

MARGAM CREMATORIUM JOINT COMMITTEE

7 DECEMBER 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 confirm details of the Margam Crematorium Joint Committee Revised Budget for 2018/19 and the Estimate for 2019/20.

2. Revised Budget

2.1 In preparing the Original Estimate it was assumed that there would be 1,450 cremations, this has now been revised to 1,500.

2.2 The Revised Budget shows Gross Expenditure of £718,650 and income of £998,530 leaving a surplus of £279,880. Members will also note that there is a proposed refund of £100,000 payable to constituent Authorities, shared on the basis of their contributions, leaving a projected £180,880 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 (+£1,540)

The vacant post of weekend attendant has now been filled with a new position averaging 28 hours per week. The new post holder started in December 2018.

One member of staff has reduced her working hours to 33.5 from 37 hours.

Staff Training (+£1,470)

A member of staff had a backdated First Aid allowance to November 2014. A further two first aid courses have been built into the budget.

A fire warden course has been built into the budget for two members of staff.

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

R&M Maintenance Contract

There is no longer a separate repair and maintenance contract. This budget has been added to the R&M of Buildings estimate.

Electricity & Gas (+£3,650 & + £600)

There is more electricity being used in the Crematorium as the installation of the abatement equipment is far more technical. However the costs are continuing to rise; this is under investigation by the Superintendent.

The consumption of gas and electricity is anticipated to be 14% higher during the winter months.

Water (+£1700)

There has been a water leak in the crematorium. Monthly water meter readings are now taken at the crematorium. This will highlight any possible leaks as the increase in water usage would be evident and would avoid any further wastage of water and finance.

Printing & Stationery (+£300)

An additional provision, in line with last year's actual, has been provided.

Telephones (+£390)

The Panasonic telephone system was not included in the original budget. Upon installation it was paid two years in advance. This cost will be paid annually in future.

Travelling expenses (-£360)

Travel costs to the conference were lower than budgeted.

All conference related expenses were paid by the Federation of Burial and Cremation Association, for the Chairman to attend, as he was the President for the second year.

Audit fees (-£700)

The audit fees were less than originally anticipated as the Wales Audit Office completed their audit and signed off the Annual Return with no amendments.

Licence fee (-£640)

The operating licence has fallen into a lower risk category since the new cremators and abatement equipment has been installed.

Brochures (-£700)

There are no brochures required this financial year.

Urns & Caskets (+£1,100)

Members will recall that at the last meeting it was agreed that future urns and caskets, together with the carrying receptacle would be bio-degradable and environmentally friendly.

Public Address system (+£3,100)

This service is becoming more popular. Any additional media services fees and charges are offset by increased income received from this service.

Defibrillator (+£1,800)

A provision of £1,800 has been made for supply, fixing and casing a defibrillator at the Crematorium.

Christmas Carol Concert (+£240)

It was agreed in the last committee meeting to reinstate the Christmas Carol Concert; the sum available has been based on the Palm Sunday service.

Provision for Capital Works (+£56,000)

A sum of £100,000 had been set aside to support the capital works, however this has been increased to £156,000 and is itemised below:

Capital works	Amount £
Up-grade CCTV and driveway camera	6,000
Replacement of generator and slab	22,000
Book of Remembrance cabinet	20,000
Automatic charging trolley (late delivery)	30,000
Re-paving of pathway	13,000
Roof replacement	53,000
Refurbishment of small chapel	12,000
 Total	<hr/> 156,000 <hr/>

General Reserve

It is projected that a contribution of £80,680 will be added to the General reserve, thus increasing the balance of the General reserve to £681,549 as at 31st March 2019. 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 2018/19

Cremation fees (+£30,250)

The number of cremations set in the original budget was 1,450 this has been revised to 1,500 cremations. To the end of October 2018, there have been 856 services, compared to 825 services for the equivalent period last year.

Memorial Income (-£7,000)

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

Refund of Water usage from Cemeteries (+£360)

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 has increased from the original estimate due to the water leak.

Media Services income (+£2,940)

The public address and media system was introduced in the crematorium in January 2017 and has been fully available since November 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.

CAMEO

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 2017 to 31st December 2017. In future years the sum received will reduce as more crematoria choose to abate.

Appendix 1 contains details of the Original and Revised estimates for 2018/19, together with the Estimate for 2019/20.

