

**For publication**

**Accounts for the Year Ended 31 March 2018**

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Meeting: Chesterfield and District Joint Crematorium Committee

Date: 22nd May, 2018

Portfolio: Cabinet Member for Health and Wellbeing

Report by: Treasurer to the Committee & Bereavement Services  
Manager

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**For publication**

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**1.0 Purpose of the report**

1.1 To report the Final Accounts of the Joint Committee for the year ended 31<sup>st</sup> March 2018 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.

**3.0 Outturn**

3.1 Appendix A is the Committee's Revenue Account for 2017/18 and shows a net surplus of £715,368 before any re-distribution of accumulated surpluses to the constituent authorities and the additional contribution to the cremator repairs reserve, compared with the revised estimated surplus of £466,635. The outturn surplus prior to any re-distributions is therefore, £248,733 more than the revised forecast. The variations to the budget are as follows:

**Table 1: Significant Variations Revised Budget to Out-turn**

Description	Variance Adverse/ (Favourable) £'000
Employees	
- 3.2.1 Wages & Agency Staff underspend	(13)
- 3.2.2 Training overspend	1
- 3.2.3 Employee advertising	1
Premises	
- 3.2.4 General Repairs	7
- 3.2.5 Service Improvement Plan	(20)
- 3.2.6 Trees & Shrubs	(6)
- 3.2.7 Utilities	(5)
- 3.2.8 Misc items	(3)
- 3.2.9 Repairs to Cremators – transferred to reserves	(10)
- 3.2.10 Transport costs	(2)
Supplies & Services	
- 3.2.11 Service Improvement Plan	(2)
- 3.2.12 Office furniture	(2)
- 3.2.13 Professional Services	(10)

- 3.2.14 Other under spends	(4)
- 3.2.15 Central Admin charges	(4)
- 3.2.16 Direct Revenue Financing	(1)
Income	
- 3.2.17 Cremation fees, Organist & Medical Referees Fees	(182)
- 3.2.18 Other income	(2)
- 3.2.19 To Reserves – underspend on cremator repairs & equipment	8
<b>Overall Decrease in Net Expenditure</b>	<b>(249)</b>

### 3.2 The main variances are:

3.2.1 Employee Costs – there was an underspend of £13k. £7k was a saving in management costs when the previous manager left. £5k was caused by the delayed recruitment of the fixed term staff member that the Joint Board approved in order to carry out the digitalisation of records for which a carry forward has been requested (see para. 3.3). £1k of staffing costs was recharged back to cemeteries for memorial safety inspection work.

3.2.2 & 3.2.3 Employee Training & Advertising – there was a minor overspend of £2k caused by staff turnover.

3.2.4 General Repairs & Maintenance – there was an overspend of £7k caused by a variety of issues for example £3k was spent replacing windows not included in the service improvement plan. Another £1.5k was spent installing new electrical sockets in the cremator area and there were also issues with the supply

of heating to the administration building that required a number of visits.

- 3.2.5 There was an under spend of £20k relating to improvements carried out as part of the Service Improvement Plan. These include £12k waiting room toilets (not commenced), £4k refurbishment of Book of Remembrance Room (not commenced), £2k for improvements to rose beds (partially completed), £1k for new signage (partially completed) and £3k for external areas & paths (not commenced). Carry forward requests have been made where applicable (see 3.3 below). There was an overspend of £2k on the waste conveyor project due to complications which meant additional work was required that was not included in the original estimate.
- 3.2.6 Trees & Scrubs – there was a £6k under spend.
- 3.2.7 There was an under spend of £5k on utilities mainly caused by gas costs being less than budgeted.
- 3.2.8 There was an under spend of £3k on other minor premises costs.
- 3.2.9 There was an under spend of £10k on cremator repairs, £8.3k of which has been transferred to the Cremator Repairs Fund (see 3.2.19).
- 3.2.10 General transport costs were under spent by £2k, mainly on car allowances and petrol.
- 3.2.11 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).

- 3.2.12 Office furniture and equipment - under spend of £2k due to the fact that the administration office has only recently been refurbished.
- 3.2.13 Professional services is under spent by £10k as plans to set up a separate company are on hold.
- 3.2.14 Within supplies and services there were other miscellaneous underspends totalling £4k.
- 3.2.15 There was a reduction of £4k on Central Admin recharges.
- 3.2.16 Direct revenue financing costs were £1k less than budgeted due to a change in the calculation method.
- 3.2.17 Cremations numbers were 267 higher than the revised budget estimate increasing income by £182k.
- 3.2.18 Other income e.g. sale/renewal of memorials, other fees, interest on cash balance etc was £2k over budget.
- 3.2.19 An additional contribution of £8.3k was made to the cremator repairs reserve (see 3.2.9). This represents the amount of under spend on cremator repairs compared to the original budget of £65k.

