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| SUBJECT: | 2018/19 FINANCIAL OUTTURN |
| REPORT OF: | Treasurer of the Crematoria Joint Committee – Jim Burness |
| RESPONSIBLE OFFICER | Director of Resources - Jim Burness |
| REPORT AUTHOR | Senior Accountant - Tracey Campbell, 01494 732204, Tracey.Campbell@chilternandsouthbucks.gov.uk |
| WARD/S AFFECTED | All |

1. Purpose of Report

- 1.1 To provide Members with financial outturn information for the Chilterns and Berton 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 Berton 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 Berton | 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 Berton Crematorium, £4.483m. The final costs on the project will be incurred in 2019/20.
- Since the Berton site was not completed by the end of 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 Berton 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.

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| Background Papers: | None |
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