

MARGAM CREMATORIUM JOINT COMMITTEE

22nd JANUARY, 2016

REPORT OF THE TREASURER – H. JENKINS

MATTER FOR DECISION

WARDS AFFECTED: ALL

ANNUAL BUDGET REPORT

1. Purpose of the Report

- 1.1 The purpose of the report is to provide details of the Margam Crematorium Joint Committee Revised Budget for 2015/16 and the Estimate for 2016/17.

2. Revised Budget

- 2.1 In preparing the Original Estimate it was assumed that there would be 1,350 cremations. It is now projected that this will increase to 1,400 cremations.
- 2.2 The Revised Budget shows Gross Expenditure of £787,645 Income of £917,480, including the precept, leaving a surplus of £129,835 to be added to reserves. It is expected the number of cremations this financial year will exceed the original estimate of 1,350; therefore the repayment of the outstanding loan will be repaid this financial year, ahead of schedule.
- 2.3 The main variances of note in the Revised estimates are:

Expenditure

Organist fees (+£4,140)

The Crematorium has set aside monies to pay annual leave to its organists. A percentage calculation has been added to the estimate to incorporate this increase for 2015/16. An additional member of staff has been added to the pension scheme.

Staff Training (+£740)

A member of staff in the Crematorium is going to study for the Certificate in the Institute of Cemetery and Crematorium

Management over the next two years, at a cost of £1,190. This will be partially funded from the saving in the advertising fees. A recent audit has suggested that all staff should attend a manual handling course, this is being addressed with no additional cost.

Repair & Maintenance Grounds (+£6,655)

Additional hours have been added to the budget to support work during the winter months.

Repair & Maintenance Cremators (-£6,500)

The cremators were under warranty for the first year, the final quarter ending in June 2015; this covers the replacement of filters and the disposal of the mercury emissions. The final quarter of £6,378 from the initial year and 3 payments of £12,875, are included in this fiscal year.

Gas (-£14,515)

The reduction in costs is mainly due to the new cremators running more efficiently, using less gas and the reduction in the price per unit. It is anticipated that the gas consumption will increase by 16% during the winter months; this cost has been built into the budget.

Electricity (+£1,390)

The new cremators and abatement equipment are highly technical therefore more electricity is being consumed.

Advertising (-£730)

There is no longer a need to advertise the Audit of Accounts and the Completion of Accounts in the local press. All future advertising will be done via notice boards and the websites in Neath Port Talbot and Bridgend CBC, free of charge.

Telephones (-£705)

A BT line in the Crematorium has been removed, saving on monthly charges. There is a review taking place to improve internet access. The preferred solution and costs will be reported in due course. The improvements will be covered by the Capital works budget.

Conference Fees (-£1,515)

There were no delegates attending this year's annual conference, this has also reduced the travelling expenses.

Equipment (+£2,450)

Two new trolleys have been ordered, one for the use in chapel the other for the crematory area. The additional costs will be partially met by the savings made on the Conference fees.

Subscriptions (+£360)

A new subscription to the Institute of Cemetery and Crematorium Management has been included in the revised estimates. This subscription is necessary to enable a staff member to complete future studies. Membership will also allow the Crematorium to participate in recycling.

Memorials (+£5,720)

The memorial budget has been increased by £5,720 to purchase and install 8 granite Memorial benches.

Loan Charges - Principal and Interest & Debt Management fee (-£47,610)

Principal and Interest fees are calculated on the historical debt only, not on any additional capital spend on the new cremators and abatement equipment. This was made apparent in the 2014/15 external audit and all necessary adjustments have been made to the accounts. This is reflected in the reduction in the revised estimates.

Repayment of Cremation Project Costs (+£40,540)

It is anticipated that the outstanding loan of circa £280,000, re the new cremator, will be fully repaid to Neath Port Talbot this financial year.

