

MARGAM CREMATORIUM JOINT COMMITTEE

1st December 2023

REPORT OF THE TREASURER – HUW JONES

MATTER FOR DECISION

WARDS AFFECTED: ALL

Annual Budget Report 2024/25

1. Purpose of the Report

The purpose of the report is to set out the Margam Crematorium Joint Committee revised budget for 2023/24 and the budget estimates for 2024/25.

2. Revised budget

- 2.1 The revised budget position for 2023/24 shows a net deficit for transfer from the General Reserve (after £100,000 contribution to the cremator reserve and £100,000 payment to contributing authorities) of £4,250, which was predicted to be a deficit of £215,800 when the original budget was agreed in February 2023.
- 2.2 The revised budget takes account of the following anticipated changes.

Expenditure

Maintenance Cremators (+£12,410)

The budget has been increased to allow for a full reline and block upgrade on one of the cremators, this is additional maintenance that is a necessity to maintain the cremator. The contract is also increased yearly in line with inflation, the budget has been increased to allow for the expected increase in costs.

Gas (+£34,000) & Electricity (+£21,250)

The budget has been increased to reflect the increased gas and electricity expenditure that will be incurred this financial year.

NNDR (-£18,830)

There was rate relief granted following the revaluation of Margam Crematorium that saw the rateable value increase from £63,800 to £115,000. This has resulted in a staggered increase in the NNDR charge payable.

IT Equipment & Website (+£1,260)

The budget has been increased to allow for additional costs incurred this financial year, which include database recovery costs.

Multi-media system and services (+£5,850)

The multi-media system has become increasingly more popular resulting in increased expenditure; this however is offset by an increase in the anticipated income.

Provision for Capital Works (-£150,000)

A sum of £250,000 was set aside to support capital works this financial year, it is now anticipated that the majority of those works will be due to take place in the next financial year and the budget has been revised accordingly.

General Reserve

It is projected that a contribution of £4,250 will be made from the General Reserve, thus decreasing the projected balance of the reserve to £1,003,055 as at 31st March 2024. This sum will be updated at year end once any variation in the net expenditure is confirmed.

Cremator Reserve

The cremator reserve has been established to replace the cremators once they become obsolete. Maintaining this reserve with a contribution of £100,000 per annum will ensure the Crematorium has sufficient long term funds to finance the replacement project.

Refund to Constituent Authorities

The budget includes a refund to the Constituent authorities of £100,000 from surplus funds, apportioned on the council tax basis of each Authority.

Revised Income 2023/24

Income from Services

The Revised Budget has been prepared on the same basis as the original budget for this year. The number of cremation services has been increased to 1,550 resulting in an increase to the projected total cremation fee income of £38,100.

Media Services Income (-£5,500)

The public address and media system 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.

Miscellaneous Income (£-10,000)

Income for certificates of cremation, extra time in chapel and witness burials have increased this financial year, resulting in an increase of the miscellaneous income which was included in the 2023/24 original budget.

Investment Income (£-57,000)

Interest rates have continued to increase throughout this financial year resulting in a larger sum of interest due on the reserve balances than anticipated in the original budget.

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, net of administrative charges, is then re-distributed to the other crematoria that have installed abatement equipment.

This sum is in relation to the net surplus tradeable mercury abated cremations for the calendar year 2022. In future years the sum received will reduce as more crematoria introduce appropriate crematorium equipment and choose to abate. We have retained the revised budget at £3,000 as we are awaiting confirmation of our share from the scheme.

Appendix 1 contains details of the Original and Revised estimates for 2023/24, together with the Estimate for 2024/25.

3. Budget 2024/25

3.1 The budget has been prepared based on 1,500 cremations during the financial year. Total expenditure is projected at £1,197,630, with income of £1,152,550 and a precept of £1,000.

3.2 The majority of the budget has been increased by 4% and energy by 5%. The following are the main variations from the 2023/24 Revised Budget:

Salaries (+£26,330)

An increase of 4% has been built into the budget together with the annual increments, where applicable.

