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# NOTICE OF MEETING

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**PORTCHESTER CREMATORIUM JOINT COMMITTEE**

**MONDAY, 12 DECEMBER 2016 AT 2.00 PM**

**CONFERENCE ROOM A, 2ND FLOOR, PORTSMOUTH CIVIC OFFICES, PO1 2AL**

Telephone enquiries to John Haskell, Clerk to the Joint Committee 023 9283 4057

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(NB This Agenda should be retained for future reference with the Minutes of this meeting.

The agenda, minutes and non-exempt reports are available to view on-line at [www.portchestercrematorium.org](http://www.portchestercrematorium.org))

## **Membership of the Joint Committee - 2016/17**

### **Gosport Borough Council**

Councillor Alan Scard  
Councillor Dennis Wright (chairman)

### **Havant Borough Council**

Councillor Tony Briggs  
Councillor David Guest

### **Fareham Borough Council**

Councillor Keith Evans  
Councillor Susan Bell

### **Portsmouth City Council**

Councillor Lee Mason  
Councillor Rob New

## **AGENDA**

### **1 Apologies for Absence**

**2       Declarations of Members' Interests**

**3       Minutes of the Meeting held on 19 September 2016 (Pages 5 - 8)**

Attached.

**4       Matters Arising from the Minutes not specifically referred to on the Agenda**

**5       Clerk's Items**

The Clerk to the Joint Committee will report on any matters requiring attention.

(a) Portchester Crematorium Web Site

**6       Finance Strategy and Budget for 2017/18 (Pages 9 - 14)**

The Finance Strategy was last approved by Members in December 2015, setting out the principles on which the strategy has been compiled, together with risks and other aspects of the financial management framework that the Crematorium operates in.

The attached report from the Treasurer encloses an updated Finance Strategy which provides a clear overview of the Joint Committee's financial framework and provides added assurance to the Joint Committee and to the constituent authorities that sound and effective arrangements are in place to manage the Crematorium's finances.

**RECOMMENDED (1) that the Finance Strategy 2017/18, attached as Appendix A to the report, be approved;**

**(2) that the Finance Strategy 2017/18 be sent to the four constituent authorities to note for their information.**

**7       Revenue Budget Report - 2017/18 (Pages 15 - 28)**

The purpose of the attached report from the Treasurer is to set out the revenue budget and repairs and renewals programme for 2016/17 and 2017/18, together with a review of fees and charges. The revised capital works programme for 2016/17 and future years has also been included for consideration at Appendix E to the report.

**RECOMMENDED**

**(a) That the capital works programme as detailed in Appendix E be approved;**

**(b) That the Joint Committee approves one of the two options for proposed cremation fees and other charges as set out in Appendices B & C from 1 April 2017;**

(c) That the proposed revenue account estimates as set out in Appendix A to the report be approved subject to the Joint Committee's decisions in respect of recommendations a & b above;

(d) That the Joint Committee considers writing to the Leader of each constituent authority to advise them of the annual payment to be received from the Portchester Crematorium Joint Committee in 2016/17 and the reduction in 2017/18.

**8 Building Works Programme (Pages 29 - 30)**

Report from the Engineer and Surveyor attached.

**RECOMMENDED that the Joint Committee notes the contents of the report.**

**9 Manager and Registrar's Report (Pages 31 - 32)**

*(a) General Report attached*

*(b) Any other items of topical interest*

**10 Horticultural Consultant's Report - Grounds Maintenance (Pages 33 - 34)**

Report from the Horticultural Consultant on grounds maintenance attached.

**RECOMMENDED that the report be received and noted.**

**11 Portchester Crematorium Grounds Maintenance Contract (Exempt Item)**

Before considering this item the Joint Committee will be asked to pass the following resolution –

**RECOMMENDED that the public be excluded from the meeting during this item of business because it is likely that if members of the public were present there would be disclosure to them of 'exempt information' within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.**

The purpose of the attached report is to advise on the arrangements for the continued provision of horticultural and grounds maintenance services during 2017 and arrangements and the timetable to invite tenders for a new contract to commence in January 2018.

**12 Date of Next Meeting - Monday 20 March 2017 at 2pm in Fareham**

28 November 2016  
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# Agenda Item 3

## PORTCHESTER CREMATORIUM JOINT COMMITTEE

MINUTES OF THE MEETING of the Joint Committee held in the Public Services Plaza, Havant on Monday 19 September 2016 at 2.00 pm.

