

MARGAM CREMATORIUM JOINT COMMITTEE

20th JANUARY, 2017

REPORT OF THE TREASURER – H. JENKINS

MATTER FOR DECISION

WARDS AFFECTED: ALL

ANNUAL BUDGET REPORT 2017/18

1. Purpose of the Report

The purpose of the report is to provide details of the Margam Crematorium Joint Committee Revised Budget for 2016/17 and the Estimate for 2017/18.

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 1,450 cremations, similar to 2015/16.

2.2 The Revised Budget shows Gross Expenditure of £723,650 Income of £923,520, including the precept, leaving a surplus of £199,870 to be added to reserves. The additional cremations will enable the historical outstanding debt to be repaid and increase the contribution to the general reserve.

2.3 The main variances of note in the Revised estimates are:

Expenditure

Salaries (£10,080)

An additional £10,000 has been provided to cover the sickness leave of a staff member.

Repair & Maintenance Grounds (+£3,240)

The additional gardening hours have been increased to cover the period from mid-November to the end of March to ensure the grounds are maintained throughout the winter months. The budget also includes a sum to maintain ageing trees.

Repairs & Maintenance Cremators (-£115)

A quarterly sum is payable for routine servicing, payable in advance. This covers cremations up to 1,450. In excess of this figure, an additional charge is applied to cover the cost of supplying a reagent and waste treatment. During 2015 the cost was 37 cremations x £5.75 = £212.75.

Gas (-£2,785)

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.

Water (+870)

There have been two water leaks in the Crematorium this financial year. Both leaks have been rectified.

Air quality sampling (-£3,000)

Facultative Technologies Ltd, the cremator equipment specialists, will provide a single emissions test annually as part of the maintenance contract.

Conference Fees (-£-430)

Two delegates attended the annual conference reducing the budget by one third.

IT Including Equipment & Website (+2,120)

A new internet server has been installed in the Crematorium to improve the internet access. This software is vital to ensure the new cremators work efficiently.

Brochures (- 490)

The price for the brochures was less than originally expected. The stock should last for the next few years.

Palm Sundays (-£600)

There are no Palm Sunday's in this financial year.

Medical Referees (+£900)

The medical referee fee increases in line with the Cremations.

Memorials (+£5,720)

The memorial budget was increased at revised stage last year to purchase 8 granite benches, however Columbaria, the manufacturers, were unable to supply the benches before the end

of the financial year. The budget has therefore been rolled over to this financial year and the benches are being installed in January 2017.

Loan Charges - Principal and Interest & Debt Management fee (+£4,970)

The Historical Debt will be repaid in full this financial year. There will be an interest payment due as the debt will be repaid during the financial year.

Provision for Capital Works

A sum of £100,000 has been set aside to support the following project's :-

- Clean the colonnade.
- Clean the Crematorium building.
- Toilet block improvements.
- Pathway & Canopy.
- Public address system.
- Sewage plant evaluation/works.

General Reserve

It is projected that a contribution of £99,780 will be added to the General reserve, thus increasing the balance of the General reserve to £286,266 as at 31st March, 2017. This sum might differ at year end if there is a variation in actual net expenditure.

Cremator Reserve

The cremator reserve has been established to replace the cremators once they become obsolete. Establishing this reserve will ensure the Crematorium has sufficient long term funds to finance the replacement project.

Revised Income 2016/17

Cremation fees (+£41,880)

The number of cremations has been increased from 1,350 to 1,450, revising the cremation fees estimate to £831,630.

Memorial Income (+£10,000)

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

The memorial benches will be installed in January, 2017 it is anticipated that some of these will be leased before the end of March, however this sum has not been added to the revised estimate.

Refund of Water usage from Cemeteries (+175)

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.

CAMEO (+£6,180)

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.

This sum is based on the net surplus tradable mercury abated cremations for the period 1st January 2015 to 31st December 2015. The crematorium had 722 surplus cremations at £15.49 i.e. £11,183.78.

Appendix 1 contains details of the Original and Revised estimates for 2016/17, together with the Estimate for 2017/18.

3. Budget 2017/18

- 3.1 The budget has been prepared based on 1,400 cremations during the financial year. Total expenditure is projected at £620,720, with income of £898,700 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 2016/17 Revised Budget:

Salaries (+1,850)

An increase of 1% has been built into the budget together with the annual increments, where applicable. An allowance has been added to provide sickness cover for a member of staff who is on long term sick.

