

SUBJECT:	2018/19 FINANCIAL OUTTURN
REPORT OF:	Treasurer of the Crematoria Joint Committee – Jim Burness
RESPONSIBLE OFFICER	Director of Resources - Jim Burness
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WARD/S AFFECTED	All

1. Purpose of Report

- 1.1 To provide Members with financial outturn information for the Chilterns and Birtton Crematoria for 2018/19.

RECOMMENDATIONS:

- **That the financial outturn position for the year ended 31 March 2019 is noted; and**
- **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 2019 for both Chilterns and Birtton Crematoria

Actuals £		Original Budget £	Forecast Outturn £	Actuals £
2017/18		2018/19	2018/19	2018/19
438,0387	Employee Expenses	507,500	506,950	501,706
336,312	Premises Expenses	348,210	454,210	403,576
241,450	Supplies and Services	249,460	294,060	290,755
1,015,799	TOTAL EXPENDITURE	1,105,170	1,255,220	1,196,037
(2,340,793)	Fees and Charges	(2,108,860)	(2,108,860)	(2,278,663)
(55,750)	Other Income	(18,510)	(51,480)	(51,765)
(2,396,543)	TOTAL INCOME	(2,127,370)	(2,160,340)	(2,330,428)
(1,380,744)	NET OPERATING SURPLUS	(1,022,200)	(905,120)	(1,134,391)
1,878,930	Capital/R&R Birtton	4,031,900	4,877,940	4,483,204
50,248	Capital/R&R Chilterns	95,430	49,970	53,962
(548,434)	(Surplus)/Deficit	3,105,130	4,022,790	3,402,775

- 2.2 A more detailed breakdown of each crematorium is provided in Appendices 1 & 2.

- 2.3 The key points to note are:-

- The Chilterns Crematorium made an operating surplus, before capital expenditure of £1.224m. Cremation numbers were down 5% on the previous year however 17/18 was exceptionally busy due to the refurbishment and part closure of Slough Crematorium. Income estimates were based on 3,300 cremations, however it was not envisaged that Watermead would remain unopened until mid February.
- Capital expenditure for the year was primarily in respect of the construction of Bierton Crematorium, £4.483m. The final costs on the project will be incurred in 2019/20.
- Since the Bierton site was not completed by the end and March, expenditure on some furniture and fittings will be from the 2019/20 budget.
- The £54K capital and repairs and renewal spend for Amersham was on crematory work.

2.4 The breakdown of the 2018/19 cremations compared to 2017/18 is:-

	2018/19	2017/18	% Change
Aylesbury Vale	698	823	-15.19%
Chiltern District	623	645	-3.41%
Wycombe District	972	1,029	-5.54%
South Bucks	261	255	+2.35%
Hertfordshire	459	457	+0.44%
Oxfordshire	137	97	+41.24%
Berkshire	222	262	-15.27%
Other areas	242	244	-0.82%
Total	3,614	3,812	-5.19%

3. Balance Sheet

3.1 Appendix 2 shows the Balance Sheet for the both Crematoria.

3.2 The key points to note are:-

- Property, Plant & Equipment – This represents the value of the Amersham Crematorium’s assets and includes the site land, two chapels, offices, staff bungalows, crematory and other equipment. It also includes the land and construction works to date at Bierton Crematorium and stands at £11.9million. This includes additional capital which has been added to this value at cost. For 2018/19 an additional £4.514million 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 completion of the new crematorium. Total current assets now stand at £3.6million.
- Current Liabilities – This relates to money the Crematorium owes to external bodies and organisations amounting to just over £1million. 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.

4. Reserves

4.1 Reserves have decreased by £3,402,775 over the year due to the in-year deficit due to the construction expenditure on the new crematorium which is being funded from accumulated reserves as planned. The total value of reserves as at 31 March 2019 now stands at £2,648,308.

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

	AVDC £	CDC £	WDC £	Total £
Balance 31.3.2018	1,843,364	1,678,174	2,529,545	6,051,083
Apportionment 2018/19 surplus	328,888	293,549	457,992	1,080,429
	<u>2,172,252</u>	<u>1,971,723</u>	<u>2,987,537</u>	<u>7,131,512</u>
Spend on Bierton Crematorium	1,323,152	1,275,404	1,884,648	4,483,204
Balances retained 31.3.19	<u>849,100</u>	<u>696,319</u>	<u>1,102,889</u>	<u>2,648,308</u>

4.3 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 2019, £750,000 was released to constituent authorities in April 2019.

Background Papers:	None
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