

MARGAM CREMATORIUM JOINT COMMITTEE

19 JANUARY 2018

REPORT OF THE TREASURER – H. JENKINS

MATTER FOR DECISION

WARDS AFFECTED: ALL

ANNUAL BUDGET REPORT

1. Purpose of the Report

The purpose of the report is to provide details of the Margam Crematorium Joint Committee Revised Budget for 2017/18 and the Estimate for 2018/19.

2. Revised Budget

2.1 In preparing the Original Estimate it was assumed that there would be 1,400 cremations, this has been amended to 1,450 at revised stage.

2.2 The Revised Budget shows Gross Expenditure of £667,650 Income of £941,570, leaving a surplus of £273,920. Members will also note that there is a proposed refund of £100,000 paid to constituent Authorities, shared on the basis of their contributions, leaving a projected £174,920 to be added to reserves after the Constituent Authorities have paid the £1,000 precept.

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

Expenditure

Salaries (+£12,210)

The cremator operator retired in December 2017. Two new members of staff have been employed to cover vacant posts and are undergoing training. The additional pension contributions paid to Swansea have been recalculated and have increased by £4,000 to £9,400. During the early part of 2017, overtime has increased due to staff covering vacant posts and long term sickness. There still remains the vacant post of the weekend attendant which is in the process of being filled.

The Apprenticeship levy has been included in the Salaries calculation.

Organist Fees (+ £12,210)

The organist fees have increased due to sickness together with the increase in the number of projected cremations.

The final quarter payment for the 2016/17 organist's annual leave has been paid in this financial year, this amounted to £1,348.

Staff Training (+£8,700)

A sum of £8,000 has been set aside for staff training with Facultative Technologies, the cremator suppliers, to train new staff and give the existing staff refresher courses. An amount of £300 has been included for First Aid training for two staff members.

One member of staff is currently studying the ICCM training course.

Gas (+ £6,500)

Gas consumption has increased since September 2017 and is under investigation by the Superintendent. The increased cost has been used to project gas consumption through the winter months. It is anticipated that the gas consumption will increase by 16% during the winter months; this cost has been built into the budget.

Conference Fees (-£430)

The original budget contained provision for two delegates to attend the Annual Conference. However, the Chairman is President of the FBCA, therefore the Chairman's conference fees were paid for by the Federation.

IT Including Equipment & Website

The original budget included an amount to develop the website to encourage "digital by choice" and offer a full list of services by the Crematorium. However, because of staff absences in the crematorium, it is envisaged that this work will now take place next year. There have been IT costs installing network and cabling equipment to ensure an efficient WIFI and Webcasting Service is offered by the Crematorium.

Equipment (+£460)

The revised budget has increased to include a new chip and pin machine in the Crematorium, together with an annual maintenance fee.

Palm Sundays (+£320)

There are two Palm Sunday services this financial year and this includes a cleaning charge that is specific to the Palm Sunday service.

Memorials (+£4,550)

The revised estimate exceeds the original estimate as the installation and fitting of the granite benches has been included in this year's expenditure. An additional kerb stone vase block has been ordered and is in addition to the original budget provision.

Loan Charges - Principal and Interest & Debt Management fee

The Historical Debt was repaid in full during 2016/2017; the Crematorium is now debt free.

Provision for Capital Works

A sum of £100,000 has been set aside to support the following projects:

• Sewage system installation	£30,000
• Automatic charging machine	£30,000
• Ventilation System crematory area	£4,280
• 3 double doors, crematory area	£6,130
	<hr/>
	£70,410

General Reserve

It is projected that a contribution of £74,680 will be added to the General reserve, thus increasing the balance of the General reserve to £466,951 as at 31st March 2018. This sum might differ at year end if there is a variation in the net expenditure.

Cremator Reserve

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

Refund to Constituent Authorities

It is proposed to refund the Constituent authorities £100,000 from surplus funds, apportioned on the council tax basis of each Authority.