General Reserve

It is projected that a contribution of £129,835 will be added to the General reserve, thus increasing the balance of the General reserve to approximately £213,000 as at 31st March, 2016. This sum might differ at year end if there is an increase surplus in the net expenditure. An element of the reserve will be held to fund Repair and Renewal costs, with the cremators having a life expectancy of 10 years.

Revised Income 2015/16

Cremation fees (+£28,900)

The number of cremations has been increased to 1,400, revising the cremation fees estimate to £818,650.

Memorial Income (+£7,890)

The income for memorials is difficult to predict. However, the income has increased as the renewal of the 10 year lease is due this financial year.

Memorial HMRC refund (+£21,500)

HMRC have issued an instruction that all future income on Memorials is exempt of vat. There has been a rebate of previous VAT backdated to 2010. To date, £21,500 has been received; further payments are expected, but these have not been built into the budget.

Refund of Water usage from Cemeteries (+£350)

It was previously agreed that 20% of all water usage in the Crematorium was to be apportioned to Margam Cemetery for the use of water. This was not allocated in 2014/15, therefore two amounts will be charged this financial year.

CAMEO (+£2,820)

The Crematoria Abatement of Mercury Emissions organisation (CAMEO) has introduced a 'Burden sharing' scheme, charging Crematoria that have not installed Abatement equipment an environmental surcharge. This fee, less any administrative charges, is then re-distributed to the other Crematoria that have installed Abatement equipment.

The first income of £2,820 from the 'Burden Sharing' scheme has been received. This is based on the net surplus tradable mercury abated cremations for the period 1st January 2014 to 31st December 2014.

Appendix 1 contains details of the Original and Revised estimates for 2015/16, together with the Estimate for 2016/17

3. Budget 2016/17

- 3.1 The budget has been prepared based on 1,350 cremations during the financial year. Total expenditure is projected at £703,865, with income of £866,340 and a precept of £1,000.
- 3.2 The majority of the budget has been increased by 1%, the projected level of inflation. The following are the main variations from the 2015/16 Revised Budget:

Repair & Maintenance of Grounds (+£13,165)

General grounds maintenance has been increased to include additional working days in the winter months. This will also include works to maintain ageing trees.

Repair and Maintenance of Cremators (+£7,015)

After the first year the repair and maintenance for the cremators and abatement equipment will be £52,015, including an inflation increase based on the retail price index. This contract includes the routine servicing of the existing equipment, replacement of filters and the disposal of the emissions collected by the abatement equipment.

Palm Sunday (+£300)

There are two Palm Sunday Services this financial year.

Medical Referees

It is likely that the Health Authority will become responsible for meeting these costs in future years; however, a provision has been retained for 2016/17. When changes are announced these will be reported to the Committee.

Provision for Capital Works (+£75,000)

There has been an increase built into the budget to support additional projects:

- Clean the colonnade.
- Paint the Crematorium building.
- Toilet block improvements.

Repayment of Historical Debt

During 2016/17, the Crematorium will be able to repay the original outstanding debt used to build the Crematorium in 1969 that stands at circa £109,000.

Income

The income for the financial year 2016/17 has been based on 1,350 cremations. The budget has assumed there will be no increase in the general Cremation fee. The report proposes a small increase for some of the ancillary service fees.

CAMEO (+£2,180)

The reimbursement from CAMEO is based on the surplus tradable mercury abated cremations for the period 1st January 2015 to 31st

December 2015. A general income allowance of £5,000 has been applied this year as the calculation is unknown.

Precept (-£2,000)

The precept to the constituent authorities has been reduced from £3,000 to £1,000.

3.3 Appendix 1 contains details of the Estimate for 2016/17.

3.4 Appendix 2 contains details of the fees and charges proposed for 2016/17.

4. Cremator Project

Members will note from Appendix 3 the costs associated with the new FT Cremators have totalled approximately £861,000 and with a repayment of circa of £280,000 in 2015/16, Neath Port Talbot Council will be fully repaid for this investment.