### Present

#### Fareham Borough Council

Councillor Susan Bell  
Councillor Keith Evans

#### Gosport Borough Council

Councillor Alan Scard  
Councillor Dennis Wright (Chairman)

#### Havant Borough Council

Councillor Tony Briggs

#### Portsmouth City Council

Councillor Lee Mason  
Councillor Rob New

### Apologies for Absence (AI 1)

Councillor David Guest (Havant Borough Council). Terry Garvey (Engineer & Surveyor), Mark Pam (Deputy Engineer & Survey) and Ashley Humphrey (Horticultural Consultant)

### 698. Appointment of Vice-Chairman (AI 2)

**RESOLVED** that Councillor Lee Mason (Portsmouth City Council) be appointed Vice-Chairman for the municipal year 2016/17.

### 699. Declarations of Members' Interests (AI 3)

None

### 700. Minutes of the Meeting held on 13 June 2016 (AI 4)

**RESOLVED** that the minutes of the meeting held on the 13 June 2016 be signed as a correct record.

### 701. Matters Arising from the Minutes not specifically referred to on the Agenda (AI 5)

None

## **702. Clerk's Items (AI 6)**

### **(a) Metals Recycling Scheme**

The Clerk reported that following consultation with members during early September 2016, there was support for the submission of an application for the Macmillan Nurses under the metals recycling scheme operated by the Institute of Cemetery and Cremation Management. The application had now been submitted, with the support of the Macmillan Nurses who were consulted.

Arising out of a question about other possible recipients of grants, the Manager and Registrar advised that the scheme required any application to explain how the charity or organisation assisted bereavement.

**RESOLVED that the action taken be noted.**

### **(b) Internal Audit Report 1083**

(TAKEN IN REPORT DATED AUGUST 2016)

The Clerk and the Deputy Treasurer reported on the findings of this report which covered the Internal Audit work carried out in 2016/17 in accordance with the 5 year plan previously approved by the Joint Committee.

Overall, for the areas audited, the report found that adequate controls were in place and were working effectively. Improvements had been suggested to some areas of performance management and monitoring, and arrangements were in hand to implement the suggestions.

**RESOLVED that the report be received and the action being taken noted.**

## **703. Building Works Programme (AI 7)**

(TAKE IN REPORT OF THE ENGINEER AND SURVEYOR)

Arising out of a question, the Manager and Registrar reported that the officers would be looking at refurbishment opportunities for the North Chapel in the future as part of the maintenance programme.

**RESOLVED that the contents of the report be noted.**

## **704. Manager and Registrar's Report (AI 8)**

### **(a) General Statistical Report**

(TAKE IN REPORT OF THE MANAGER AND REGISTRAR)

In submitting his report the Manager and Registrar advised that, together with September's figures to date, the number of cremations was in line with that expected.

**RESOLVED (a) that the report be received and noted.**

**(b) Any other items of topical interest - None**

**705. Horticultural Consultant's Report (AI 9)**

(TAKE IN REPORT OF THE HORTICULTURAL CONSULTANT)

Members were advised that the Crematorium had received a Gold Medal in the 2016 South and South East Britain in Bloom Awards.

**RESOLVED that the report be received and approved.**

**706. Portchester Crematorium Grounds Maintenance Contract (Exempt Item) (AI 10)**

Before considering this item the Joint Committee –

**RESOLVED that the public be excluded from the meeting during this item of business because it is likely that if members of the public were present there would be disclosure to them of 'exempt information' within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.**

(TAKE IN EXEMPT MINUTE)

The officers reported that the present grounds maintenance contract would expire on 31 December 2016. The report contained options for the provision of grounds maintenance services after this date.

The Joint Committee agreed (summarised) that arrangements be made to invite tenders for the grounds maintenance contract and that interim arrangements be made for the provision of grounds maintenance until the start of the new contract.

**707. Date of Next Meeting - Monday 12 December 2016 at 2pm in Portsmouth (AI 11)**

The meeting concluded at 2.40 pm.

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Councillor Dennis Wright  
Chairman

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# Agenda Item 6



## Report to Portchester Crematorium Joint Committee

*Date:* 12 December 2016

*Report of:* Treasurer to the Joint Committee

*Subject:* **FINANCE STRATEGY AND BUDGET FOR 2017/18**

### SUMMARY

At its meeting on 14 December 2015, the Joint Committee approved the Finance Strategy and the revenue budget for 2016/17.

