFER

- 8.1. The estimate allows for a transfer to the Equipment Replacement Reserve of £95,480 at the end of the 2020/21 financial year.
- 8.2. 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 2019	Projected 31 <sup>st</sup> March 2020	Projected 31 <sup>st</sup> March 2021
	£	£	£
Crem Earmarked Reserve	341,478	341,478	341,478
Equipment Replacement Res	300,000	400,000	495,480
General Reserve	100,000	100,000	100,000
	<b>741,478</b>	<b>841,478</b>	<b>936,958</b>

- 8.4 These figures do not include the projected deficit identified in 3 above of £21,795.
- 8.5 The Crem Earmarked Reserve was set up to fund capital projects within the crematorium. The remaining balance will 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  
23<sup>rd</sup> January 2020