### 3.3 Carry Forwards

There are a number of schemes that require carrying forwards to 2018/19 totalling £30,160, 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**

	<b>£</b>
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<b>Staffing</b>	
• Fixed term staff member	5,240
<b>Premises</b>	
• Waiting Room toilet	12,070
• Memorialisation of rose beds	1,900
• Refurbishment of Book of Remembrance Room	4,350
• New signage	650
• Exterior Areas & Paths	3,450
<b>Supplies &amp; Services</b>	
• Refurbishment of mess room	2,500
<b>Total Carry Forward Requests</b>	<b>30,160</b>

If the carry forward requests are approved, the under spend in the year reduces to £218,573 and the surplus in 2017/18 reduces to £685,208.

### 3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations decreased during 2017/18 by 57, compared to an increase of 206 in 2016/17.

**Table 3: Number of Cremations**

<b>Authority</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Chesterfield BC	963	951	1,043	1,052
North East DDC	574	517	608	572
Bolsover DC	283	263	293	308
Sub-Total Constituent Authorities.	1,820	1,731	1,944	1,932
Other Areas	418	387	380	335
<b>Total</b>	<b>2,238</b>	<b>2,118</b>	<b>2,324</b>	<b>2,267</b>

Cremations				
Change year on year	<b>139</b>	<b>(120)</b>	<b>206</b>	<b>(57)</b>

Cremations from within the area decreased by 12, and those from outside the Constituent Authorities decreased by 45.

#### 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 2017/18**

	<b>Revised Estimate £'000</b>	<b>Actual £'000</b>	<b>Change £'000</b>
<b>Reserves as at 31<sup>st</sup> March 2017</b>	<b>295</b>	<b>295</b>	<b>-</b>
+ / (-) Surplus / (Deficit) in 2017/18	<b>467</b>	<b>497</b>	<b>30</b>
+ / (-) Redistribution to Authorities	<b>(512)</b>	<b>(512)</b>	<b>-</b>

<b>Accumulated Reserves as at 31<sup>st</sup> March 2018 before Carry Forwards</b>	<b>250</b>	<b>280</b>	<b>30</b>
+ / (-) Carry forward requests		<b>(30)</b>	<b>(30)</b>
<b>Balance after 2017/18 Carry Forwards</b>	<b>250</b>	<b>250</b>	

Source: Appendix A

After the redistribution of £512k 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 2017/18 was £616,756, up slightly on the revised budget of £603,563 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £6,260.
- 4.5 The Organ Replacement Reserve has a balance of £9,000.
- 4.6 The Cremator Repairs Reserve has a balance of £332,984 compared to the budgeted balance of £106,111. This is because an additional £8,300 was transferred to the reserve funded from the underspend on routine repairs (see para 3.2.19). A further £218,573 was also transferred to this reserve, this being the additional surplus over and above the budgeted distributed surplus. This was approved at the Joint Boarding meeting on the 13<sup>th</sup> March 2018, in order to potentially fund a full reline of all three cremators within the next few years pending a review of maintenance options going forward.

- 4.7 The Capital Improvement Reserve has a balance of £296,675. The balance includes £25k earmarked for the refurbishment of the chapel which was not completed during the year.
- 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 (£839k) 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. Although the deficit reduced slightly (£17k) from 2016/17 it should be pointed out that the deficit increased significantly in 2016/17 and that may mean that contribution rates may have to increase in the future.
- 4.10 There has been an increase in debtors (£65k) compared to 2016/17 however £280k of invoices were raised in March which may not have been paid by month end.

## **5.0 Redistribution**

- 5.1 A redistribution of £512k has been made to the constituent authorities.
- 5.2 The amount redistributed to each authority is as follows:

Chesterfield BC	£281k
North East DC	£159k
Bolsover DC	£72k
	£512k

## **6.0 Future Costs**

6.1 As part of the Service Improvement Plan there remains £25k of work to be carried out as part of the chapel refurbishment. This will be funded from 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 are approved.

## **9.0 Reasons for recommendations**

9.1 To ensure that Joint Committee approves the Statement of Accounts for 2017/18 and that a balanced revenue budget is maintained for 2018/19.

### **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.

Titles of background documents used:

- Accounting Records
- Final Account Working Papers

Location:

Accountancy Services Section

*This must be made available to the public for up to 4 years.*

**Annexes to the report**

Annex A	Revenue Account – year end 31 <sup>st</sup> March 2018
Annex B	Balance Sheet – year end 31 <sup>st</sup> March 2018
Annex C	Other Reserves – year end 31 <sup>st</sup> March 2018
Annex D	Capital Improvement Reserve – year end 31 <sup>st</sup> March 2018