Grounds Maintenance (+£5,950)

No increased demand is anticipated for 2024/25, an increase has been built into the budget in line with inflation.

Maintenance Cremators (+£1,170)

The budget for 2024/25 has been based on 1,500 cremations with an additional maintenance allowance and an increase built into the budget in line with general inflation provision.

Gas & Electricity (+£4,550 & +£2,750)

The budget has allowed for a 5% increase in gas & electricity costs in comparison to the 2023/24 revised budget.

NNDR (+£9,330)

The budget has been increased to allow for the additional NNDR expenditure that will be incurred due to the increase in rateable value of the Crematorium, minus any applicable rate relief.

Palm Sunday (-£780)

There are no Palm Sunday Services during the 2024/25 financial year, the budget has been removed to reflect this.

Provision for Capital Works (+£250,000)

A sum of £250,000 has been set aside to support capital works that have previously been discussed at Committee.

Income

The income for the financial year 2024/25 has been based on 1,500 cremations. The total number of services carried out during the previous financial years were 1,659 in 22/23 and 1,459 in 21/22.

It is proposed that fees and charges relating to Cremation fees and ancillary services charges 1[a] through to 1[f] are increased from 1st April 2024 by a rate of 3%. An increase is proposed to assist with meeting increases in energy costs and other inflationary increases.

To enable members to consider the impact of this proposed increase, information is also included in Appendix 2 to demonstrate the effect that a 1% and 5% increase may also bring.

The proposed cremation charge for adults with an increase of 3% is £667.50, which sees Margam Crematorium remain the lowest charge in Wales as of the date of this report. Appendix 2 shows the proposed fees and charges for 2024/25 and the additional comparators for cremation fee increases.

Urns & Caskets

There has been a change to the VAT treatment in relation to the supply of Urns & Caskets, resulting in VAT now being charged at 20% on the supply of these items and the pricing structure has therefore had to be updated to reflect the new VAT treatment. These items are supplied solely and directly to funeral directors and not to members of the public.

4. Reserves

The revised budget indicates a contribution of £4,250 from the general reserve, with a balance of £1,003,055 projected at 31st March 2024; this figure will fluctuate and will be updated to take account of the year end position. The estimated balance for 31st March 2025 is projected to decrease by £244,130 to £758,925.

A new cremator renewals reserve was established at the year-end in March 2016. It is proposed to make a further annual contribution of £100,000 in both 2023/24 and 2024/25 giving a projected balance at 31st March 2025 of £1,000,000.

5. Recommendations

It is recommended that:

- The Revised Budget 2023/24 is agreed by the Committee (including the refund of £100,000 to the constituent authorities).
- The Budget for 2024/25 is agreed by the Committee.
- The Committee confirms the precept to be levied for 2024/25:
 - Neath Port Talbot County Borough Council - £550
 - Bridgend County Borough Council - £450
- The fees and charges as set out in Appendix 2 are agreed for 2024/25 on the basis of a 3% increase.
- The projected position in relation to the Reserves be noted.

6. Reasons for Proposed Decision

To set the 2024/25 budgets, charges and precept for Margam Crematorium.

7. Implementation of Decision

The decision is proposed for immediate implementation.

8. Appendices

- Appendix 1 contains details of the Budget Estimates.
- Appendix 2 contains details of the proposed fees and charges for 2024/25.

List of Background Papers

Margam Crematorium Financial Records.