Revised Income 2017/18

Cremation fees (+£29,250)

The number of cremations set in the original budget was 1,400 this has been revised to 1,450 cremations.

Memorial Income (+£10,000)

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

Media Services income (+£2,800)

A new public address and media system was introduced in the crematorium from January 2017. This has enabled the crematorium to offer additional services to the public including the recording of funeral services and streamlining funeral services all over the world. These services are becoming increasingly popular in the Crematorium and have been fully available since November 2017.

CAMEO (-£2,460)

The Crematoria Abatement of Mercury Emissions organisation (CAMEO) provides 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 tradeable mercury abated cremations for the period 1st January 2016 to 31st December 2016. The sum received will reduce as more Crematoria choose to abate. There has been a reduction of 33% over last year's surplus tradeable cremations.

Appendix 1 contains details of the Original and Revised estimates for 2017/18, together with the Estimate for 2018/19.

3. Budget 2018/19

- 3.1 The budget has been prepared based on 1,450 cremations during the financial year. Total expenditure is projected at £651,710, with income of £968,810 and a precept of £1,000.

3.2 The majority of the budget has been increased by 2%. The following are the main variations from the 2017/18 Revised Budget:

Salaries (-£3,540)

An increase of 2% has been built into the budget together with the annual increments, where applicable. An additional allowance of £4,000 has also been provided for staff on lower pay points. The overtime element should decrease as the vacant posts have now been filled. The casual allowance covering long term sickness and vacant posts has been reduced by £5,000 for emergency cover.

Organist fees (-£5,505)

The organist fees have increased (from £14.50) to £15.00 per funeral and (from £18.85) to £19.50 for a weekend funeral. The reduction from 2017/18 is mainly due to the increased sickness and holiday pay paid in 2017/18.

Staff Training (-£9,400)

The budget includes a provision to send two new staff members on a Manual Handling course and for another member of staff to sit the next ICCM exam.

R&M Buildings (-£4,250)

The budget has been reduced by the sum set aside previously for the building maintenance of the property, 3 Greenacres, the tied accommodation for the Cremator operator. The property has been sold to Tai Tarian, Housing Association, as it is no longer required by the Crematorium. The Cremator operator retired in December 2017.

Water (-£570)

The water budget has reduced as the Crematorium is no longer responsible for paying the water usage on 3 Greenacres, the Cremator operator's tied accommodation.

Conference fees and Travelling & Subsistence

The Annual conference will be held in Newcastle upon Tyne in June 2018. The Chairman is President of the FBCA, therefore his fees will be paid for by the Federation. The Crematorium shall pay for the fees of the Superintendent.

Travelling & Subsistence (+£420)

It is proposed the delegates will fly to Newcastle. Travelling expenses will be paid for by the Federation for the Chairman therefore only the Superintendent's flight and subsistence is charged to this budget.

IT including Equipment & Website

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. The sum of £600 has been added to the annual SLA agreement for IT support in the Crematorium.

Palm Sunday (-£920)

There are no Palm Sunday Services this financial year.

Medical Referee fees

The medical referee fee has been set at 1,450 in line with the number of cremations. This fee should no longer be applicable to Crematoria after April 2019 due to a Medical examiners reform.

Clothing (+£800)

The clothing account has increased to accommodate the two new members of staff.

Memorials (+£900)

The budget includes the purchase and installation of 8 granite benches.

Provision for Capital Works

A sum of £100,000 has been set aside to support the following projects:

• CCTV rewiring and camera for the driveway	£5,000
• Waiting room improvements	£15,000
• Book of Remembrance	£20,000
• Generator upgrade	£30,000
	<hr/>
	£70,000

Income

The income for the financial year 2018/19 has been based on 1,450 cremations. The budget has assumed there will be an increase of £20 in the cremation fee and 2% increase in other fee levels from April 2018.

Members will recall that during the June 2017 committee meeting of the Crematorium, a report was given proposing a review of Cremation fees for minors. The decision provides a free cremation service and certificate for children up to the age of 12 years. This proposal was agreed from that date.