3. Budget 2019/20

- 3.1 The budget has been prepared based on 1,500 cremations during the financial year. Total expenditure is projected at £1,042,570, with income of £1,034,540 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 2018/19 Revised Budget:

Salaries (+£19,580)

An increase of 2% has been built into the budget together with the annual increments, where applicable. The weekend attendant post has been filled and the hours increased to 28 hours. This will enable the crematorium to have additional staff cover during the week days.

Staff Training (-£1,370)

The budget includes a provision to send two staff members on a First Aid course and Fire Warden course. A member of staff is sitting another ICM examination.

Water (£1,500)

The water budget has reduced to £1,000.

Conference fees (+£470)

A provision for 2 people to attend the annual conference in 2019 has been made.

IT including Equipment and Website (-£3,900)

A budget of £3,500 has been included to maintain the newly developed website. The website will enable people to access information and services provided by the crematorium including confirmed services for the next 2 weeks.

Brochures (+£1,000)

The crematorium will require brochures next year. A new supplier is being sourced therefore potentially increasing the costs.

Urns and Caskets (+£1,100)

The choice of using biodegradable urns and caskets will increase future costs, whilst becoming more environmentally friendly. However, this expenditure is offset by income.

Palm Sunday (+£380)

There is one Palm Sunday Service this financial year.

Memorials (+£6,240)

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

50th Anniversary Celebration Service (+£3,500)

The Crematorium has been opened 50 years in April 2019. An anniversary service has been scheduled to celebrate this event, however the date has yet to be formalised.

Provision for Capital Works (+£294,000)

A sum of £450,000 has been set aside to support the following projects:

Capital Works	Amount £
Air Conditioning system	150,000
Extension to the building	270,000
Other capital works	30,000
Total	<u>450,000</u>

Income

The income for the financial year 2019/20 has been based on 1,500 cremations. The budget has assumed there will be a 2% increase in the fee and other fee levels, where appropriate, from April 2019. There has also been a new charge introduced for biodegradable urns and caskets.

The current and proposed cremation fees are:

	2018/19 £	2019/20 £
Cremation fee for over 17 years old	605.00	617.00
Certificate of cremation	13.50	13.50
Total cremation fee for over 17 years old	<u>618.50</u>	<u>630.50</u>

3.3 Appendix 1 contains details of the Estimates for 2019/20.

3.4 Appendix 2 contains details of the fees and charges proposed for 2019/20.

4. Reserves

The revised budget indicates a contribution of £80,680 to the general reserve, with a balance of £681,549 projected at 31st March 2019; this figure will fluctuate depending on the year end position. The estimated balance for 31st March 2020 has been reduced to £474,699 as a contribution of £206,850 is required from reserves to finance Capital works.

A new cremator renewals reserve was established at the year end in March 2016. It is proposed to make a further contribution in both 2018/19 and 2019/20 of £100,000 giving a projected balance at 31st March 2020 of £500,000.

Recommendations

It is recommended that:

- The Revised Budget 2018/19 is agreed by the Committee (including the refund of £100,000 to the constituent authorities).
- The Budget for 2019/20 is agreed by the Committee.
- The Committee confirms the precept to be levied for 2019/20:
 - 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 2019/20.
- 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.