Apprenticeship Levy (£700)

The UK Government is introducing a new levy called the Apprenticeship Levy from 1st April 2017. This will be charged at 0.5% of pay and is payable to HMRC along with Employees Tax and National Insurance contributions at the end of every month.

Repair & Maintenance of Grounds (-£8,240)

General grounds maintenance has been decreased from the previous year as it is assumed the aging tree maintenance has now been addressed.

Non Domestic Rates (+£ 11,100)

There is currently a revaluation underway with all properties in Wales being reassessed from 1st April 2017.

The rateable value on the Crematorium has increased from £43,000 to £63,800.

IT including Equipment & Website (+£2,880)

The IT budget has been increased to develop the website to encourage “digital by choice” and offer the full list of services by the Crematorium.

Palm Sunday (+£600)

There are two Palm Sunday Services this financial year.

Medical Referee fees(-£450)

The medical referee fee has been set at 1400 cremations

Public Address system annual fee (+£7,500)

A new public address system is being installed in January 2017, the annual fee for this system will be £7,500, with no limit to the number of downloads.

Income

The income for the financial year 2017/18 has been based on 1,400 cremations. The budget has assumed there will be no increase in any of the fee levels from April 2017.

3.3 Appendix 1 contains details of the Estimate for 2017/18.

3.4 Appendix 2 contains details of the fees and charges proposed for 2017/18.

4. Reserves

The revised budget projects a contribution of £99,780 to the general reserve resulting in an estimated balance of £286,266 by 31st March 2017; this figure will fluctuate depending on the year end surplus.

A new cremator renewals reserve was established at the year end of March 2016 with a contribution of £100,000. It is proposed to make a further contribution in 2016/17 of a further £100,000 giving a balance at March 2017 of £200,000.

5. Recommendations

It is recommended that:

- The Revised Budget for 2016/17 is agreed by the Committee.
- The Budget for 2017/18 is agreed by the Committee.
- The committee confirms the precept to be levied for 2017/18:
 - Neath Port Talbot County Borough Council £559
 - Bridgend County Borough Council £441
- The fees and charges as set out in Appendix 2 are agreed for 2017/18.
- The projected position in relation to the Reserve position is noted.

6. Reasons for Proposed Decision

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

7. Implementation of Decision

The decision is proposed for immediate implementation.

8. List of Background Papers

Margam Crematorium Financial Records.

9. Officer Contact

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Margam Crematorium Account

Actual		Original Estimate	Revised Estimate	Original Estimate
2015/16		2016/17	2016/17	2017/18
£	Expenditure	£	£	£
	Employees			
150,404	Salaries & Wages	153,330	163,410	165,260
-	Apprenticeship Levy (0.5% of NI-able Pay)	-	-	700
37,122	Organists fees	29,230	28,890	27,905
1,615	Staff Training	1,600	1,600	1,600
	Premises			
51,834	R&M Grounds	65,000	68,240	60,000
15,645	R&M Buildings	23,780	23,860	24,100
4,513	R&M Maintenance Contract	4,550	4,830	4,900
45,003	R&M Maintenance Cremators	52,015	51,900	52,260
18,495	Gas	19,285	16,500	17,000
12,140	Electricity	12,625	11,930	12,050
1,623	Water	1,530	2,400	1,700
20,726	Non domestic rates	20,900	20,900	32,000
11,678	Cleaning	11,820	11,820	11,880
-	Air Quality Sampling	3,000	-	-
	Supplies & Services			
2,770	Printing & Stationery	2,400	2,400	2,400
-716	Advertising	-	-	-
914	Telephones	1,105	1,010	1,020
4,665	Insurance	4,710	4,710	5,760
212	Travelling Expenses/Subsistence	600	600	600
-	Conference fees	1,290	860	870
61	Car Allowance	750	750	750
51,569	Support Services	52,085	52,090	52,600
2,804	Audit Fees	2,950	3,000	3,000
1,704	Licence fee - operating permit	1,720	1,720	1,740
521	Floral Decoration	530	530	540
1,895	IT including Equipment & Website	2,400	4,520	7,400
-3,000	CAMEO	-	-	-
-	Brochures	1,000	510	-
2,298	Equipment	1,360	1,360	1,360
1,146	Urns & Caskets	1,550	1,550	1,550
287	Palm Sunday	600	-	600
2,307	Entries in Book of Remembrance	2,525	2,530	2,530
13,194	Medical Referees	12,150	13,050	12,600
316	Clothing	1,000	1,000	1,000
1,360	Subscriptions	1,365	1,380	1,395
-	Public address system annual fee	-	-	7,500
4,474	Memorials & Benches	4,110	9,830	4,150