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Appendix 1

Margam Crematorium Budget Estimates

Actual 2022/23 £	Expenditure	Original Estimate 2023/24 £	Revised Estimate 2023/24 £	Original Estimate 2024/25 £
	Employees			
276,432	Salaries & Wages	309,800	308,520	334,850
40,202	Organists fees	42,500	42,500	41,500
530	Staff Training & other employee costs	770	1,000	1,500
	Premises			
86,075	Grounds maintenance	80,750	77,550	83,500
24,888	Buildings/Maintenance	25,600	23,600	24,830
70,858	Maintenance Cremators	73,050	85,460	86,630
34,486	Gas	57,000	91,000	95,550
19,745	Electricity	33,750	55,000	57,750
775	Water	810	950	1,000
34,133	Non Domestic Rates	62,000	43,170	52,500
13,361	Cleaning	14,040	14,040	14,740
	Supplies & Services			
3,289	Printing & Stationery	2,860	3,320	3,070
1,903	Telephones	1,940	1,970	2,070
5,060	Insurance	5,310	5,310	5,580
	- Travel and Subsistence	200	-	200
640	Conference fees	1,250	1,860	1,900
30	Car Allowance	350	150	200
58,824	Support Services	61,180	61,180	63,630
1,180	Audit Fees	1,040	1,040	1,090
1,145	Licences	1,210	1,210	1,270
622	Floral Decoration	660	660	690
5,472	IT Equipment & website	3,500	4,760	4,200
	- Brochures	1,000	1,000	1,050
1,627	Equipment	1,580	1,100	1,250
7,927	Urns & Caskets	5,300	5,550	5,830
0	Palm Sunday	780	780	-
1,927	Entries in Book of Remembrance	2,250	2,250	2,360
14,652	Medical Referees	14,180	13,950	14,650
2,134	Clothing	2,210	1,500	1,260
1,778	Subscriptions	1,680	1,650	1,730
31,701	Multi-media system	30,150	36,000	35,000
5,000	Memorials and Benches	5,780	6,000	6,000
	- Christmas Carol Service	250	250	250

Appendix 1

Margam Crematorium Budget Estimates

Actual 2022/23 £		Original Estimate 2023/24 £	Revised Estimate 2023/24 £	Original Estimate 2024/25 £
	Expenditure			
	Capital Costs			
58,780	Provision for Capital Works	250,000	100,000	250,000
805,176	Gross Expenditure	1,094,730	994,280	1,197,630
	Income			
-988,240	Cremation Fees	-946,150	-984,250	-981,000
-6,849	Urns & Caskets	-5,000	-7,500	-5,000
-2,688	Book of Remembrance	-3,500	-3,500	-3,500
-37,648	Media Services income	-34,500	-40,000	-35,000
-30,660	Memorials Income	-30,000	-28,000	-30,000
-35	Bulb Donations	-50	-40	-50
0	Palm Sunday Donations	-160	-160	-
-32,490	Miscellaneous Income	-25,000	-35,000	-30,000
-36,286	Investment income	-30,000	-87,000	-65,000
-3,872	CAMEO refund	-3,000	-3,000	-3,000
-1,138,768	Gross Income	-1,077,360	-1,188,450	-1,152,550
-333,592	Net spend before reserves	17,370	-194,170	45,080
	Dividend payment to Local Authorities			
55,200	Neath Port Talbot dividend	55,300	55,300	55,000
44,800	Bridgend dividend	44,700	44,700	45,000
-233,592	Net Spend after Dividend payment	117,370	-94,170	145,080
	Transfers to/-from Reserves			
135,526	General Reserve	-215,800	-4,250	-244,130
100,000	Cremators Renewals Reserve	100,000	100,000	100,000
-934	Bulb Fund Reserve	50	40	50
0	Palm Sunday Reserve	-620	-620	0
1,000	Net position funded by Authorities	1,000	1,000	1,000
	Funding from Joint Authorities Contributions			
-552	Neath Port Talbot	-553	-553	-550
-448	Bridgend	-447	-447	-450
0	Final Position after precept	0	0	0
1,639	Number of Cremations	1,500	1,550	1,500

Margam Crematorium Budget Estimates

Schedule of Precept Payments	Neath Port Talbot	Bridgend	Total Precept
	£	£	£
2023/24	553	447	1,000
2022/23	552	448	1,000
2021/22	553	447	1,000
2020/21	550	450	1,000
2019/20	559	441	1,000