The Finance Strategy for 2017/18 has been prepared and is attached as appendix A of this report, for the Joint Committee's consideration.

The updated Finance Strategy provides a clear overview of the Joint Committee's financial framework and provides added assurance to the Committee and to the constituent authorities that sound and effective arrangements are in place to manage the Crematorium's finances.

Subject to approval, the Finance Strategy will be sent to the constituent authorities. Any comments received from them in response to the strategy will be brought back to the Joint Committee and, if appropriate, incorporated into the strategy when it is reviewed again.

### RECOMMENDATIONS

- (a) That the Finance Strategy 2017/18, attached as Appendix A to this report, be approved;
- (b) That the Finance Strategy 2017/18 be sent to the constituent authorities to note.

## PORTCHESTER CREMATORIUM JOINT COMMITTEE

### FINANCE STRATEGY AND BUDGET FOR 2017/18

#### INTRODUCTION

1. The Portchester Crematorium was opened on 27 September 1958 and is the fifth busiest crematorium in England. It is managed by a Joint Committee of eight councillors, two from each of the constituent authorities of Fareham, Gosport, Havant and Portsmouth.
2. The key financial policies of the Joint Committee are set out in the Portchester Crematorium Development Plan – a document that is revisited and reviewed approximately every two years, supported by approved Financial Regulations.
3. The current Development Plan was approved by the Joint Committee on 16 March 2015 and covers the period from 2015 to 2020.

#### FINANCIAL MANAGEMENT

4. The main focus of prudent financial management is the Joint Committee's Finance Strategy, the overall objective of which is to structure and manage the Joint Committee's financial resources to ensure that they match and support the achievement of the Joint Committee's objectives.
5. At the same time the strategy must ensure that the requirement to set a balanced budget is fully met and that the Joint Committee is able to respond to year-on-year changes and short-term service delivery issues.
6. This can be difficult to achieve when faced with increasing expenditure and one main source of income that is directly affected by fluctuations in the mortality rate and increased local competition.
7. To overcome these difficulties there are a number of fundamental principles that are followed by the Joint Committee and which form the basis of the Finance Strategy.

#### THE FUNDAMENTAL POLICIES

8. These fundamental and long-standing policies (set out in the following paragraph) on which the Joint Committee's Finance Strategy is based are subject to annual review as part of the budget process:
  - (i) Sufficient reserves and provisions will continue to be made to ensure that:
    - (a) no precept will be required from the constituent authorities within the foreseeable future and;
    - (b) all anticipated capital works can be funded from revenue income.

(ii) That subject to (i) above, an optimum annual contribution be available for re-distribution to each of the constituent authorities.

9. The distribution of the annual contribution in this way is effectively recognition of the significant original investment by each of the authorities in the Crematorium. These payments also assist them indirectly to support their own cemeteries and bereavement services.

### **TREASURY MANAGEMENT**

10. The function of treasury management is to support the funding of the Joint Committee's planned capital works, which should be funded from revenue income. To earmark resources for this purpose any surplus funds are invested with Fareham Borough Council at 0.25% below base rate.

### **FINANCIAL PLANNING**

11. The financial planning process supports the preparation of this Finance Strategy and gives the necessary flexibility to allow the Joint Committee to consider objectives and priorities, as well as the maintenance of service standards and the scope for improvements where necessary, but at the same time seeking to minimise the increase in the overall net budget and the fees and charges for cremation.
12. The Finance Strategy, revenue budget and capital programme are the subject of a report to the Joint Committee by the Treasurer each December.

### **BUDGETARY CONTROL AND REPORTING**

13. An essential pre-requisite of good financial management is to ensure that everyone with responsibility for the control of budgets has access to up to date information on the budgets for which they are responsible to inform their decision making and ensure that strict control of budgets is maintained.
14. Budgets are monitored by the Finance staff on a weekly basis and significant variances are brought to the attention of the appropriate officer and to the Treasurer.
15. Budgetary control information is provided to the Treasurer on a daily basis in respect of revenue expenditure and monthly in respect of capital expenditure.

### **BUDGET RESPONSIBILITIES**

16. Responsibility for budgets rests formally with the Joint Committee but there are arrangements in place as part of the Constitution that delegates certain responsibilities to the officers.

### Joint Committee

17. The Joint Committee has the general responsibility for setting the policy and budget framework and must ensure the following:
  - Spending plans are approved in accordance with the projected resources of the Joint Committee;
  - Approved revenue budgets, capital programmes and the level of fees and charges are in accordance with the Finance Strategy;
  - Supplementary estimates are only approved after consideration of the Joint Committee's overall financial position.

