

FOR PUBLICATION

ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

MEETING: **CHESTERFIELD & DISTRICT JOINT
CREMATORIUM COMMITTEE**

DATE: **26th June, 2017**

REPORT BY: **TREASURER TO THE COMMITTEE
BEREAVEMENT SERVICES MANAGER**

FOR PUBLICATION:

BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE: **Accounting Records
Final Account Working Papers**

LOCATION: **Accountancy Services Section**

1.0 PURPOSE OF REPORT

- 1.1 To report the Final Accounts of the Joint Committee for the year ended 31st March 2017 including the Revenue Account and Balance Sheet.

2.0 RECOMMENDATIONS

- 2.1 That the report be noted and the Statement of Accounts be approved.

2.2 That the carry forward requests be approved.

3.0 OUTTURN

3.1 Appendix A is the Committee's Revenue Account for 2016/17 and shows a net surplus of £616,559 before any re-distribution of the capital reserves and accumulated surpluses to the constituent authorities, compared with the revised estimated surplus of £322,320. The outturn surplus prior to any re-distributions is therefore, £294,239 more than the revised forecast. The variations to the budget are as follows:

Table 1: Significant Variations Revised Budget to Out-turn

Description	Net Increase / (Decrease) £'000
Employees	
- 3.2.1 Wages & Agency Staff underspend	(2)
- 3.2.2 Training overspend	1
Premises	
- 3.2.3 General Repairs	1
- 3.2.4 Service Improvement Plan	(41)
- 3.2.5 Trees & Shrubs	(16)
- 3.2.6 Utilities	3
- 3.2.7 Ground Maintenance	(2)
- 3.2.8 Repairs to Cremators – transferred to reserves	(1)
- 3.2.9 Transport costs	(2)
Supplies & Services	
- 3.2.10 Service Improvement Plan	(2)
- 3.2.11 Office furniture	(3)

- 3.2.12 Professional Services	(8)
- 3.2.13 Other under spends	(13)
- 3.2.14 Central Admin charges	(1)
Income	
- 3.2.15 Cremation fees, Organist & Medical Referees Fees	(214)
- 3.2.16 Memorial sales	4
- 3.2.17 To Reserves – underspend on cremator repairs & equipment	2
Overall Decrease in Net Expenditure	(294)

3.2 The main variances are:

3.2.1 Employee Costs – there was a minor under spend of £2k.

3.2.2 Training – there was a minor overspend of £1k due to the need for a technician to undertake cremator operator training and another employee commencing an ICCM learning programme.

3.2.3 There was a minor underspend of £1k on routine repairs.

3.2.4 There was an under spend of £41k relating to improvements carried out as part of the Service Improvement Plan. These include £15k for the waste conveyor (work delayed), £12k waiting room toilets (not commenced), £4k refurbishment of Book of Remembrance Room (not commenced), £5k for improvements to rose beds (not commenced) and £2k for new signage (ordered in 17/18). Carry forward requests have been made where applicable (see 3.3 below). There were also under spends on completed improvements i.e. £1k on grounds maintenance equipment

(transferred to equipment reserve - see 3.2.17) and £2k on the installation of the new CCTV system.

3.2.5 Trees & Scrubs – there was a £16k under spend.

3.2.6 There was an over spend of £3k on utilities probably caused by the increase in number of cremations carried out.

3.2.7 On routine grounds maintenance there was an under spend of £2k.

3.2.8 There was an under spend of £1k on cremator repairs which has been transferred to the Cremator Repairs Fund (see 3.2.17).

3.2.9 General transport costs were under spent by £2k, mainly on car allowances and petrol.

3.2.10 The improvements to the mess room highlighted in the Service improvement Plan have not commenced therefore a carry forward of £2.5k has been requested (see 3.3 below).

3.2.11 There was an under spend of £3k on office furniture and equipment due to the fact that the administration office was only refurbished last year.

3.2.12 Professional services is under spent by £8k mainly due to the fact that the setting up of a separate company has not yet been finalised. A carry forward has been requested (see 3.3 below).

3.2.13 Within supplies and services there were other miscellaneous underspends totalling £13k.

3.2.14 There was a reduction of £1k on Central Admin recharges.

3.2.15 Cremations were up by 324 on the revised budget estimate increasing income by £214k.

3.2.16 Although budgets relating to the sale of memorials were reviewed income was down by £4k.

3.2.17 An additional contribution of £2k was made to reserves (£1k cremator repairs fund and £1k equipment reserve) relating to under spends on planned expenditure (see 3.2.4 and 3.2.8).

3.3 Carry Forwards

There are a number of schemes that require carrying forwards to 2017/18 totalling £45,110, the majority of these relate to schemes approved as part of the Management Plan. The requests are shown in the table below:

Table 2: Carry forward requests

	£
Premises	
• Waiting Room toilet	12,070
• Re-location of waste conveyor	13,900
• Refurbishment of Book of Remembrance Room	4,350
• New signage	2,000
Supplies & Services	
• Professional Fees	10,290
• Refurbishment of mess room	2,500
Total Carry Forward Requests	45,110

If the carry forward requests are approved, the under spend in the year reduces to £249,129 and the surplus in 2016/17 reduces to £571,449.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations increased during 2016/17 by 206, compared to a decrease of 120 in 2015/16.

