

## **Re-distribution of Capital Improvement Reserve**

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**Meeting:**           **Chesterfield and District Joint Crematorium  
Committee**

**Date:**               **20th March, 2017**

**Report by:**       **Bereavement Services Manager  
Clerk and Treasurer**

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### **For publication**

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#### **1.0 Purpose of report**

1.1 To seek the Joint Committee's permission to re-distribute part of the uncommitted capital improvement reserve back to the three constituent authorities at the end of the 2016/17 financial year.

#### **2.0 Recommendations**

2.1 That a one-off re-distribution of £550,000 from the capital improvement reserve is made to the three constituent authorities at the end of the 2016/17 financial year and that this should be carried out on the same basis as normal distributions of surpluses.

#### **3.0 Capital Improvement Reserve**

3.1 At the Joint Committee meeting on 12<sup>th</sup> December 2016 it was highlighted to Board that the projected balance of the Capital Improvement Reserve at the 2016/17 year end would be £783k. The majority of capital improvements identified in the ten year service improvement plan should be completed by the end of this financial year.

3.2 It was agreed during this meeting to reduce the contributions made to this reserve from £162k to £90k leaving balances going forward

highlighted in table A. This is still a substantial balance and it was agreed to review the balance in order that the reserve is appropriate to meet the Crematorium future needs.

- 3.3 Discussion with the Crematorium Manager has not identified any other additional major capital improvements in the near future. It is therefore proposed to re-distribute £550k to the constituent authorities where it might be utilised. This would leave projected balances going forward highlighted in table A and it is viewed that these will be sufficient to cover any immediate capital improvements not identified in service improvement plan should any arise.

<b>Table A: Original Budget</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
B/fwd	775,923	783,123	873,123	963,123
In yr spend	(159,800)	0	0	0
Contribution from revenue	167,000	90,000	90,000	90,000
C/fwd at yr end	783,123	873,123	963,123	1,053,123
<b>Revised Budget</b>				
B/fwd	775,923	233,123	323,123	413,123
In yr spend	(159,800)	0	0	0
Distribution	(550,000)			
Contribution from revenue	167,000	90,000	90,000	90,000
C/fwd at yr end	233,123	323,123	413,123	503,123

- 3.4 The amount distributed to each authority would be as follows:

Chesterfield Borough Council = £302,500

North East Derbyshire District Council = £170,500

Bolsover District Council = £77,000

- 3.5 It should be noted that there is a revenue implication in that the Crematorium will receive less interest than originally budgeted for on its reduced cash balances. This equates to a reduction in income

of approximately £5,600 from 2016/17 to 2019/20 based on the original assumptions.

#### **4.0 Recommendations**

4.1 That a one-off re-distribution of £550,000 from the capital improvement reserve is made to the three constituent authorities at the end of the 2016/17 financial year and that this should be carried out on the same basis as normal distributions of surpluses.

#### **5.0 Reasons for recommendations**

5.1 To ensure that the Crematorium has appropriate reserves to meet its capital improvement needs in the future.

#### **Decision information**

<b>Key decision number</b>	<b>n/a</b>
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	To provide value for money services

#### **Document information**

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<b>Background documents</b>	
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>	
<b>Annexes to the report</b>	
None	

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