Cremation Price Comparison as at October 2023

Margam Crematorium	£649	(incl. of cert. contain & organ)
Coychurch Crematorium, Bridgend	£843	(incl. of cert. and organist)
Llanelli Crematorium (Private)	£979	(incl. of cert. and organist)
Narberth	£806	(incl. of cert. contain & organ)
Swansea Crematorium	£805	(incl. of cert. contain & organ)

Reserves	2022/23	2023/24	2024/25
	Actual	Projected	Estimate
	£	£	£
Memorial Bulb Account	Cr 5,700	Cr 5,740	Cr 5,790
Palm Sunday Reserve	Cr 4,435	Cr 3,815	Cr 3,815
General Reserve	Cr 1,007,305	Cr 1,003,055	Cr 758,925
Cremator Renewals Reserve	Cr 800,000	Cr 900,000	Cr 1,000,000
	<u>Cr 1,817,440</u>	<u>Cr 1,912,610</u>	<u>Cr 1,768,530</u>

Margam Crematorium – Proposed Fees and charges

General	2023/24	2024/25	2024/25	2024/25	2024/25
1. Cremation fees and ancillary services		0%	1%	3%	5%
[a] Stillborn child or child up to and including 17 years	Nil	Nil	Nil	Nil	Nil
[bi] Aged over 17 years, including certificate of cremation	£648.50	£648.50	£654.50	£667.50	£680.50
[bii] Aged over 17 years, without certificate of cremation	£635.00	£635.00	£641.00	£654.00	£667.00
[c] Additional charge for Saturday cremation	£356.00	£356.00	£360.00	£367.00	£374.00
[d] Double cremation (2 adults at one service)	£1,282.00	£1,282.00	£1,295.00	£1,320.00	£1,346.00
[e] Cremation only at 9am (weekdays only)	£455.00	£455.00	£455.00	£455.00	£455.00
[f] Memorial service	£180.00	£180.00	£182.00	£185.00	£189.00
NB The above fees in 1[bi] & 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 minutes	£31.50	£31.50			
7. Service in chapel with organ and organist or extra 20 minutes (Sat)	£43.00	£43.00			
8. Witness burial of cremated remains					
- Weekdays	£45.00	£45.00			
- Saturdays	£62.00	£62.00			
	2023/24	2024/25			
9. Urns and caskets					
[a] Wooden casket	£36.50	£45.00			
[b] Bronze metal urn	£26.50	£33.00			
[c] Plain burgundy cardboard container	£15.50	£19.00			
[d] Large white cardboard container	£18.50	£23.00			
[e] Medium white cardboard container	£14.00	£17.00			
[f] Small white cardboard container	£9.00	£11.00			
[g] Small metal urn	£19.50	£24.00			
[h] Biodegradable scatter tube	£20.00	£25.00			

Margam Crematorium – Proposed Fees and charges

Remembrance	2023/24	2024/25
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		
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

Margam Crematorium – Proposed Fees and charges

Remembrance (continued)	2023/24	2024/25
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
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 – Proposed Fees and charges

Media Charges	2023/24	2024/25
1. Webcasting	£55.50	£55.50
2. Recordings		
Downloadable link	£30.00	£30.00
Downloadable link with tribute embedded	£55.00	£55.00
DVD/USB	£55.50	£55.50
DVD/USB with tribute embedded	£74.50	£74.50
3. Visual Tributes		
Single hold image	£19.00	£19.00
Family video	£24.00	£24.00
Downloadable file of tribute/slideshow	£24.00	£24.00
DVD/USB of tribute	£33.50	£33.50
Urgent orders	£120.00	£120.00
4. Visual Tributes/Slideshow		
Slideshow with NO music max of 25 images	£42.00	£42.00
For every additional band of 25 images	£24.00	£24.00
Slideshow WITH music max of 25 images	£80.00	£80.00
For every additional band of 25 images	£24.00	£24.00