

FOR PUBLICATION

ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

MEETING: CHESTERFIELD & DISTRICT JOINT
CREMATORIUM COMMITTEE

DATE: 16th June, 2016

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 2016 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 are approved.

2.3 Members acknowledge the extension of the heating improvement scheme to the garage and approve that the additional expenditure is funded from the unallocated balance in the Capital Improvement Reserve.

3.0 OUTTURN

3.1 Appendix A is the Committee's Revenue Account for 2015/16 and shows a net surplus of £262,853, compared with the revised estimated surplus of £8,870. The outturn surplus is, therefore, £253,983 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 overspend	2
Premises - 3.2.2 General Repairs - 3.2.3 Service Improvement Plan - 3.2.4 Trees & Shrubs - 3.2.5 Survey work to pond wall - 3.2.6 Repairs to Cremators – funded from reserves	4 (31) (17) 5 10
- 3.2.7 Transport costs	(2)
Supplies & Services - 3.2.8 Implementation of online booking - 3.2.9 Office furniture - 3.2.10 Other under spends	(5) 5 (8)
- 3.2.11 Central Admin charges	(2)
Income - 3.2.12 Cremation fees, Organist & Medical Referees Fees - 3.2.13 Memorial sales - 3.2.14 various income	(189) (4) (12)
- 3.2.15 From Reserves to fund repairs to Cremator	(10)
Overall Decrease in Net Expenditure	(254)

3.2 The main variances are:

- 3.2.1 Employee Costs – there was an over spend of £6k on salaries/wages however £5k of this relates to an Officer providing cover in another service area and was recouped through additional recharged income reported under 3.2.14. The budget approved by the joint board for agency cover was under spent by £4k.
- 3.2.2 There is an over spend of £4k on general repairs.
- 3.2.3 There was an under spend of £31k relating to improvements reported in the Service Improvement Plan. These include £5k for CCTV, £14k waste conveyer, £7k external lighting (work commenced) and £5k for improvements to rose beds. Carry forward requests have been made for the under-spent amounts (see 3.4 below).
- 3.2.4 There was an under spend £17k on trees and shrubs.
- 3.2.5 There was an over spend of £5k on survey work to the pond wall to ensure that it remains safe.
- 3.2.6 There was an over spend of £10k on cremator repairs which will be funded by a contribution from the Cremation Repairs Fund (see 3.2.15)
- 3.2.7 General transport costs were under spent by £2k, mainly on car allowances and petrol.
- 3.2.8 Implementation of the online booking system for use by Funeral Directors has come in £5k below budget.
- 3.2.9 There was a £5k over spend on supplies and services due to the purchase of furniture as part of the administration office refurbishment.
- 3.2.10 Within supplies and services there were other minor under spends totalling £8k. This includes £2.5k for refurbishment of the mess room included in the Service Improvement Plan. This

work has not commenced and a carry forward request has been made (see 3.4 below).

3.2.11 There was a reduction of £4k on Central Admin recharges.

3.2.12 Cremations were up by 388 on the revised budget estimate increasing income by £189k.

3.2.13 Memorial sales income was down by £4k due to a delay in sales of new memorials.

3.2.14 There were variances from other sources of income totalling £12k mainly due to additional recharge income (see para 3.2.1) and payment of back rent on the Crematorium Lodge each totalling £5k.

3.2.15 A contribution of £10k was made from the Cremator Repairs Reserve to cover expenditure (see 3.2.6)

3.3 Carry Forwards

There are a number of schemes that require carrying forwards to 2016/17 totalling £33,848, the schemes were approved as part of the Management Plan. The requests are shown in the table below:

Table 2: Carry forward requests

	£
Supplies & Services	
• CCTV upgrade	5,000
• Re-location of waste conveyer	14,550
• Completion of external lights	6,798
• Memorialisation of rose beds	5,000
• Refurbishment of mess room	2,500
Total Carry Forward Requests	33,848

If the carry forward requests are approved, the under spend in the year reduces to £220,135 and the surplus in 2015/16 reduces to £229,005.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations decreased during 2015/16 by 120, compared to an increase of 139 in 2014/15.

Table 3: Number of Cremations

Authority	2012/13	2013/14	2014/15	2015/16
Chesterfield	942	930	963	951
North East Derbyshire	504	499	574	517
Bolsover	248	237	283	263
Sub-Total Constituent Authorities.	1,694	1,666	1,820	1,731
Other Areas	426	433	418	387
Total Cremations	2,120	2,099	2,238	2,118
Change year on year	87	(21)	139	(120)

Cremations from within the area decreased by 89, and those from outside the Constituent Authorities decreased by 31.

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 2015/16

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2015	487	487	-
+ / (-) Surplus / (Deficit) in 2015/16	209	463	254
+ / (-) Redistribution to Authorities	(200)	(200)	-
Accumulated Reserves as at 31st March 2015 before Carry Forwards	496	750	254
+ / (-) Carry forward requests	-	(34)	(34)
Balance after 2015/16 Carry Forwards	496	716	220

Source: Appendix A

After the redistribution of £200k and carry forwards the current balance is £716k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k. The current balance is therefore well above the minimum requirement but the Committee has previously agreed to redistribute the excess balance in 2016/17.

- 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 2015/16 was £403,678, up slightly on the revised budget of £386,218 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £26,800. This balance is more than the budgeted amount of £800 due to the fact that the purchase of the new tractor has been delayed until 2016/17.
- 4.5 The Organ Replacement Reserve has a balance of £6,000.
- 4.6 The Cremator Repairs Reserve has a balance of £87,161.

4.7 The Capital Improvement Reserve has a balance of £775,923 which includes funds earmarked for refurbishment of the chapel (£72k), new strewing grounds (£13k) and an unallocated balance of £691k. During the year two other projects were funded from this reserve:

- Refurbishment of the office accommodation which is now complete and came in £12k under budget.
- Work on the heating system which will be approximately £3,032 over budget due to the fact that the opportunity was taken to extend the project out to the garage area and permission is sought to fund this from the unallocated balance.

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 (£589k) 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 reduced since the previous year.

4.10 There has been an increase in debtors (£25k) compared to 2014/15 however this is due to a number of invoices being raised in 2016/17 that relate to cremations that took place in 2015/16.

5.0 REDISTRIBUTION

5.1 A redistribution of £200k has been made to constituent authorities from the 2015/16 underspend. At the Joint Board meeting on the 14th December 2015 it was agreed that in 2016/17 the balance of the Revenue Reserve over and above the minimum working balance of £250k would be re-distributed.

6.0 FUTURE COSTS

6.1 As part of the Service Improvement Plan £144k has been allocated from the Capital Improvement Reserve in 2016/17 towards the cost of refurbishing the chapel.

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 are approved.

8.3 Members acknowledge the extension of the heating improvement scheme to the garage and approve that the additional expenditure is funded from the unallocated balance in the Capital Improvement Reserve.

**B DAWSON
HEAD OF FINANCE**

**A DUNN
BEREAVEMENT SERVICES MANAGER**

Further information on this report can be obtained from David Corker,
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