### The Appointed Officers

18. The Appointed Officers have general responsibility for the preparation of the detailed estimates of expenditure and income and the proposed fees and charges are prepared within the context of the Finance Strategy for approval by the Joint Committee.
19. They must also ensure that expenditure is only incurred if it forms part of the revenue budget or capital programme and that the overall revenue budget and capital programme are not exceeded.
20. Any decision to reallocate revenue or capital budgets from one service to another should not exceed the virement rules.

### **THE OVERALL FINANCIAL POSITION**

21. Adherence to these fundamental policies means that the Joint Committee is in a strong financial position and able to meet all planned expenditure from income. Since 1999-2000 the Joint Committee has achieved sufficient surpluses to allow an amount to be distributed to each of the constituent authorities.
22. Since December 2013 the operating environment of Portchester Crematorium has significantly changed, with the opening of 'The Oaks', a private crematorium facility in the district of East Hampshire, very close to the border with the borough of Havant.
23. Considered reductions in revenue were allowed for in the budget for 2014/15 and 2015/16, initially based on a 30% annual reduction in the number of cremations at Portchester once the new crematorium opened. The impact on revenue income to the crematorium has been closely monitored throughout the 2014/15, 2015/16 and 2016/17 financial year to date using a ten year average of cremation numbers to 2013/14 as a comparative figure. The reduction in 2014/15 was less than originally anticipated at 15.56%, a total of 3,364 cremations, in 2015/16 this rose to 19.33%, a total of 3,214 cremations. The number of cremations in 2016/17 to date is in line with the 2015/16 financial year and so a projected figure of 3,200 has been used for both 2016/17 and 2017/18.

24. In December 2015, in light of the level of reduced cremations and related income, a decision was made that the payment to the constituent authorities be reduced over a two year period. The payment was reduced to £125,000 in 2015/16 and it has been possible to increase this level of payment by £5,000 into 2016/17.
25. In November 2016 notification has been received from the Valuation Office Agency of the 2017 draft Rateable Value for Portchester Crematorium. This has increased from £273,000 to £392,000, increasing the amount of Business Rates payable by an estimated £51,200 from 2017 onwards.
26. The budget setting report for 2017/18 will take account of cremation numbers being experienced and the increased amount of Business Rates payable and the impact on the level of payment to the constituent authorities. Two options will be set out for the Joint Committee's consideration that either maintain the payments to the constituent authorities at £125,000 or increase the payment to £135,000, mitigating the reductions over recent years and limiting any further negative budgetary impact to them.

#### **THE CAPITAL POSITION**

27. To ensure that sufficient resources are in place to finance all anticipated capital works, an annual contribution is made out of revenue income to the Committee's Capital Works Fund.
28. The Capital Works Fund as at 1 April 2016 was £1,341,424. In order to replenish the Capital Works Fund to levels that will meet future demands of the crematorium a budget of £350,000 will be included in the budget for 2016/17 onwards.
29. The Joint Committee also approves annually a programme of repairs and renewal work. To finance this expenditure an annual contribution is made from revenue income to the Repairs and Renewals Fund to ensure that these works are fully funded. The Repairs and Renewals Fund as at 1 April 2016 was £58,202. The programme of works for 2016/17 includes the external redecoration and paving works cleaning and repointing although these costs are not anticipated to be as high as originally estimated. Therefore the budgeted contribution to the Repairs and Renewals Fund for 2016/17 will be maintained at the same level as 2015/16 at £100,000.

#### **THE REVENUE POSITION**

30. It is the Joint Committee's policy to maintain a significant Revenue Reserve in order to deal with fluctuations in revenue income and expenditure that are outside of the Joint Committee's control.
31. The principal fluctuations are variations in the number of cremations and increased external competition.

32. The Revenue Reserve is an accumulation of budget surpluses from previous years and was approximately £141,402 as at 1 April 2016, being 5.5% of gross expenditure for 2015/16.
33. It is prudent to maintain the level of this reserve at over £100,000.

### **FINANCIAL RISK ASSESSMENT**

34. Each year the revenue budget is prepared on a going-concern basis, taking account of current and previous year's activity as well as changes that are known to occur in the future that will have a bearing on the forecast for the financial year ahead. Changes in the crematorium's operating environment that impact on the current revenue budget are taken into account as part of the revised budget preparation.
35. The revenue reserve provides a small retained resource to meet unforeseen costs or changes in activity. Measures are also considered throughout the year in order to preserve the Joint Committee's income streams and keep costs to a minimum.