5. Reserves

Having fully utilised reserves by March 2014, it is projected that they will amount to £212,843 by 31st March 2016, with a further estimated surplus of £163,475 added by March 2017. The projected balance expected 31st March 2017 being over £376,000.

6. Recommendations

It is recommended that:

- The Revised Budget 2015/16 is agreed by the Committee.
- The Budget for 2016/17 is agreed by the Committee.
- The committee confirms the precept to be levied for 2016/17:
 - Neath Port Talbot County Borough Council £561
 - Bridgend County Borough Council £439
- The fees as set out in Appendix 2 are agreed for 2016/17.
- The projected position in relation to the Cremator Project and Reserve position is noted.

7. Reasons for Proposed Decision

To set the budgets, charges and precept for Margam Crematorium.

8. Implementation of Decision

The decision is proposed for immediate implementation.

List of Background Papers

Margam Crematorium Financial Records.

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Appendix 1

Margam Crematorium Account

Actual		Original Estimate	Revised Estimate	Original Estimate
2014/15		2015/16	2015/16	2016/17
£	Expenditure	£	£	£
	Employees			
141,960	Salaries & Wages	152,073	149,140	153,330
28,636	Organists fees	24,800	28,940	29,230
975	Staff Training	850	1,590	1,600
	Premises			
-778	Carbon Reduction Tax	-	-	-
44,375	R&M Grounds	45,180	51,835	65,000
16,457	R&M Buildings	23,100	23,540	23,780
4,268	R&M Maintenance Contract	5,000	4,500	4,550
19,231	R&M Maintenance Cremators	51,500	45,000	52,015
28,129	Gas	33,610	19,095	19,285
11,126	Electricity	11,110	12,500	12,625
1,470	Water	1,700	1,515	1,530
20,339	Non domestic rates	20,800	20,725	20,900
11,769	Cleaning	11,715	11,700	11,820
-	Air Quality Sampling	3,000	3,000	3,000
	Supplies & Services			
2,344	Printing & Stationery	2,400	2,400	2,400
758	Advertising	730	-	-
2,045	Telephones	1,795	1,090	1,105
4,665	Insurance	4,665	4,665	4,710
221	Travelling Expenses/Subsistence	600	230	600
-	Conference fees	1,515	-	1,290
183	Car Allowance	750	750	750
200	Debt Management	330	55	-
50,860	Support Services	51,880	51,570	52,085
2,026	Audit Fees	3,000	2,920	2,950
1,679	Licence fee - operating permit	1,680	1,705	1,720
506	Floral Decoration	520	525	530
1,710	Computer & Equipment	2,400	2,400	2,400
3,000	CAMEO	-	-	-
1,948	Brochures	1,560	-	1,000
554	Equipment	1,360	3,810	1,360
1,769	Urns & Caskets	1,550	1,550	1,550
530	Palm Sunday	300	300	600
2,094	Entries in Book of Remembrance	2,130	2,500	2,525
13,383	Medical Referees	12,150	12,150	12,150
1,091	Clothing	1,000	1,000	1,000
812	Subscriptions	990	1,350	1,365
3,688	Memorials	4,070	9,790	4,110