Following the campaign led by Carolyn Harris, the Swansea MP, Welsh Government is providing grants to Local Authorities to abolish all Cremation fees up to and including the age of 17. This will come into effect from 1st April 2018.

The Welsh Government has suggested, through the signed Memorandum of Understanding with the WLGA, that they should implement this change to policy early 2018. This report assumes that the Joint Committee will provide a free cremation service and certificate for children up to and including the age of 17 with immediate effect.

3.3 Appendix 1 contains details of the Estimates for 2018/19.

3.4 Appendix 2 contains details of the fees and charges proposed for 2018/19.

4. Reserves

The general reserve revised budget indicates a contribution of £74,680, with a balance of £466,951 projected by 31st March 2018; this figure will fluctuate depending on the year end surplus. The estimated balance for 31st March 2019 is £584,951. A new cremator renewals reserve was established at the year-end in March 2016. It is proposed to make a further contribution in both 2017/18 and 2018/19 of £100,000 giving an estimated balance at 31st March 2019 of £400,000.

Recommendations

It is recommended that:

- The Revised Budget 2017/18 is agreed by the Committee (including the refund of £100,000 to the constituent authorities).

- There is no charge for a cremation service and certificate for children up to and including the age of 17 with immediate effect.
- The Budget for 2018/19 is agreed by the Committee.
- The committee confirms the precept to be levied for 2018/19:
 - 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 2018/19.
- The projected position in relation to the Reserves position is noted.

5. Reasons for Proposed Decision

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

6. Implementation of Decision

The decision is proposed for immediate implementation.

List of Background Papers

Margam Crematorium Financial Records.

Officer Contact

Mr. Hywel Jenkins – Director of Finance & Corporate Services
Telephone: 01639 763251 E-mail: h.jenkins@npt.gov.uk

Mrs. Anne Thomas – Accountant - Technical
Telephone: 01639 763604 E-mail: a.dixon@npt.gov.uk

Appendix 1

Margam Crematorium Account

Actual		Original Estimate	Revised Estimate	Original Estimate
2016/17		2017/18	2017/18	2018/19
£	Expenditure	£	£	£
	Employees			
157,775	Salaries (Inc Apprenticeship Levy)	165,960	178,170	174,630
36,672	Organists fees	27,905	40,115	34,610
595	Staff Training	1,600	10,300	900
	Premises			
58,342	R&M Grounds	60,000	60,000	61,200
23,973	R&M Buildings	24,100	24,620	20,370
4,830	R&M Maintenance Contract	4,900	4,850	4,950
52,296	R&M Maintenance Cremators	52,260	53,120	54,640
15,718	Gas	17,000	23,550	24,020
12,369	Electricity	12,050	13,520	13,790
2,195	Water	1,700	1,370	800
20,898	Non domestic rates	32,000	31,840	32,800
11,935	Cleaning	11,880	11,970	12,210
	Supplies & Services			
2,447	Printing & Stationery	2,400	2,700	2,700
1,183	Telephones	1,020	1,200	1,230
4,665	Insurance	5,760	4,665	4,760
230	Travelling Expenses/Subsistence	600	180	600
860	Conference fees	870	440	450
-	Car Allowance	750	750	750
52,083	Support Services	52,600	52,605	53,660
2,245	Audit Fees	3,000	2,290	2,500
1,723	Licence fee - operating permit	1,740	1,775	1,810
532	Floral Decoration	540	540	550
4,510	IT including Equipment & Website	7,400	7,400	7,400
511	Brochures	-	700	700
1,657	Equipment	1,360	1,820	1,550
1,845	Urns & Caskets	1,550	1,550	1,550
-	Palm Sunday	600	920	-
2,293	Entries in Book of Remembrance	2,530	2,530	2,530
13,671	Medical Referees	12,600	13,050	13,050
882	Clothing	1,000	1,000	1,800
932	Subscriptions	1,395	1,400	1,430
-	Public address system annual fee & chgs	7,500	8,010	8,170
7,228	Memorials & Benches	4,150	8,700	9,600

