

<b>SUBJECT:</b>	<b>2017/18 FINANCIAL OUTTURN</b>
<b>REPORT OF:</b>	<b>Treasurer of Chilterns Crematorium Joint Committee – Jim Burness</b>
<b>RESPONSIBLE OFFICER</b>	<b>Jim Burness</b>
<b>REPORT AUTHOR</b>	<b>Senior Accountant - Tracey Campbell, 01494 732204, tcampbell@chiltern.gov.uk</b>
<b>WARD/S AFFECTED</b>	<b>All</b>

## 1. Purpose of Report

- 1.1 To provide Members with financial outturn information for the Chilterns Crematorium for 2017/18.

### RECOMMENDATIONS:

- That the financial outturn position for the year ended 31 March 2018 be noted.
- That the accumulated revenue surplus of the Joint Committee be noted.

## 2. Summary of Financial Outturn

- 2.1 The following table provides a summary of the financial outturn position for the year ended 31 March 2018.

Actuals £		Original Budget £	Forecast Outturn as at Jan 2018 £	Actuals £
<b>2016/17</b>		<b>2017/18</b>	<b>2017/18</b>	<b>2017/18</b>
373,595	Employee Expenses	401,600	434,500	433,712
245,680	Premises Expenses	316,050	343,380	336,312
230,404	Supplies and Services	233,010	249,110	245,775
<b>849,679</b>	<b>TOTAL EXPENDITURE</b>	<b>950,660</b>	<b>1,026,990</b>	<b>1,015,799</b>
(2,149,128)	Fees and Charges	(1,994,020)	(2,100,260)	(2,340,793)
(80,995)	Other Income	(57,800)	(49,160)	(55,750)
<b>(2,230,123)</b>	<b>TOTAL INCOME</b>	<b>(2,051,820)</b>	<b>(2,149,420)</b>	<b>(2,396,543)</b>
(1,380,444)	NET OPERATING SURPLUS	(1,101,160)	(1,122,430)	(1,380,744)
69,461	Capital - Bierton	4,010,000	1,704,090	1,866,930
85,759	- Amersham	105,850	107,400	62,248
<b>(1,225,224)</b>	<b>(Surplus)/Deficit FOR YEAR</b>	<b>3,014,690</b>	<b>689,060</b>	<b>548,434</b>

2.2 A more detailed breakdown is provided in Appendix 1.

2.3 The key points to note are:-

- The Amersham Crematorium made an operating surplus, before capital expenditure of £1.38m, mainly attributable to higher than expected income (partly due to Slough Crematorium not being fully operational in the first quarter of the year).
- Capital expenditure for the year was primarily in respect of the new Bierton Crematorium, £1.87m.
- Maintenance of buildings lower than forecast as it was anticipated that new fire doors would be necessary so other maintenance was deferred. However the fire risk assessment did not specify they were required.
- An increase in medical referee fees, due to a higher than forecast number of cremations.
- Of the £62K capital and repairs and renewal spend for Amersham £60k was on crematory work, and £2k VAT due on retention payments of 16/17 projects. It should be noted that the £42k allocated in 2017/18 for external lighting at the entrance and driveway has been deferred until 2018/19.

2.4 The breakdown of the 2017/18 cremations compared to 2016/17 is:-

	2017/18	2016/17	% Change
Aylesbury Vale	823	756	+8.9%
Chiltern District	645	579	+11.4%
Wycombe District	1,029	910	+13.1%
South Bucks	255	307	-16.9%
Hertfordshire	457	482	-5.2%
Oxfordshire	97	103	-5.8%
Berkshire	262	318	-17.6%
Other areas	244	227	+7.5%
Total	3,812	3,682	+3.5%

## Balance Sheet

2.5 Appendix 2 shows the Balance Sheet for the Chilterns Crematorium.

2.6 The key points to note are:-

- Property, Plant & Equipment – This represents the value of the Crematorium’s assets and includes the site land, two chapels, offices, staff bungalows, crematory and other equipment. It also includes the land and preliminary works at Bierton Crematorium and stands at £7.4million. This includes additional capital which has been added to this value at cost. For 2017/18 an additional £1,879k has been included in the Total Asset value.
- Current Assets – This relates to items that could be turned into cash at short notice and is made up of debtors i.e. money owed to the Crematorium, or short term investments. These will be primarily used in the current months to finance the expenditure on the new crematorium. Total current assets now stand at £6.4million.
- Current Liabilities – This relates to money the Crematorium owes to external bodies and organisations amounting to £393k. The main creditor for the Crematorium at year end was Jarvis Contracting (construction company building Bierton) and relates to works certified but not invoiced. It does not imply any delay in payment of monies owed.
- Financed by section – This section shows how assets and liabilities are funded. Not all of the items shown here are cash backed reserves. The reserves represent amounts being held on behalf of constituent authorities to fund future capital projects.

## 3. Reserves

3.1 Reserves have decreased by £548k over the year due to the in-year deficit due to the expenditure on the new crematorium which is being funded from accumulate reserves as planned. The total value of general and earmarked reserves as at 31 March 2018 now stands at £6,051,083.

3.2 As requested by Members, at the meeting of 4th February 2016, an earmarked reserve has now been established for the funding of Bierton Crematorium which now reflects the revised £7.25m capital budget less actual expenditure to 31<sup>st</sup> March 2018.

3.3 The table below shows the reserve balances apportioned between the constituent authorities.

	<b>AVDC £</b>	<b>CDC £</b>	<b>WDC £</b>	<b>Total £</b>
Balance 31.3.2017	2,024,125	1,819,840	2,755,552	6,599,517
Apportionment 2017/18 deficit	180,761	141,666	226,007	548,434
	<u>1,843,364</u>	<u>1,678,174</u>	<u>2,529,545</u>	<u>6,051,083</u>
<u>Balances retained</u>				
Earmarked for new Crematorium	1,141,897	1,100,688	1,626,475	3,869,060
General reserves	701,467	577,486	903,070	2,182,023
	<u>1,843,364</u>	<u>1,678,174</u>	<u>2,529,545</u>	<u>6,051,083</u>

3.4 The retention of the accumulated balance by the Joint Committee is necessary for working capital purposes and to meet scheduled future capital investment. As reported in the medium term financial strategy report in January 2018, once the Bieron Crematorium is completed, then the Committee will be in the position from 2019/20 to consider the distribution of surpluses. This matter will be addressed in the report to the next Committee covering the 2019/20 budgets for Amersham and Bieron.

<b>Background Papers:</b>	None
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