Appendix 1

Actual		Original Estimate	Revised Estimate	Original Estimate
2014/15		2015/16	2015/16	2016/17
£	Expenditure	£	£	£
	Capital Costs			
4,858	Loan charges - Principal	26,720	4,665	-
22,234	- Interest	30,780	5,225	-
2,591	Provision for Capital Works	25,000	25,000	100,000
371,535	Repayment of the Cremator project & Historical Debt	238,377	278,915	109,000
825,241	Gross Expenditure	802,690	787,645	703,865
	Income			
-868,968	Cremation Fees	-789,750	-818,650	-789,750
-3,061	Urns & Caskets	-2,940	-3,480	-3,515
-5,937	Book of Remembrance	-6,280	-7,215	-7,285
-35,115	Memorials Income	-22,110	-30,000	-30,000
-	- Memorials HMRC refund	-	-21,500	-
-392	Bulb Donations	-	-50	-
-547	Palm Sunday Donations	-	-115	-
-27,811	Miscellaneous Income	-28,610	-30,300	-30,605
-	- Refund of water usage from Cemeteries	-	-350	-185
-	- CAMEO refund	-	-2,820	-5,000
-941,831	Gross Income	-849,690	-914,480	-866,340
-116,590	Net spend before reserves	-47,000	-126,835	-162,475
	Transfer to/-from Reserves			
392	Bulb Fund	-	-	-
17	Palm Sunday Reserve	-	-	-
83,008	General Reserve	50,000	129,835	163,475
-33,173	Net position to be funded by Authorities	3,000	3,000	1,000
	Precept Funding from Local Authorities			
-1,657	Precept - Neath Port Talbot	-1,688	-1,688	-561
-1,343	- Bridgend	-1,312	-1,312	-439
20,413	Additional precept refund - NPT	-	-	-
15,760	- Bridgend	-	-	-
0	Net Expenditure/-income after precept funding	0	0	0
1,485	Number of Cremations	1,350	1,400	1,350

Appendix 1

Schedule of Precept Payments

Schedule of Precept Payments	Neath Port Talbot	Bridgend	Total Precept
Dates	£	£	£
2016-2017	561	439	1,000
2015-2016	1,688	1,312	3,000
2014-2015	1,693	1,307	3,000
2013-2014	1,693	1,307	3,000
2012-2013	1,710	1,290	3,000
2011-2012	1,710	1,290	3,000
2010-2011	2,831	2,169	5,000
2009-2010	2,850	2,150	5,000

Cremation Price Comparison 2015/2016

Llwydcoed Crematorium, Aberdare:	£626	(incl. of certificate and organist)
Swansea Crematorium:	£606	(incl. of certificate and organist)
Coychurch Crematorium, Bridgend:	£629	(incl. of certificate and organist)
Llanelli Crematorium: (Private)	£605	(incl. of certificate and organist)
Margam Crematorium	£598	(incl. of certificate and organist)

Margam Crematorium
Proposed Table of Cremation fees and charges 2016/17

	2015/16	2016/17
1 Cremation fees and ancillary services		
[a] Stillborn child or child up to 1 year	Nil	Nil
[b] Aged 1 to 16 years	£457	£457
[c] Aged over 16 years	£585	£585
[d] Additional charge for Saturday cremation	£314	£314
[e] Double cremation (2 adults at one service)	£1,153	£1,153
[f] Cremation only at 9 am (Weekdays only)	£485	£485
N.B. The above fees in 1[b] & 1[c] include all services relating to a cremation. The concession under 1[a] may be coupled with 1[d] or 6 if required.		
	2015/16	2016/17
2 Certificate of cremation	£13	£13
3 Extract from Register	£12	£12
4 Temporary deposit of cremated remains (after 1 month)	£32	£32
5 Disposal of cremated remains from other crematoria	£43	£43
6 Service in chapel with organ and organist or extra 20 mins	£31	£31
7 Service in chapel with organ and organist or extra 20 mins (Sat)	£42	£42
8 Witness Burial of cremated remains - Weekdays	£44	£44
- Saturdays	£61	£61
9 Urns and Caskets		
[a] Wooden Casket	£36	£36
[b] Bronze Metal Urn	£26	£26
[c] Woodgrain cardboard container	£15	£15
[d] Plain cardboard container	£12	£12
[e] Small metal urn	£19	£19
[f] Polyurn	£14	£14