### **SUMMARY**

36. Historically, Portchester Crematorium has always strived to provide the best quality of service that it can and to achieve this, the Joint Committee is committed to the maintenance of high standards in relation to both staff performance and to the maintenance, repair and improvement of the Crematorium infrastructure.
37. In addition increases in cremation charges have been kept to a minimum with the current charge being the lowest in Hampshire and well below the national average.
38. The principles of financial management set out in the Finance Strategy continue to support the achievement of these aims and objectives by ensuring that the Joint Committee remains in a strong financial position, able to meet all planned expenditure from income.

# Agenda Item 7



## Report to Portchester Crematorium Joint Committee

*Date:* 12 December 2016

*Report of:* Treasurer to the Joint Committee

*Subject:* REVENUE BUDGET 2017/18

### SUMMARY

This report sets out the revenue budget for 2016/17 and 2017/18, together with the repairs and renewals programme for 2016/17 and a review of fees and charges for 2017/18. The revised capital works programme for 2016/17 and future years has also been included for consideration.

### RECOMMENDATIONS

- (a) That the capital works programme as detailed in Appendix E be approved;
- (b) That the Joint Committee approve one of the two options for proposed cremation fees and other charges as set out in Appendices B and C from 1 April 2017;
- (c) That the proposed revenue account estimates as set out in Appendix A be approved subject to the Joint Committee's decisions in respect of the recommendations (a & b) above.
- (d) That the Joint Committee considers writing to the Leader of each constituent authority to advise them of the annual payment to be received from the Portchester Crematorium Joint Committee in 2016/17 and the reduction in 2017/18.

## **INTRODUCTION**

1. The Joint Committee has in place a co-ordinated finance strategy that allows the consideration of availability of resources to finance both capital and revenue at the same time. There are a number of fundamental principles that are followed by the Joint Committee which form the basis of the finance strategy which are:
  - (i) Sufficient reserves and provisions will continue to be made to ensure that:
    - (a) no precept will be required from the constituent authorities within the foreseeable future and;
    - (b) all anticipated capital works can be funded from revenue income
  - (ii) That subject to (i) above, an optimum annual contribution be available for re-distribution to each of the constituent authorities.
2. This report has been prepared following the finance strategy principles so that members of the Joint Committee can consider in detail the financial position of Portchester Crematorium in the current year and the anticipated position in 2017/18.
3. Detailed information is set out in the various appendices to this report which cover the following:
  - Appendix A - Revised revenue budget for 2016/17 and the revenue budget for 2017/18;
  - Appendix B - Optional charges 2017/18;
  - Appendix C - Cremation fees 2017/18;
  - Appendix D - Repairs and renewals programme and funding;
  - Appendix E - Capital works programme and funding;

## **BASE REVENUE BUDGET 2016/17**

4. The original revenue budget for 2016/17 was set to a breakeven level, and prepared on a projected outturn basis with an allowance for price increases included within the various budget heads as appropriate.

## **BUDGET ISSUES**

5. Since December 2013 the operating environment of Portchester Crematorium has significantly changed, with the opening of 'The Oaks', a private crematorium facility in the district of East Hampshire, very close to the border with the borough of Havant.
6. Considered reductions in revenue were allowed for in the budget for 2014/15 and 2015/16, initially based on a 30% annual reduction in the number of cremations at Portchester once the new crematorium opened. The impact on revenue income to the crematorium has been closely monitored throughout the 2014/15, 2015/16 and 2016/17 financial year to date using a ten year average of cremation numbers to 2013/14 as a comparative figure. The reduction in 2014/15 was less than originally anticipated at 15.56%, a total of 3,364 cremations, in 2015/16 this rose to 19.33%, a total of 3,214 cremations. The number of cremations in 2016/17 to date is in line with the 2015/16 financial year and so a projected figure of 3,200 has been used for both 2016/17 and 2017/18.



