

REPORT OF THE TREASURER

1 CAPITAL EXPENDITURE

Contact Officer: Alison Howes (01494 732260)

- 1 Details of the expenditure for the current year and the following three years are shown in *Appendix A (1)*.
- 2 Members will recall that in respect of the Second Chapel project a settlement agreement was reached with the main contractor as reported at the meeting of the Joint Committee on 5th December 2006. The agreed settlement was within the overall budget for the project. There have been delays with the contractor carrying out all the remaining remedial works. As a result the balance of budget provision of £170,980 remains to be spent.
- 3 The issue of cremation filtration was reported to the Joint Committee in December 2005 and again in December 2006. At these meetings approval was given in principle to install filtration plant for two cremators at the latest by 31 December 2012. A second resolution gave approval to the policy objective to achieve filtration of all cremations as soon as possible. The indicative costs of filtration were in excess of £1m. Affordability will depend upon the degree of filtration desired.

At its meeting on 5th December 2006, Members of the Joint Committee gave delegated authority to the Officers to develop the proposal to install plant to abate cremation emissions, including costing, through the appointment of a consultant with a first stage expenditure approval of up to £10,000.
- 4 It has been necessary to arrange the relining of two cremators in the current financial year at a cost of £45,000. Relining costs for one cremator per year have been included in the future program. These works are on a rolling program and may not be required on an annual basis. In some years renewal of hearths may be sufficient to maintain the cremators but for the purposes of making adequate provision it is considered prudent to use relining costs.
- 5 The projected annual revenue surpluses for the next three years based on the Draft Budget is shown in *Appendix A(2)* Table 1 with the projected overall financial position shown in Table 2.

RECOMMENDATIONS

That the capital expenditure programme for 2007/2008 to 2010/2011 be agreed.

Background Papers: None

2 FEES AND CHARGES

Contact Officer: *Alison Howes (01494 732260)*

1 The recommended Fees and Charges are shown in *Appendix B* together with the current year charges. Last year the main cremation fee was increased from £360 to £370. For the current year it can be seen that the Chilterns Crematorium has the lowest fees, including and excluding the organist charge. In the Fees and Charges an increase to £380 for 2008/09 has been indicated, this fee will remain the lowest when compared with neighbouring authorities, even using the current year values.

2 The table below shows the current year fees for Chiltern and neighbouring crematoria for comparison purposes.

Crematorium	2007/2008 Fee £	2007/08 Fee With Organists £
Chilterns	370	398
Slough	400	400
Reading	410	410
Bracknell	445	473
Milton Keynes	392	403
West Herts	405	405
Ruislip	435	435
Oxford	441	441
Average charge in UK	400	409

3 The balances continue to accumulate and consideration of the capital program including the filtration project and the potential of additional capital requirements for any future strategic developments, requires the Joint Committee to be mindful of these projects when agreeing the fee level. A 1% increase in fees gives approximately £11,100 in income and for the purposes of the revenue report that follows an increase to £380 has been used. This is an increase of 2.7% and is the minimum increase recommended to the Joint Committee. The impact of larger fee increases on income levels is shown in the table below:-

Fee	Additional Income over 2007/08 levels
£380	30,000
£385	45,000
£390	60,000
£395	75,000
£400	90,000

4 The other fees have been increased in general by 3%.

RECOMMENDATION

That the Joint Committee determine the fees and charges as shown in Appendix B and in particular discuss the level of the main cremation fee.

Background Papers: None

3 REVENUE

Contact Officer: Alison Howes (01494 732260)

- 1 The detailed revenue estimates are shown at *Appendix C* and the table below shows the comparison between the **revised and original estimate for 2007/2008**.

		2007/2008 Original £	2007/2008 Revised £	Cost Difference £
Expenditure	Revenue	699,120	690,230	(8,890)
	Capital	0	269,169	269,169
Income		1,254,220	1,227,090	27,130
		Surplus 555,100	Surplus 267,691	287,409

- 2 Revenue expenditure is just below the original estimate although there are variations within the total as follows:

- Salaries

The establishment at the Crematorium is now at full complement and the salary costs reflect the new structure.

- Insurance

The Crematorium insurance is included in the policies of Chiltern District Council. Chiltern's contract was put out to tender for the renewal date of 1st December 2007. The successful tender via brokers Jardine Lloyd Thompson was significantly cheaper than previously anticipated and the insurances have been moved from Zurich Municipal with effect from 1st December 2007. The costs of insurance have always been based on the premium as at 1st December and no adjustment for timing differences between policy date and financial year end are made.

- External Audit Fees

As previously advised, due to the significant value of income generated, the Crematorium will now be subject to full external audit and all reporting and audit requirements will be in accordance with latest SORP's (Statements of Recommended Practice) and Accounting Standards Board Code of Practice. This has led to a significant increase in external audit fees from 2008/09 onwards.

- Consultants Fees

Provision has been made for the engagement of a consultant to advise the Joint Committee on the planning aspect of future strategic developments in Aylesbury.

- 4 Income

Cremation income has been reduced due to a current reduction of 100 cremations on anticipated numbers of 3000. A comparison with the Actuals for 2006/07 is not on a like for like basis due to audit adjustments required in 2005/06 and 2006/07 which have caused a slight distortion to the 2006/07 figures.

Income to date generated by memorials (excl Book of Remembrance) is slightly better than anticipated.

5 **The revenue estimates for 2008/2009 in summary are as follows: -**

	£
Revenue Expenditure	701,280
Capital Expenditure	109,275
Income	1,312,990
Surplus	502,435

6 In general terms a 3% inflation increase has been applied to expenditure estimates.

7 It should be noted that for the purposes of the estimates no figures have been included for Capital Charges this is because the expenditure item is reversed out through the Asset Management Reserve and has no impact on the bottom line surplus.

8 Income estimates reflect the proposed fees and charges as detailed in *Agenda Item 2*, but will depend upon the Joint Committee's decision on the main cremation fee. It has been assumed that the number of cremations will remain the same as 2007/08 original estimate.

9. For information the following table shows the forecast surplus by Authority:-

District Council	Balance 31.3.2007 £	Apportionment 2007/2008 Revised Estimate £	Estimated Balance 31.3.2008 £	Apportionment 2007/2008 Revised Estimate £	Estimated Balance 31.3.2009
Aylesbury Vale	137,861	80,782	218,643	151,621	370,264
Chiltern	230,061	81,156	311,217	152,324	463,541
Wycombe	257,376	105,753	363,129	198,490	561,619
Totals	625,298	267,691	892,989	502,435	1,395,424

RECOMMENDATION

That the Joint Committee approve the 2007/2008 revised and 2008/2009 original revenue estimates, subject to any revisions it wishes to make.

Background Papers: None

Alison Howes
Treasurer