**Margam Crematorium
Proposed Table of Cremation fees and charges 2016/17**

	2015/16	2016/17
1. Inscriptions in Book of Remembrance		
Two Lines	£36.00	£36.50
Five Lines	£54.00	£54.50
Eight Lines	£71.50	£72.50
Floral Emblem/Service Badge	£41.00	£41.50
Coat of Arms	£52.00	£52.50
2. Miniature Book of Remembrance		
Two Lines	£55.00	£55.50
Five Lines	£70.00	£71.00
Eight Lines	£76.50	£77.50
Floral Emblem/Service Badge	£41.00	£41.50
Coat of Arms	£52.00	£52.50
Additional Lines	£10.50	£11.00
2a. Additional Inscriptions in Miniature Book		
Two Lines	£28.50	£29.00
Five Lines	£38.00	£38.50
Eight Lines	£47.00	£47.50
3. Memorial Card		
Two Lines	£18.00	£18.50
Five Lines	£27.00	£27.50
Eight Lines	£36.00	£36.50
4. Reservation of vases		
Window Vase	£7.00	£7.50
Altar Vase	£8.50	£9.00
5. Additional Charges		
Additional Copy of Crematorium Brochure	£3.50	Nil
Replacement Aluminium Vase	£10.50	£11.00
Service of Remembrance	£7.50	£8.00
6. Memorial Kerb Plaque in Garden of Remembrance (Horseshoe Path section)		
Plaque and inscription for 10 year lease	£325.00	£325.00
Plaque and inscription for 20 year lease	£585.00	£585.00
Renewal of lease for further 10 years	£180.00	£180.00
Renewal of lease for further 20 years	£526.00	£526.00

Margam Crematorium
Proposed Table of Cremation fees and charges 2016/17

	2015/16	2016/17
7. Memorial Kerb Plaque in Garden of Remembrance		
Plaque and inscription for 10 year lease	£428.00	£440.00
Plaque and inscription for 20 year lease	£800.00	£800.00
Renewal of lease for further 10 years	£180.00	£180.00
Renewal of lease for further 20 years	£720.00	£720.00
8. Baby Memorial Kerb Plaque in Children's Garden of Remembrance		
Plaque and inscription for 10 year lease	£180.00	£180.00
Plaque and inscription for lease of 20 years	£325.00	£325.00
Renewal of lease for further 10 years	£180.00	£180.00
 NB Replacement plaque (existing lease) for all Memorial Kerbs	 £162.50	 £162.50
9. Granite Memorial Benches (3 Plaque per bench)		
Price per Plaque per Bench - 10 year lease	£600.00	£600.00
Price for Whole Bench (3 Plaques) - 10 year lease	£1,600.00	£1,600.00
Price per Plaque per Bench - 20 year lease	£1,080.00	£1,080.00
Price for Whole Bench (3 Plaques) - 20 year lease	£3,000.00	£3,000.00

Appendix 3

Margam Crematorium Cremators and Abatement Project

Old Cremator Project Cost	£	£
Crawfords		
2012/13 unfunded balance		70,008
New Project 2013-2014		
Project costs	465,911	
Design fees	10,444	
Supervision fees	1,591	477,946
Cumulative Total to March 2014		547,954
New Project 2014-2015		
Project costs	357,178	
Design fees	9,924	
		367,102
Contributions from Revenue 2014/15		
Revenue Contributions to loan repayment	-371,535	
MRP repaid 13/14 to be recovered 15/16	-2,823	
		-374,358
Insurance Settlement		-277,595
Total o/s as at 31st March 2015		263,103
New Project 2015/16		
Retention costs	12,924	
Fees	65	
MRP correction re 13/14	2,823	15,812
		278,915

Actual Spend - New Project	2013/14	2014/15	2015/16	Total
	£	£	£	£
Other land & buildings project costs	465,911	357,178	15,812	-
Design fees	10,444	9,924	-	-
Supervision fees	1,591	-	-	-
	477,946	367,102	15,812	860,860

RESERVE MOVEMENTS

	2014/15	2015/16	2016/17
	£	£	£
Opening Balance	-	83,008	212,843
Contributions to Reserves	83,008	129,835	163,475
Closing Balance 31st March	83,008	212,843	376,318