Appendix 1

Actual		Original Estimate	Revised Estimate	Original Estimate
2015/16		2016/17	2016/17	2017/18
£	Expenditure	£	£	£
	Capital Costs			
1,841	Loan charges - Principal	-	-	-
11,301	- Interest	-	4,910	-
56	Debt Management	-	60	-
13,155	Provision for Capital Works	100,000	100,000	100,000
278,915	Repayment of the Cremator Project & Historical Debt	109,000	109,000	-
764,847	Gross Expenditure	703,865	723,650	620,720
	Income			
-856,397	Cremation Fees	-789,750	-831,630	-819,000
-3,696	Urns & Caskets	-3,515	-3,150	-3,180
-5,839	Book of Remembrance	-7,285	-6,870	-6,940
-65,801	Memorials Income	-30,000	-40,000	-30,000
-192	Bulb Donations	-	-20	-50
-563	Palm Sunday Donations	-	-70	-100
-32,931	Miscellaneous Income	-30,605	-29,240	-29,540
-374	Refund of water usage from Cemeteries	-185	-360	-190
-	CAMEO refund	-5,000	-11,180	-10,000
-965,793	Gross Income	-866,340	-922,520	-898,700
-200,946	Net spend before reserves	-162,475	-198,870	-277,980
	Transfer to/-from Reserves			
192	Bulb Fund	-	20	50
276	Palm Sunday Reserve	-	70	100
103,478	General Reserve	63,475	99,780	178,830
100,000	Cremators Renewals Reserve	100,000	100,000	100,000
3,000	Net position to be funded by Authorities	1,000	1,000	1,000
	Precept Funding from Local Authorities			
-1,688	Precept - Neath Port Talbot	-561	-561	-559
-1,312	- Bridgend	-439	-439	-441
0	Net Expenditure after precept funding	0	0	0
1,455	Number of Cremations	1,350	1,450	1,400

Appendix 1

Schedule of Precept Payments	Neath Port Talbot	Bridgend	Total Precept
	£	£	£
2017-2018	559	441	1,000
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

Cremation Price Comparison 2016/2017

Llwydcoed Crematorium, Aberdare:	£680	(incl. of cert. and organist)
Swansea Crematorium:	£638	(incl. of cert. and organist)
Coychurch Crematorium, Bridgend:	£637	(incl. of cert. and organist)
Llanelli Crematorium: (Private)	£640	(incl. of cert. and organist)
Narberth	£564	(incl. of cert. and organist)
Margam Crematorium	£598	(incl. of cert. and organist)

Reserves	Actual 01/04/16	Contributions 2016/17	Projected 31/03/17
	£	£	£
Memorial Bulb Account	5,570	20	5,590
Palm Sunday Reserve	3,696	70	3,766
General Reserve	186,486	99,780	286,266
Cremator Renewals Reserve	100,000	100,000	200,000
	295,752	199,870	495,622

Margam Crematorium
Proposed Table of Cremation fees and charges 2017/18

	2016/17	2017/18
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.		
	2016/17	2017/18
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 2017/18**

	2016/17	2017/18
1. Inscriptions in Book of Remembrance		
Two Lines	£36.50	£36.50
Five Lines	£54.50	£54.50
Eight Lines	£72.50	£72.50
Floral Emblem/Service Badge	£41.50	£41.50
Coat of Arms	£52.50	£52.50
2. Miniature Book of Remembrance		
Two Lines	£55.50	£55.50
Five Lines	£71.00	£71.00
Eight Lines	£77.50	£77.50
Floral Emblem/Service Badge	£41.50	£41.50
Coat of Arms	£52.50	£52.50
Additional Lines	£11.00	£11.00
2a. Additional Inscriptions in Miniature Book		
Two Lines	£29.00	£29.00
Five Lines	£38.50	£38.50
Eight Lines	£47.50	£47.50
3. Memorial Card		
Two Lines	£18.50	£18.50
Five Lines	£27.50	£27.50
Eight Lines	£36.50	£36.50
4. Reservation of vases		
Window Vase	£7.50	£7.50
Altar Vase	£9.00	£9.00
5. Additional Charges		
Additional Copy of Crematorium Brochure	Nil	Nil
Replacement Aluminium Vase	£11.00	£11.00
Service of Remembrance	£8.00	£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

Appendix 2

Margam Crematorium Proposed Table of Cremation fees and charges 2017/18

	2016/17	2017/18
7. Memorial Kerb Plaque in Garden of Remembrance		
Plaque and inscription for 10 year lease	£440.00	£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