

For publication

Accounts for the Year Ended 31st March 2022

Meeting: Chesterfield and District Joint Crematorium Committee

Date: 24th May, 2022

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 2022 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 That the re-distribution to the three constituent authorities be approved.

3.0 Outturn

3.1 Appendix A is the Committee's Revenue Account for 2021/22 and shows a net surplus of £768,775 before any re-distribution of accumulated surpluses to the constituent authorities, compared with the revised estimated surplus of £600,000. The variations to the budget are as follows:

Table 1: Significant Variations Revised Budget to Out-turn

Description	Variance Adverse/ (Favourable) £'000
Employees <ul style="list-style-type: none"> - 3.2.1 Wages & Agency Staff underspend Covid Staffing Overtime Training 	(1) 1 (1) (2)
Premises <ul style="list-style-type: none"> - 3.2.2 General Repairs - 3.2.3 Service Improvement Plan - 3.2.4 Trees & Shrubs - 3.2.5 Gen Grounds Mntnce - 3.2.6 Utilities - 3.2.7 Repairs to Cremators 	1 (67) (3) 4 (5) (4)
Supplies & Services <ul style="list-style-type: none"> - 3.2.8 Memorials - 3.2.9 Other misc overspends - 3.2.10 Central Admin Charges 	7 (1) (1)

Income	
- 3.2.11 Cremation fees & Medical Referees Fees	(169)
- 3.2.12 CAMEO Income	1
- 3.2.13 Other income	(19)
- 3.2.14 Movement in Reserves	90
Overall Decrease in Net Expenditure	(169)

3.2 The main variances are:

3.2.1 Employee Costs – the underspend was mainly caused by a saving on training (£2k).

3.2.2 General Repairs & Maintenance – there was an overspend of £1k.

3.2.3 Service Improvement Plan – there was an overall underspend of £67k mainly due to projects not being fully completed or delayed due to Covid measures earlier in the year. The Manager has requested a carry forward of these amounts and these are listed in para. 3.3.

3.2.4 There was an underspend of £3k on trees and shrubs used for planting the grounds.

3.2.5 There was also an overspend of £4k on general grounds maintenance costs.

3.2.6 Utilities – there was an underspend of £5k mainly on gas due to recent investment in new linings for the three cremators.

- 3.2.7 Cremator Repairs – an underspend of £4k on repairs outside the maintenance contract.
- 3.2.8 There was an overspend of £7k on the purchase and installation of memorials however this is reflected in additional income (see para.3.2.13).
- 3.2.9 There were variances totalling £1k on other miscellaneous supplies & services for example Medical Referee Fees were £1k overspent due to increased cremation numbers (see para.3.2.11).
- 3.2.10 Central Admin Charges - £1k underspend.
- 3.2.11 Cremation numbers were 223 higher than the revised budget estimate increasing income by £169k.
- 3.2.12 The Cameo Scheme returned £1k less income than estimated at revised budget.
- 3.2.13 Other income was £19k more than budget including £11k from the sale of memorials and £3k additional interest on cash balances.
- 3.2.14 To produce a balanced budget it was not necessary to use funds held within the Revenue Reserve.

3.3 Carry Forwards

There are eight schemes that require carrying forwards to enable completion during 2022/23 totalling £66,560. The requests are shown in the table below:

Table 2: Carry forward requests

	£
Premises	
• Music Room improvements	3,000
• Book of Remembrance Room	4,350
• Roof Repairs to Crematory	10,930
• Crematory Ventilation Project	18,050
• Repairs to paths	3,395
• Edging of rose beds	1,835
• Signage	4,000
• Improvements to pond area	21,000
Total Carry Forward Requests	66,560

If the carry forward requests are approved, the under spend in the year reduces to £116,327 and the surplus in 2021/22 reduces to £702,215.

3.4 Cremations

The table below shows the number of cremations by area over recent years. The number of cremations decreased during 2021/22 by 210, compared to an increase of 407 in 2020/21.

Table 3: Number of Cremations

Authority	2018/19	2019/20	2020/21	2021/22
Chesterfield BC	1,006	940	1,116	987
North East DDC	570	607	708	661
Bolsover DC	248	297	335	301
Sub-Total Constituent Authorities.	1,824	1,844	2,159	1,949

Other Areas	298	282	374	374
Total Cremations	2,122	2,126	2,533	2,323
Change year on year	(145)	4	407	(210)

Cremations from within the area decreased by 210 (9.7%), and those from outside the Constituent Authorities remained the same. One reason for the hold up of cremation numbers from outside the area could be the temporary closure for a major refurbishment of one of the Sheffield crematoriums, resulting in a number of cremations from the South Yorkshire area coming to the Joint Crematorium.

4.0 Balance sheet

4.1 There are five useable reserves shown in the Balance Sheet in Appendix B 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 2021/22

	Revised Estimate £'000	Actual £'000	Change £'000
Reserves as at 31st March 2021	403	403	-
+ /(-) Tfr to Revenue	(90)	0	90
+ /(-) Surplus / (Deficit) in 2021/22	600	769	169
+ /(-) Redistribution to Authorities	(600)	(600)	
Accumulated Reserves as at 31st March 2022 before Carry Forwards	313	572	259
+ /(-) Carry forward requests		(67)	(67)
Balance after 2021/22 Carry Forwards	313	505	192

Source: Appendix C

After the redistribution of surpluses and carry forwards the current balance is £505k. The Committee's policy for the Revenue Reserve is to maintain a minimum balance of 10% of turnover, equivalent to £250k. This £255k additional surplus will be retained in the Revenue Reserve to provide further financial resilience in future years.

- 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 2021/22 was £1,108,916, up on the revised budget of £1,094,804 due to increased cremations.
- 4.4 The Equipment Replacement Reserve which provides for the replacement of mowers, etc has a balance of £27,700.

- 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 £604,833. Contributions to this reserve are made to cover the cost of major repairs/refurbishments as identified in the Service Improvement Plan. It should be noted that the two capital improvement schemes (air conditioning in chapel & new gutters/soffits) totalling £35.5k budgeted for in 2021/22 have been delayed and are now scheduled in 2022/23.
- 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 (£985k) 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 (£342k) from 2020/21. This was a reversal of the deficit (£454k) in 2020/21 created by changes in the valuation of assets and actuarial assumptions as a result of the impact of the pandemic on the economy.
- 4.9 There has been an increase in debtors (£26k) compared to 2020/21. This can be affected by the timing of the invoicing of Funeral Directors.

5.0 Redistribution

5.1 At the Joint Board meeting on 13th December 2021 it was agreed to redistribute £600k.

5.2 The amount redistributed to each authority is as follows:

Chesterfield BC	£330k
North East DC	£186k
Bolsover DC	£84k
	£600k

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.

7.3 That the re-distribution to the three constituent authorities be approved.

8.0 Reasons for recommendations

8.1 To ensure that Joint Committee approves the Statement of Accounts for 2021/22 and that a balanced revenue budget is maintained for 2022/23.

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
David Corker	01246 936279 david.corker@chesterfield.gov.uk

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 2022
Annex B	Balance Sheet – year end 31 st March 2022
Annex C	Other Reserves – year end 31 st March 2022
Annex D	Capital Improvement Reserve – year end 31 st March 2022