7. In December 2015, in light of the level of reduced cremations and related income, a decision was made that the payment to the constituent authorities be reduced over a two year period. The payment was reduced to £125,000 in 2015/16 and it has been possible to increase this level of payment by £5,000 into 2016/17.
8. In November 2016 notification has been received from the Valuation Office Agency of the 2017 draft Rateable Value for Portchester Crematorium. This has increased from £273,000 to £392,000, increasing the amount of Business Rates payable by an estimated £51,200 from 2017 onwards.
9. This budget setting report for 2017/18 will take account of cremation numbers being experienced and the increased amount of Business Rates payable and the impact on the level of payment to the constituent authorities. Two options will be set out for the Joint Committee's consideration that either maintain the payments to the constituent authorities at £125,000 or increase the payment to £135,000, mitigating the reductions over recent years and limiting any further negative budgetary impact to them.

### REVISED BUDGET 2016/17

10. The revised budget has been set to a break-even level. The budget variations are shown in the following table, and explained further below.

	Actuals 2015/16	Base Estimate 2016/17	Revised Estimate 2016/17	Variation
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	248,995	251,600	258,200	6,600
PREMISES RELATED EXPENDITURE	686,974	580,300	568,000	-12,300
SUPPLIES AND SERVICES	261,152	251,900	232,200	-19,700
CAPITAL CHARGES	334,253	335,000	335,000	-
SPECIAL EXPENDITURE	1,018,187	1,040,000	1,080,000	40,000
<b>GROSS EXPENDITURE</b>	<b>2,549,561</b>	<b>2,458,800</b>	<b>2,473,400</b>	<b>14,600</b>
<b>GROSS INCOME</b>	<b>2,549,561</b>	<b>2,458,800</b>	<b>2,473,400</b>	<b>14,600</b>

11. Premises related expenditure has decreased overall by £12,300; from £580,300 to £568,000. The budget for repair and maintenance of buildings has been increased by £10,000, and the budget for gas has been decreased by £20,000. A budget of £115,000 has been set against repairs and renewals expenditure to reflect the programme set out in Appendix D. This expenditure budget is fully offset by the use of the Repairs and Renewals Fund reserve to finance these works so there is no overall effect on the revenue budget deficit / surplus.
12. Supplies and services related expenditure has decreased overall by £19,700; from £251,900 to £232,200. The budget for insurance has decreased by £14,000 in line with the insurance tender carried out for the 2016/17 renewal.

13. Special Expenditure has been increased by £40,000. To ensure that sufficient resources are in place to finance all anticipated capital works, an annual contribution is made out of revenue income to the Committee's Capital Works Fund. As at 1 April 2016 the opening balance of this fund was £1,341,424. In order to replenish the Capital Works Fund to levels that will meet future demands of the crematorium the budget of £350,000 will be maintained for 2016/17 onwards.
14. The Joint Committee also approves annually a programme of repairs and renewal work. To finance this expenditure an annual contribution is made from revenue income to the Repairs and Renewals Fund to ensure that these works are fully funded. The Repairs and Renewals Fund as at 1 April 2016 was £58,202. The programme of works for 2016/17 includes the external redecoration and paving works cleaning and repointing although these costs are not anticipated to be as high as originally estimated. Therefore the budgeted contribution to the Repairs and Renewals Fund for 2016/17 will be maintained at the same level as 2015/16 at £100,000.
15. Gross income has increased overall by £14,600; from £2,458,800 to £2,473,400. The impact on revenue income to the crematorium has been closely monitored since 2014/15 through to the 2016/17 financial year to date and the number of cremations in 2016/17 to date is in line with the 2015/16 financial year. A projected figure of 3,200 has been used for both 2016/17 and 2017/18.

#### BASE BUDGET 2017/18

16. Two base budget options for 2017/18, set to a breakeven level, are detailed for the Joint Committee's consideration, based on different cremation fee increases as set out in Appendix C. The budget variations are shown in the following table, and explained further below.

	<b>Actuals 2015/16</b>	<b>Base Estimate 2016/17</b>	<b>Base Estimate 2017/18</b>	<b>Base Estimate 2017/18</b>
	£	£	£	£
CREMATION FEE		560.00	570.00	595.00
EMPLOYEE RELATED EXPENDITURE	248,995	251,600	261,700	261,700
PREMISES RELATED EXPENDITURE	686,974	580,300	620,500	620,500
SUPPLIES AND SERVICES	261,152	251,900	233,200	233,200
CAPITAL CHARGES	334,253	335,000	335,000	335,000
SPECIAL EXPENDITURE	1,018,187	1,040,000	1,048,000	1,080,000
<b>GROSS EXPENDITURE</b>	<b>2,549,561</b>	<b>2,458,800</b>	<b>2,498,400</b>	<b>2,530,400</b>
<b>GROSS INCOME</b>	<b>2,549,561</b>	<b>2,458,800</b>	<b>2,498,400</b>	<b>2,530,400</b>