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Appendix 1

Margam Crematorium Account

Actual 2017/18 £	Expenditure	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Original Estimate 2019/20 £
	Employees			
175,620	Salaries (Inc Apprenticeship Levy)	174,630	176,170	195,750
45,325	Organists fees	34,610	33,000	33,000
2,300	Staff Training	900	2,370	1,000
	Premises			
57,851	R&M Grounds	61,200	59,030	60,210
16,462	R&M Buildings	20,370	25,320	25,830
4,849	R&M Maintenance Contract	4,950	-	-
53,178	R&M Maintenance Cremators	54,640	54,730	55,830
20,652	Gas	24,020	24,620	25,100
13,407	Electricity	13,790	17,440	17,790
1,373	Water	800	2,500	1,000
31,836	Non domestic rates	32,800	32,800	33,590
12,105	Cleaning	12,210	12,300	12,550
	Supplies & Services			
2,945	Printing & Stationery	2,700	3,000	3,000
1,222	Telephones	1,230	1,620	1,650
4,665	Insurance	4,760	4,760	4,760
217	Travelling Expenses/Subsistence	600	240	250
440	Conference fees	450	450	920
-	Car Allowance	750	750	750
52,605	Support Services	53,660	54,260	55,340
657	Audit Fees	2,500	1,800	1,840
1,145	Licence fee - operating permit	1,810	1,170	1,200
543	Floral Decoration	550	550	570
6,634	IT including Equipment & Website	7,400	7,400	3,500
679	Brochures	700	-	1,000
1,224	Equipment	1,550	1,550	1,580
1,294	Urns & Caskets	1,550	2,650	3,750
827	Palm Sunday	-	-	380
2,263	Entries in Book of Remembrance	2,530	2,530	2,580
13,824	Medical Referees	13,050	13,500	13,500
882	Clothing	1,800	1,800	1,800
1,414	Subscriptions	1,430	1,430	1,460
9,841	Public address system annual fee & chgs	8,170	11,270	11,500
10,070	Memorials & Benches	9,600	9,600	15,840
-	Defibrillator	-	1,800	-
-	50 th Anniversary Celebration	-	-	3,500

Appendix 1

Actual 2017/18 £	Expenditure	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Original Estimate 2019/20 £
-	Christmas Carol Service	-	240	250
42,181	Provision for Capital Works	100,000	156,000	450,000
590,530	Gross Expenditure	651,710	718,650	1,042,570
Income				
-897,520	Cremation Fees	-877,250	-907,500	-925,500
-4,271	Urns & Caskets	-4,330	-5,070	-5,180
-5,451	Book of Remembrance	-6,230	-6,160	-6,290
-43,635	Memorials Income	-40,000	-33,000	-53,000
-284	Bulb Donations	-50	-50	-50
-495	Palm Sunday Donations	-50	-150	-150
-30,808	Miscellaneous Income	-29,370	-30,300	-30,300
-150	Refund of water usage from Cemeteries	-140	-500	-150
-4483	Media Services	-2,860	-5,800	-5,920
-3,441	Investment Income	-3,530	-5,000	-5,000
-7,542	CAMEO refund	-5,000	-5,000	-3,000
-998,080	Gross Income	-968,810	-998,530	-1,034,540
-407,550	Net spend before reserves	-317,100	-279,880	8,030
Dividend payment to Local Authorities				
55,900	- Neath Port Talbot	55,900	55,900	55,900
44,100	- Bridgend	44,100	44,100	44,100
-307,550	Net Spend after Dividend payment	-217,100	-179,880	108,030
Transfer to/-from Reserves				
284	Bulb Fund	50	50	50
-332	Palm Sunday Reserve	50	150	-230
208,598	General Reserve	118,000	80,680	-206,850
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				
-559	Precept - Neath Port Talbot	-559	-559	-559
-441	- Bridgend	-441	-441	-441
0	Net Expenditure/-income after precept funding	0	0	0
1,551	Number of Cremations	1,450	1,500	1,500

Appendix 1

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 2018

Swansea Crematorium:	£693	(incl. of cert. contain & organ)
Coychurch Crematorium, Bridgend:	£677	(incl. of cert. and organist)
Llanelli Crematorium: (Private)	£695	(incl. of certif. and organist)
Narberth	£564	(incl. of cert. contain & organ)
Margam Crematorium	£619	(incl. of cert. contain & organ)

Reserves

	31/03/18	31/03/19	31/03/20
	Actual	Projected	Estimate
	£	£	£
Memorial Bulb Account	6,021	6,071	6,121
Palm Sunday Reserve	3,852	4,002	3,772
General Reserve	600,869	681,549	474,699
Cremator Renewals Reserve	300,000	400,000	500,000
	910,742	1,091,622	984,592

