

For publication

Accounts for the Year Ended 31st March 2019

Meeting: Chesterfield and District Joint Crematorium Committee

Date: 23rd May, 2019

Portfolio: Cabinet Member for Health and Wellbeing

Report by: Treasurer to the Committee & Bereavement Services
Manager

For publication

1.0 Purpose of the report

1.1 To report the Final Accounts of the Joint Committee for the year ended 31st March 2019 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 2018/19 and shows a net surplus of £572,913 before any re-distribution of accumulated surpluses to the constituent authorities, compared with the revised estimated surplus of £479,030. The outturn surplus prior to any re-distributions is therefore, £93,883 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	(5)
Premises - 3.2.2 General Repairs - 3.2.3 Service Improvement Plan - 3.2.4 Trees & Shrubs - 3.2.5 Utilities - 3.2.6 Misc items - 3.2.7 Repairs to Cremators	6 (2) (4) 1 1 2
- 3.2.8 Transport costs	(2)
Supplies & Services - 3.2.9 Service Improvement Plan - 3.2.10 Other under spends	3 (1)

Income	
- 3.2.11 Cremation fees & Medical Referees Fees	(85)
- 3.2.12 Other income	(8)
Overall Decrease in Net Expenditure	(94)

3.2 The main variances are:

- 3.2.1 Employee Costs – there was an underspend of £5k mainly caused by vacant posts. However this has caused a delay in the project to digitalise the records therefore the Manager has requested a carry forward into 2019/20 to cover the cost of this staff member for a further six months in order that the project can be completed (see para. 3.3).
- 3.2.2 General Repairs & Maintenance – there was an overspend of £6k caused by a variety of minor items for example asbestos survey (£2k), asbestos removal, damage to canopy etc.
- 3.2.3 Service Improvement Plan – there was an overall underspend of £2k on projects. The Waiting Room toilets were virtually completed at year-end and there is a projected overspend of £3k although final invoices had not been received. The overspend was caused by the need to provide temporary toilets whilst the work was completed. There was a £4k underspend on the rose beds improvements however the work has not been fully completed and the Manager has requested a carry forward (see para. 3.3). There was a minor underspend of £1k on the projects to improve the paths and signage.

- 3.2.4 There was an underspend of £4k on trees and shrubs used for planting the grounds.
- 3.2.5 Utilities – minor £1k overspend.
- 3.2.6 There was an overspend of £1k on other minor premises costs.
- 3.2.7 Cremator Repairs – an overspend of £2k on repairs outside the maintenance contract for example external engineers advice.
- 3.2.8 General transport costs were under spent by £2k, mainly on car allowances and petrol.
- 3.2.9 There was a £3k overspend on the Mess Room refurbishment mainly due to the discovery of asbestos and the associated costs of a survey and removal.
- 3.2.10 Within supplies and services there were other miscellaneous underspends totalling £1k.
- 3.2.11 Cremations numbers were 122 higher than the revised budget estimate increasing income by £85k.
- 3.2.12 Other income e.g. sale/renewal of memorials, other fees, interest on cash balance etc was £8k over budget.

3.3 Carry Forwards

There are two schemes that require carrying forwards to 2019/20 totalling £14,330. The requests are shown in the table below:

Table 2: Carry forward requests

	£
Staffing	
• Fixed term staff member	10,330

Premises	
• Memorialisation of rose beds	4,000
Total Carry Forward Requests	14,330

If the carry forward requests are approved, the under spend in the year reduces to £79,550 and the surplus in 2018/19 reduces to £558,583.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations decreased during 2018/19 by 145, compared to a decrease of 57 in 2017/18.

Table 3: Number of Cremations

Authority	2015/16	2016/17	2017/18	2018/19
Chesterfield BC	951	1,043	1,052	1,006
North East DDC	517	608	572	570
Bolsover DC	263	293	308	248
Sub-Total Constituent Authorities.	1,731	1,944	1,932	1,824
Other Areas	387	380	335	298
Total Cremations	2,118	2,324	2,267	2,122
Change year on year	(120)	206	(57)	(145)

Cremations from within the area decreased by 108, and those from outside the Constituent Authorities decreased by 37.

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 2018/19

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2018	280	280	-
+ /(-) Surplus/(Deficit) in 2018/19	479	573	94
+ /(-) Redistribution to Authorities	(499)	(499)	-
Accumulated Reserves as at 31st March 2019 before Carry Forwards	260	354	94
+ /(-) Carry forward requests	(10)	(14)	(4)
Balance after 2018/19 Carry Forwards	250	340	

Source: Appendix A

After the redistribution of £499k and carry forwards the current balance is £340k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k. This £90k additional surplus will be retained in the Revenue Reserve to meet future needs or redistributed to the constituent authorities at a later date.

- 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 2018/19 was £729,169, up slightly on the revised budget of £722,756 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £11,620.
- 4.5 The Organ Replacement Reserve has a balance of £9,000. This reserve will be retained to cover the cost of any significant repairs to the organ.
- 4.6 The Cremator Repairs Reserve has a balance of £332,984. The Crematorium entered into a five year maintenance contract this year. However this reserve will be retained to cover the cost of any significant repairs to the cremators and associated machinery not covered by the contract for example duct work etc.
- 4.7 The Capital Improvement Reserve has a balance of £376,335. The balance includes £15k earmarked for the refurbishment of the toilets in 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 taking into account any agreed revised level of fees will be reviewed.

4.9 Pensions - In the balance sheet, the pension net fund deficit (£972k) 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 deficit increased significantly (£133k) from 2017/18. It should be pointed out that the triennial valuation will be carried out this year and that may mean that contribution rates may have to increase in the future to address this deficit.

4.10 There has been a decrease in debtors (£122k) compared to 2017/18 however significantly more invoices were raised to Funeral Directors in March 2018 than March 2019.

5.0 Redistribution

5.1 A redistribution of £499k has been made to the constituent authorities as agreed at the Joint Board meeting on 17th December 2018.

5.2 The amount redistributed to each authority is as follows:

Chesterfield BC	£274k
North East DC	£155k
Bolsover DC	£70k
	£499k

6.0 Future Costs

6.1 As part of the Service Improvement Plan there remains £15k 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 2018/19 and that a balanced revenue budget is maintained for 2019/20.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	To provide value for money services

Document information

Report author	Contact number/email
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Background documents 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 st March 2019
Annex B	Balance Sheet – year end 31 st March 2019
Annex C	Other Reserves – year end 31 st March 2019
Annex D	Capital Improvement Reserve – year end 31 st March 2019