17. Premises related expenditure has increased overall by £40,200; from £580,300 to £620,500. The budget for repair and maintenance of buildings has been increased by £10,000, and the budget for gas has been decreased by £20,000. A budget of £115,000 has been set against repairs and renewals expenditure although the programme has yet to be compiled. In November 2016 notification has been received from the Valuation Office Agency of the 2017 draft Rateable Value for Portchester Crematorium. This has increased from £273,000 to £392,000, increasing the amount of Business Rates payable by an estimated £51,200 from 2017 onwards.
18. Supplies and services related expenditure has decreased overall by £180,700; from £251,900 to £233,200. The budget for insurance has decreased by £13,000 in line with the insurance tender carried out for the 2016/17 renewal.
19. Special Expenditure includes contributions to the earmarked capital and repairs and renewals reserves along with payments to the constituent authorities. Two cremation fee increases are set out at Appendix C that either maintain the payments to the constituent authorities at £125,000 or increase the payment to £135,000, mitigating the reductions over recent years and limiting any further negative budgetary impact on them.
20. The impact on revenue income to the crematorium has been closely monitored since 2014/15 through to the 2016/17 financial year to date and the number of cremations in 2016/17 to date is in line with the 2015/16 financial year. A projected figure of 3,200 has been used for both 2016/17 and 2017/18.

## **REVIEW OF FEES & CHARGES**

21. The optional charges are set out in Appendix B to this report, with considered increases proposed against Book of Remembrance and Memorial Cards charges. Charges are rounded to the nearest pound for ease of cash handling and it is proposed that these are increased from 1 April 2017.
22. Two options for cremation fee increases are set out in Appendix C for the Joint Committee's consideration that either maintain the payments to the constituent authorities at £125,000 or increase the payment to £135,000, mitigating any further negative budgetary impact on them. The current fee level of £560 is still below the 2016 average cremation fee for the UK of £709.70, and the 2016 average cremation fee for Hampshire of £757.17. The table below shows a comparison of the 2016 fees with the nearest crematoria:

Chichester	£956
Southampton	£715
Eastleigh	£785
Portchester	£560
Havant	£785

23. There has been some take up of the walk through cremation service with 21 services to November 2016, there is no proposed increase to the current fee of £400.

## **REPAIRS AND RENEWALS FUND**

24. Appendix D sets out the repairs and renewals programme for 2016/17 which totals £115,000.
25. The revenue budget within the premises heading 'repairs and renewals and capital works fund repairs financed from revenue', reflects the revenue element of the programme for the year. However, this is fully offset by the use of the Repairs and Renewals Fund to finance these works, so there is no overall effect on the revenue budget deficit / surplus.

## **CAPITAL WORKS FUND**

26. Appendix E sets out the future programme for capital works schemes which total approximately £2,740,000.
27. Although the cremators are unlikely to be replaced for many years, the estimated cost of £2,600,000 is shown in the programme as it is essential that sufficient contributions are made to the Capital Works Fund annually to ensure that when the work is required, funding is available to meet the very significant costs.

## **GENERAL FUND REVENUE RESERVE**

28. The Revenue Reserve is an accumulation of budget surpluses from previous years and was approximately £141,402 as at 1 April 2016, being 5.5% of gross expenditure for 2015/16. In accordance with the Finance Strategy for 2016/17 it is prudent to maintain the level of this reserve at over £100,000 in order to deal with fluctuations in revenue income and expenditure that are outside of the Joint Committee's control. After taking into account the revised estimates for this year, and the proposed charges for 2017/18, the balance of the General Fund Revenue Reserve will not be increased.

## **FINANCIAL RISK ASSESSMENT**

29. The revenue budget has been prepared based on a going-concern basis, taking account of current and previous year's activity as well as changes that are known to occur in the current and next financial year.
30. The General Fund Revenue Reserve has been accumulated to provide a small retained resource to meet unforeseen costs or changes in activity. Measures are also considered on an on-going basis in order to preserve the Joint Committee's income streams and keep costs to a minimum.
31. The repairs and renewals programme is fully funded from an earmarked fund and as at 1 April 2016 the opening balance was £58,202. The programme of works for 2016/17 includes the external redecoration and paving works cleaning and repointing although these costs are not anticipated to be as high as originally estimated. Therefore the budgeted contribution to the Repairs and Renewals Fund for 2016/17 will be maintained at the same level as for 2015/16 at £100,000.

