

For publication

Accounts for the Year Ended 31st March 2020

Meeting: Chesterfield and District Joint Crematorium Committee

Date: 21st May, 2020

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 2020 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 2019/20 and shows a net surplus of £623,733 before any re-distribution of accumulated surpluses to the constituent authorities, compared with the revised estimated surplus of £525,980. The outturn surplus prior to any re-distributions is therefore, £97,753 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	(7)
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	3 (5) (4) 6 (3) (4)
- 3.2.8 Transport costs	(2)
Supplies & Services - 3.2.9 Service Improvement Plan - 3.2.10 COVID - 3.2.11 Other under spends	(2) 2 (9)

Income	
- 3.2.12 Cremation fees & Medical Referees Fees	(58)
- 3.2.13 CAMEO Income	(2)
- 3.2.14 Other income	(12)
Overall Decrease in Net Expenditure	(97)

3.2 The main variances are:

- 3.2.1 Employee Costs – there was an underspend of £7k mainly caused by a saving on overtime (£6k) and training (£1k).
- 3.2.2 General Repairs & Maintenance – there was an overspend of £3k caused by a variety of minor items.
- 3.2.3 Service Improvement Plan – there was an overall underspend of £5k on projects. There was a £3k underspend on the rose beds improvements however the work has not been fully completed. Also work to improve the signage into the chapel has not commenced (£2k). The Manager has requested a carry forward of these two amounts (see para. 3.3).
- 3.2.4 There was an underspend of £4k on trees and shrubs used for planting the grounds.
- 3.2.5 Utilities – there was an overspend of £6k mainly on gas.
- 3.2.6 There was an underspend of £3k on other minor premises costs.

- 3.2.7 Cremator Repairs – an underspend of £4k on repairs outside the maintenance contract.
- 3.2.8 General transport costs were under spent by £2k, mainly on car allowances however it should be noted that the new fuel tank has been delivered but not yet installed.
- 3.2.9 The final account for the Mess Room refurbishment has been negotiated resulting in a £2k underspend.
- 3.2.10 The Crematorium spent approximately £2k on equipment for COVID which was not in the original budget.
- 3.2.11 There has been a £9k underspend on other miscellaneous supplies and services for example Medical Referee fees (£1k), Memorials (£2k) etc.
- 3.2.12 Cremation numbers were 126 higher than the revised budget estimate increasing income by £58k.
- 3.2.13 The CAMEO Scheme returned £2k more income than estimated at revised budget.
- 3.2.14 Other income e.g. memorials, Chapel of Rest etc, was £12k over budget.

3.3 Carry Forwards

There are two schemes that require carrying forwards to 2020/21 totalling £4,900. The requests are shown in the table below:

Table 2: Carry forward requests

	£
Premises	
• Rose bed improvements	2,900

• Signage improvements	2,000
Total Carry Forward Requests	4,900

If the carry forward requests are approved, the under spend in the year reduces to £92,853 and the surplus in 2019/20 reduces to £618,833.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations increased slightly during 2019/20 by 4, compared to a decrease of 145 in 2018/19.

Table 3: Number of Cremations

Authority	2016/17	2017/18	2018/19	2019/20
Chesterfield BC	1,043	1,052	1,006	940
North East DDC	608	572	570	607
Bolsover DC	293	308	248	297
Sub-Total Constituent Authorities.	1,944	1,932	1,824	1,844
Other Areas	380	335	298	282
Total Cremations	2,324	2,267	2,122	2,126
Change year on year	206	(57)	(145)	4

Cremations from within the area increased by 20, and those from outside the Constituent Authorities decreased by 16.

4.0 Balance sheet

4.1 There are five useable reserves shown in the Balance Sheet in Appendix B now that the organ reserve has been closed, as follows:

- Revenue Reserve
- Mercury Abatement Reserve
- Equipment 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 2019/20

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2019	354	354	-
+ /(-) Tfr from Organ Reserve	9	9	-
+ /(-) Surplus / (Deficit) in 2019/20	526	624	98
+ /(-) Redistribution to Authorities	(639)	(639)	-
Accumulated Reserves as at 31st March 2020 before Carry Forwards	250	348	98
+ /(-) Carry forward requests		(5)	(5)
Balance after 2019/20 Carry Forwards	250	343	93

Source: Appendix A

After the redistribution of £639k and carry forwards the current balance is £343k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k. This £93k additional surplus will be retained in the Revenue Reserve to meet future needs for example repairs not included in the original budgets e.g. cracking in chapel £4k, drains £6k, as well as the unknown cost of keeping the Crematorium operational during the coronavirus outbreak.

- 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 2019/20 was £840,628, up slightly on the revised budget of £835,169 due to increased cremations and income.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £16,980.
- 4.5 The Cremator Repairs Reserve has a balance of £332,984. The Crematorium has a five year maintenance contract. However, this reserve is 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.
- 4.6 The Capital Improvement Reserve has a balance of £424,833. Contributions to this reserve are made to cover the cost of major repairs/refurbishments as identified in the Service Improvement Plan.
- 4.7 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.

- 4.8 Pensions - In the balance sheet, the pension net fund deficit (£873k) 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 decreased significantly (£99k) from 2018/19. The triennial valuation was carried out this year and employer contributions have been increased by 1%.
- 4.9 There has been an increase in debtors (£157k) compared to 2018/19 however £134k of this was because invoices for March 2020 had not been raised due to staff having to self-isolate.

5.0 Redistribution

- 5.1 A redistribution of £639k has been made to the constituent authorities as agreed at the Joint Board meeting on 16th December 2019.
- 5.2 The amount redistributed to each authority is as follows:

Chesterfield BC	£352k
North East DC	£198k
Bolsover DC	£89k
	£639k

6.0 Annual Audit

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

7.0 Recommendations

- 7.1 That the report be noted and the Statement of Accounts be approved.
- 7.2 That the carry forward requests are approved.

8.0 Reasons for recommendations

- 8.1 To ensure that Joint Committee approves the Statement of Accounts for 2019/20 and that a balanced revenue budget is maintained for 2020/21.

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: <ul style="list-style-type: none">- Accounting Records- Final Account Working Papers Location: Accountancy Services Section	
<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 2020
Annex B	Balance Sheet – year end 31 st March 2020
Annex C	Other Reserves – year end 31 st March 2020
Annex D	Capital Improvement Reserve – year end 31 st March 2020