Table 3: Number of Cremations

Authority	2013/14	2014/15	2015/16	2016/17
Chesterfield BC	930	963	951	1043
North East DDC	499	574	517	608
Bolsover DC	237	283	263	293
Sub-Total Constituent Authorities.	1,666	1,820	1,731	1944
Other Areas	433	418	387	380
Total Cremations	2,099	2,238	2,118	2,324
Change year on year	(21)	139	(120)	206

Cremations from within the area increased by 213, and those from outside the Constituent Authorities decreased by 7.

4.0 BALANCE SHEET

4.1 There are six useable reserves shown in the Balance Sheet in Appendix B, as follows:

- Revenue Reserve
- Mercury Abatement Reserve
- Equipment Reserve
- Organ Reserve
- Cremator Repairs Reserve
- Capital Improvement Reserve

Further details of the movements on each of the reserves during the financial year are shown in Appendices C and D.

- 4.2 A summary of the movements on the Revenue Reserve is shown in Table 4 below:

Table 4: Movement on Revenue Reserves in 2016/17

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2016	750	750	-
+ / (-) Surplus / (Deficit) in 2016/17	322	1166	844
+ / (-) Redistribution to Authorities	(822)	(1621)	(799)
Accumulated Reserves as at 31st March 2017 before Carry Forwards	250	295	45
+ / (-) Carry forward requests		(45)	(45)
Balance after 2016/17 Carry Forwards	250	250	

Source: Appendix A

After the redistribution of £1621k and carry forwards the current balance is £250k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k.

- 4.3 The Mercury Abatement Reserve is from income being set aside for any future purchases or upgrades of the plant. The balance at the end of 2016/17 was £509,563, up slightly on the revised budget of £493,678 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £900. This year the balance was used to purchase a new tractor with snow plough attachment and some miscellaneous grounds

- maintenance equipment. There was an under spend on this equipment which was returned to reserve.
- 4.5 The Organ Replacement Reserve has a balance of £7,500.
 - 4.6 The Cremator Repairs Reserve has a balance of £106,111.
 - 4.7 The Capital Improvement Reserve has a balance of £303,806 following the re-distribution back to the constituent authorities of £550k of the unallocated balance. The balance includes £73k earmarked for refurbishment of the chapel which was not completed during the year. The remaining unallocated balance (£231k) is £2k less than planned due to payment of the project management fee for the heat exchange scheme carried out in 2015/16 which was not included in this year's budget.
 - 4.8 The Committee's Financial Strategy will be considered again at the December meeting when future plans and the current level of fees and charges will be reviewed.
 - 4.9 Pensions - In the balance sheet, the pension net fund deficit (£856k) is shown as a Liability and is matched by an equal and opposite amount in the Pension Reserve Account on the other side of the balance sheet. The key point to note is that the deficit forecast has increased since the previous year which will mean that contribution rates may have to increase in the future.
 - 4.10 There has been an increase in debtors (£74k) compared to 2015/16 however £216k of invoices were raised in March which may not have been paid by month end.

5.0 REDISTRIBUTION

- 5.1 A redistribution of £1,621k has been made to the constituent authorities. This was made up of £616k surplus in 2016/17, £455k accumulated surpluses in the Revenue Reserve

(approved at Joint Board meeting on the 14th December 2015) and £550k from the unallocated balances of the Capital Improvement Reserve (approved at meeting on the 20th March 2017).

5.2 The amount redistributed to each authority is as follows:

Chesterfield BC	£892k
North East DC	£502k
Bolsover DC	£227k
	£1621k

6.0 FUTURE COSTS

6.1 As part of the Service Improvement Plan there remains £73k of work to be carried out as part of the chapel refurbishment. As notified by the Crematorium Manager at the Joint Board meeting on the 20th March this cost may increase due to the discovery of asbestos and will be funded from unallocated balances in the Capital Improvement Reserve.

7.0 ANNUAL AUDIT

7.1 The Committee needs to consider the financial statements and formally approve the Statement of Accounts.

8.0 RECOMMENDATIONS

8.1 That the report be noted and the Statement of Accounts be approved.

8.2 That the carry forward requests be approved.

9.0 REASONS FOR RECOMMENDATIONS

- 9.1 To ensure that Joint Committee approves the Statement of Accounts for 2016/17 and that a balanced revenue budget is maintained for 2017/18.

Decision information

Wards affected	All
Links to Council Plan priorities	To provide value for money services

Document information

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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Annexes to the report	
Annex A	Revenue Account – year end 31 st March 2017
Annex B	Balance Sheet – year end 31 st March 2017
Annex C	Other Reserves – year end 31 st March 2017
Annex D	Capital Improvement Reserve – year end 31 st March 2017