Appendix 1

Actual		Original Estimate	Revised Estimate	Original Estimate
2016/17		2017/18	2017/18	2018/19
£	Expenditure	£	£	£
	Capital Costs			
3,794	Loan Charges - Interest	-	-	-
60	Debt Management	-	-	-
72,626	Provision for Capital Works	100,000	100,000	100,000
111,939	Repayment of the Cremator project & Historical Debt	-	-	-
685,514	Gross Expenditure	620,720	667,650	651,710
	Income			
-885,886	Cremation Fees	-819,000	-848,250	-877,250
-3,402	Urns & Caskets	-3,180	-4,240	-4,330
-7,392	Book of Remembrance	-6,940	-6,110	-6,230
-48,990	Memorials Income	-30,000	-40,000	-40,000
-166	Bulb Donations	50	-120	-50
-488	Palm Sunday Donations	100	-120	-50
-30,395	Miscellaneous Income	-29,540	-28,790	-29,370
-335	Refund of water usage from Cemeteries	-190	-140	-140
-	Media Services	-	-2,800	-2,860
-2,715	Investment Income	-	-3,460	-3,530
-11,184	CAMEO refund	-10,000	-7,540	-5,000
-990,953	Gross Income	-898,700	-941,570	-968,810
-305,439	Net spend before reserves	-277,980	-273,920	-317,100
	Dividend payment to Local Authorities			
-	Dividend - Neath Port Talbot	-	55,900	55,900
-	Dividend- Bridgend	-	44,100	44,100
-305,439	Net Spend after Dividend payment	-277,980	-173,920	-217,100
	Transfer to/-from Reserves			
166	Bulb Fund	50	120	50
488	Palm Sunday Reserve	100	120	50
205,785	General Reserve	178,830	74,680	118,000
100,000	Cremators Renewals Reserve	100,000	100,000	100,000
1,000	Net position to be funded by Authorities	1,000	1,000	1,000
	Precept Funding from Local Authorities			
-561	Precept - Neath Port Talbot	-559	-559	-559
-439	- Bridgend	-441	-441	-441
0	Net Expenditure/-income after precept funding	0	0	0
1,517	Number of Cremations	1,400	1,450	1,450

Schedule of Precept Payments	Neath Port Talbot	Bridgend	Total Precept
	£	£	£
2018-2019	559	441	1,000
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 as at December 2017

Swansea Crematorium:	£678	(incl. of cert. and organist)
Coychurch Crematorium, Bridgend:	£637	(incl. of cert. and organist)
Llanelli Crematorium: (Private)	£695	(incl. of cert. and organist)
Narberth	£564	(incl. of cert. and organist)
Margam Crematorium	£598	(incl. of cert. and organist)

Reserves	31/03/17	31/03/18	31/03/19
	Actual	Projected	Estimate
	£	£	£
Memorial Bulb Account	£5,737	£5,857	£5,857
Palm Sunday Reserve	£4,184	£4,304	£4,304
General Reserve	£392,271	£466,951	£584,951
Cremator Renewals Reserve	£200,000	£300,000	£400,000
	<u>£602,192</u>	<u>£777,112</u>	<u>£995,112</u>

Appendix 2

Margam Crematorium Proposed Table of Cremation fees and charges

	2017/18 (January 2018)	2018/19
1 Cremation fees and ancillary services		
[a] Stillborn child or child up to and including 17 years	Nil	Nil
[b] Aged over 17 years	£585.00	£605.00
[c] Additional charge for Saturday cremation	£314.00	£334.00
[d] Double cremation (2 adults at one service)	£1,153.00	£1,193.00
[e] Cremation only at 9am (Weekdays only)	£485.00	£505.00

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[c] or 6 if required.

