

NORTH DEVON CREMATORIUM JOINT COMMITTEE

5th February 2021

REPORT OF TREASURER

BUDGET 2021/2022

1. INTRODUCTION

- 1.1. This report forecasts the final estimated position for 2020/21 and recommends the budgets for 2021/2022 for consideration by the Joint Committee.

2. RECOMMENDATIONS

- 2.1. The Joint Committee is recommended to:

- 2.1.1. Approve the basic cremation charge of £730 or any other amount as deemed appropriate by the Joint Committee for 2021/2022 as detailed in paragraph 6.1.
- 2.1.2. Approve the 2021/2022 Budgets as set out in paragraph 3 of the report.
- 2.1.3. Approve the other fees and charges as detailed in paragraph 6.2 and Appendix 2.
- 2.1.4. Approve the distribution of surpluses for 2020/21 of £347,680 to the constituent authorities as set out in table 3 and 7.2. £208,608 to North Devon Council and £139,072 to Torridge District Council.
- 2.1.5. Approve the transfer of £95,480 to the Equipment Replacement Reserve.

3. BUDGET SUMMARY

	Actual 2019/2020 £	Budget 2020/2021 £	Probable 2020/2021 £	Budget 2021/2022 £
Premises	285,232	285,740	293,141	185,370
Transport	750	1,000	461	1,000
Supplies & Services	161,622	188,630	212,967	224,000
Central Support & Employees	291,148	310,540	310,755	316,430
Total Expenditure	738,752	785,910	817,324	726,800
Fees	1,083,354	1,121,890	1,154,254	1,147,700
Sales	82,695	99,180	87,479	90,680
Interest	4,295	4,000	599	650
CAMEO*	6,333	4,000	5,544	4,000
Miscellaneous	1,523	0	0	0
Total Income	1,178,200	1,229,070	1,247,876	1,243,030
Contribution to Equipment Replacement Res	100,000	95,480	95,480	100,000
Distribution NDC	208,608	208,608	208,608	249,740
Distribution TDC	139,072	139,072	139,072	166,490
Surplus/(Deficit)	(8,232)	0	(12,608)	0

* Crematoria Abatement of Mercury Emissions Organisation

4. PROBABLE ESTIMATE 2020/21

- 4.1. The probable estimate for 2020/21 predicts a deficit of £12,608 after the surplus distribution is made to the two constituent authorities.

5. ESTIMATES 2021/2022

- 5.1. No general inflationary increase has been applied to the 2021/22 expenditure budgets.
- 5.2. All budgets have been reviewed and set in line with current activity and anticipated future spend. The premises budget has reduced because the grounds maintenance budget has been reduced significantly as a lot of improvements have been made to the grounds over the past few years and the scope for more improvements has reduced. The budget of

£62k for a cremator re-lining has been removed as both cremators have recently been re-lined. It is estimated that the cremators will require a hearth replacement in around 4-6 years which will be funded from the Equipment Replacement Reserve.

- 5.3. For the purpose of the 2021/22 budget the estimated number of cremations has remained at 1,550, which was used for the 2020/21 budget.

6. FEES AND CHARGES 2021/2022

- 6.1. It is proposed to increase the cremation fee to £730 for 2021/22. The proposed charge of £730 represents an increase of 2.10%. The current prices for neighbouring crematoria are detailed in appendix 1 of this report.
- 6.2. The proposed fees and charges for 2021/22 are attached in appendix 2. Fees and charges have been increased by 2% or other amount's as considered appropriate by the Crematorium Manager. However, some fees have been retained at current levels eg. Urns and burial of cremated remains. Webcast/tribute services will only be increased if the supplier increases their costs. The current fees for 2020/21 have been included for comparison.

7. DISTRIBUTION OF SURPLUSES

- 7.1. The 2021/22 budget allows for £416,230 to be distributed to the constituent authorities.
- 7.2. It is proposed that the surpluses to be distributed in respect of 2020/21 are £208,608 to North Devon Council and £139,072 to Torridge District Council.

8. RESERVE TRANSFER

- 8.1. The estimate allows for a transfer to the Equipment Replacement Reserve of £100,000 at the end of the 2021/22 financial year.

8.2. A working balance of £100,000 would be maintained, which is sufficient in light of the risks facing the Crematorium.

8.3. Projected funds available in the Capital and General Reserves are detailed below:

	31 st March 2020	Projected 31 st March 2021	Projected 31 st March 2022
	£	£	£
Crem Earmarked Reserve	333,246	333,246	333,246
Equipment Replacement Res	400,000	495,480	595,480
General Reserve	100,000	100,000	100,000
	833,246	928,726	1,028,726

8.4 These figures do not include the projected deficit identified in 3 above of £12,608.

8.5 The Crem Earmarked Reserve was set up to fund capital projects within the crematorium. The remaining balance will be available for Phase B (Garage/Memorial Hall).

8.6 The Equipment Replacement Reserve has been established to set aside resources to ensure that sufficient funds are available when the cremators and filtration equipment reach the end of their useful life, and also to provide the funding for hearth replacements and cremator re-linings when required. The level and contributions to the reserves have been reviewed and are considered to be adequate to cover future needs.

Mark Knight
20th January 2021