Margam Crematorium
Table of Cremation fees and charges

General	2018/19	2019/20
1 Cremation fees and ancillary services		
[a] Stillborn child or child up to and including 17 years	Nil	Nil
[b] Aged over 17 years, including certificate of cremation	£618.50	£630.50
[c] Additional charge for Saturday cremation	£334.00	£346.00
[d] Double cremation (2 adults at one service)	£1,193.00	£1,246.00
[e] Cremation only at 9am (Weekdays only)	£505.00	£517.00
[f] Memorial Service	£175.00	£175.00
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 below if required.		
2 Certificate of cremation (Additional)	£13.50	£13.50
3 Extract from Register	£12.00	£12.00
4 Temporary deposit of cremated remains (after 1 month)	£32.50	£32.50
5 Disposal of cremated remains from other crematoria	£44.00	£44.00
6 Service in chapel with organ and organist or extra 20 mins	£31.50	£31.50
7 Service in chapel with organ and organist or extra 20 mins (Sat)	£43.00	£43.00
8 Witness Burial of cremated remains		
- Weekdays	£45.00	£45.00
- Saturdays	£62.00	£62.00
9 Urns and Caskets		
[a] Wooden Casket	£36.50	£36.50
[b] Bronze Metal Urn	£26.50	£26.50
[c] Plain Burgundy Cardboard Container	£15.50	£15.50
[d] Large White Cardboard Container	£18.50	£18.50
[e] Medium White Cardboard Container	£14.00	£14.00
[f] Small White Cardboard Container	£9.00	£9.00
[g] Small Metal urn	£19.50	£19.50
[h] Biodegradable scatter tube	£20.00	£20.00

Appendix 2

Margam Crematorium Table of Cremation fees and charges

Remembrance	2018/19	2019/20
1. Inscriptions in Book of Remembrance		
Two Lines	£37.00	£37.00
Five Lines	£55.50	£55.50
Eight Lines	£74.00	£74.00
Floral Emblem/Service Badge	£42.50	£42.50
Coat of Arms	£53.50	£53.50
2. Miniature Book of Remembrance		
Two Lines	£56.50	£56.50
Five Lines	£72.50	£72.50
Eight Lines	£79.00	£79.00
Floral Emblem/Service Badge	£42.50	£42.50
Coat of Arms	£53.50	£53.50
Additional Lines	£11.00	£11.00
2a. Additional Inscriptions in Miniature Book		
Two Lines	£29.50	£29.50
Five Lines	£39.50	£39.50
Eight Lines	£48.50	£48.50
3. Memorial Card		
Two Lines	£19.00	£19.00
Five Lines	£28.00	£28.00
Eight Lines	£37.00	£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	£331.50	£331.50
Plaque and inscription for 20 year lease	£596.50	£596.50
Renewal of lease for further 10 years	£183.50	£183.50
Renewal of lease for further 20 years	£331.50	£331.50

Appendix 2

Margam Crematorium Table of Cremation fees and charges

	2018/19	2019/20
7. Memorial Kerb Plaque in Garden of Remembrance		
Plaque and inscription for 10 year lease	£449.00	£449.00
Plaque and inscription for 20 year lease	£816.00	£816.00
Renewal of lease for further 10 years	£183.50	£183.50
Renewal of lease for further 20 years	£331.50	£331.50
8. Baby Memorial Kerb Plaque in Children's Garden of Remembrance		
Plaque and inscription for 10 year lease	£183.50	£183.50
Plaque and inscription for lease of 20 years	£331.50	£331.50
Renewal of lease for further 10 years	£183.50	£183.50
 NB Replacement plaque (existing lease) for all Memorial Kerbs	 £166.00	 £166.00
9. Granite Memorial Benches (3 Plaque per bench)		
Price per Plaque per Bench - 10 year lease	£612.00	£612.00
Price for Whole Bench (3 Plaques) - 10 year lease	£1,632.00	£1,632.00
Price per Plaque per Bench - 20 year lease	£1,101.50	£1,101.50
Price for Whole Bench (3 Plaques) - 20 year lease	£3,060.00	£3,060.00

Margam Crematorium			
Table of Cremation fees and charges			
Wesley Media Charges		2018/19	2019/20
1. Audio Recording			
	USB memory stick or CD as requested		
	1st USB	£54.00	£55.50
	Additional USBs	£23.50	£24.00
2. Video Recording			
	USB memory stick or CD as requested		
	1st USB	£54.00	£55.50
	Additional USBs	£23.50	£24.00
	Tribute embedded in video recording	£18.50	£19.00
2a. Visual Tribute			
	Max of 30 photographs + 4 mins video	£94.00	£96.50
	USB (copy tribute)	£32.50	£33.50
	Single photograph	£18.50	£19.00
3. Web Casting			
	Per service	£54.00	£55.50