	2017/18	2018/19
2 Certificate of cremation	£13.00	£13.50
3 Extract from Register	£12.00	£12.00
4 Temporary deposit of cremated remains (after 1 month)	£32.00	£32.50
5 Disposal of cremated remains from other crematoria	£43.00	£44.00
6 Service in chapel with organ and organist or extra 20 mins	£31.00	£31.50
7 Service in chapel with organ and organist or extra 20 mins (Sat)	£42.00	£43.00
8 Witness Burial of cremated remains - Weekdays	£44.00	£45.00
- Saturdays	£61.00	£62.00
9 Urns and Caskets		
[a] Wooden Casket	£36.00	£36.50
[b] Bronze Metal Urn	£26.00	£26.50
[c] Woodgrain cardboard container	£15.00	£15.50
[d] Plain cardboard container	£12.00	£12.00
[e] Large White Cardboard Container	£18.00	£18.50
[f] Medium White Cardboard Container	£13.50	£14.00
[g] Small White Cardboard Container	£9.00	£9.00
[h] Small Metal urn	£19.00	£19.50
[i] Polyurn	£14.00	£14.50

**Margam Crematorium
Proposed Table of Cremation fees and charges**

	2017/18	2018/19
1. Inscriptions in Book of Remembrance		
Two Lines	£36.50	£37.00
Five Lines	£54.50	£55.50
Eight Lines	£72.50	£74.00
Floral Emblem/Service Badge	£41.50	£42.50
Coat of Arms	£52.50	£53.50
2. Miniature Book of Remembrance		
Two Lines	£55.50	£56.50
Five Lines	£71.00	£72.50
Eight Lines	£77.50	£79.00
Floral Emblem/Service Badge	£41.50	£42.50
Coat of Arms	£52.50	£53.50
Additional Lines	£11.00	£11.00
2a. Additional Inscriptions in Miniature Book		
Two Lines	£29.00	£29.50
Five Lines	£38.50	£39.50
Eight Lines	£47.50	£48.50
3. Memorial Card		
Two Lines	£18.50	£19.00
Five Lines	£27.50	£28.00
Eight Lines	£36.50	£37.00
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	£331.50
Plaque and inscription for 20 year lease	£585.00	£596.50
Renewal of lease for further 10 years	£180.00	£183.50
Renewal of lease for further 20 years	£325.00	£331.50

Appendix 2

Margam Crematorium Proposed Table of Cremation fees and charges

	2017/18	2018/19
7. Memorial Kerb Plaque in Garden of Remembrance		
Plaque and inscription for 10 year lease	£440.00	£449.00
Plaque and inscription for 20 year lease	£800.00	£816.00
Renewal of lease for further 10 years	£180.00	£183.50
Renewal of lease for further 20 years	£325.00	£331.50
8. Baby Memorial Kerb Plaque in Children's Garden of Remembrance		
Plaque and inscription for 10 year lease	£180.00	£183.50
Plaque and inscription for lease of 20 years	£325.00	£331.50
Renewal of lease for further 10 years	£180.00	£183.50
 NB Replacement plaque (existing lease) for all Memorial Kerbs	 £162.50	 £166.00
9. Granite Memorial Benches (3 Plaque per bench)		
Price per Plaque per Bench - 10 year lease	£600.00	£612.00
Price for Whole Bench (3 Plaques) - 10 year lease	£1,600.00	£1,632.00
Price per Plaque per Bench - 20 year lease	£1,080.00	£1,101.50
Price for Whole Bench (3 Plaques) - 20 year lease	£3,000.00	£3,060.00

Media Services fees and charges

	2017/18	2018/19
1. Audio Recording-USB memory stick or CD as requested		
1st USB	£53.00	£54.00
Additional USB's	£23.00	£23.50
2. Video Recording		
USB memory stick or CD as requested		
1st USB	£53.00	£54.00
Additional USB's	£23.00	£23.50
Tribute embedded in video recording	£18.00	£18.50
2a. Visual Tribute		
Max of 30 photographs + 4 mins video	£92.00	£94.00
USB (copy tribute)	£32.00	£32.50
Single photograph	£18.00	£18.50
3. Web Casting		
Per service	£53.00	£54.00