32. The 6 year capital programme, from 2015/16 to 2021/22, totals £2,740,000. The programme is set out as being fully funded from the existing Capital Works Fund balance of £1,341,424 plus annual contributions over the life of the programme totalling £2,100,000. This demonstrates that the programme is heavily reliant on continued revenue contributions to the Capital Works Fund so that the programme of work can be fulfilled along with required reactive capital expenditure for mechanical equipment to maintain the crematory function. Wherever possible, steps will be taken to strengthen the Capital Works Fund balance, for example, where underspends occur in the year.

## **CONCLUSION**

33. This report includes various amendments to the budgets which, together with the proposed increase in fees and charges, will ensure that the Joint Committee remains in a strong financial position and that sufficient reserves are built up to cover any future budget shortfall.

## **APPENDICES**

APPENDIX A – Revenue account for the year ended 31 March 2017

APPENDIX B – Optional charges

APPENDIX C – Cremation fees

APPENDIX D – Repairs and renewals programme

APPENDIX E – Capital works programme

## Reference Papers

- (a) Report of the Treasurer to the Portchester Crematorium Joint Committee 'Revenue Budget 2015/16' - 14 December 2015.
- (b) Report of the Treasurer to the Portchester Crematorium Joint Committee 'Annual Return For The Financial Year Ended 31 March 2016' – 13 June 2016

Andrew Wannell, CPFA  
Treasurer to the Joint Committee  
Civic Offices, Fareham

For further information on this report, contact Kate Busby, 01329 824685

**APPENDIX A**

	Actual 2015/16 £	Base Estimate 2016/17 £	Revised Estimate 2016/17 £	Base Estimate 2017/18 £	Base Estimate 2017/18 £
<b>CREMATION FEE</b>		560	560	570	595
<b>EMPLOYEES</b>					
SALARIES	196,789.92	197,000	199,000	201,000	201,000
SALARIES OVERTIME	3,148.90	5,000	3,500	3,500	3,500
NATIONAL INSURANCE	11,645.14	12,000	17,000	17,000	17,000
SUPERANNUATION	37,218.57	37,200	37,700	40,000	40,000
FIRST AID ALLOWANCE	192.00	400	200	200	200
STAFF ADVERTISING	0.00	0	800	0	0
<b>TOTAL EMPLOYEES</b>	<b>248,994.53</b>	<b>251,600</b>	<b>258,200</b>	<b>261,700</b>	<b>261,700</b>
<b>PREMISES</b>					
R & M OF BUILDINGS	23,211.78	25,000	25,000	25,000	25,000
REPAIRS AND RENEWALS	244,985.48	115,000	115,000	115,000	115,000
R & M OF FIXED PLANT	86,505.77	75,000	85,000	85,000	85,000
R&M OF GROUNDS	68,147.95	70,000	70,000	70,000	70,000
R&M OF GARDEN IMP.SHEME	0.00	1,500	1,500	1,500	1,500
ELECTRICITY	34,106.75	36,000	36,000	36,000	36,000
GAS	69,101.38	93,000	73,000	73,000	73,000
RENTS - GENERAL PAYABLE	11,554.04	11,500	11,500	11,500	11,500
NATIONAL NON-DOMESTIC RATES	134,589.00	137,000	135,700	188,200	188,200
WATER CHARGES - SUPPLY (PWC)	833.09	2,000	1,000	1,000	1,000
SEWERAGE & ENV. CHARGES (SWS)	400.26	500	500	500	500
FIRE PRECAUTION APPLIANCES	360.90	400	400	400	400
CONTRACT CLEANING	0.00	0	0	0	0
CLEANING MATERIALS	213.22	400	400	400	400
TOILET REQUISITES	5,080.27	5,000	5,000	5,000	5,000
REMOVAL OF WREATHS	7,884.00	8,000	8,000	8,000	8,000
<b>TOTAL PREMISES</b>	<b>686,973.89</b>	<b>580,300</b>	<b>568,000</b>	<b>620,500</b>	<b>620,500</b>
<b>SUPPLIES AND SERVICES</b>					
FURNITURE & EQUIPMENT PURCHASE	2,920.88	3,000	3,000	3,000	3,000
MATERIALS (OPERATIONAL)	99.62	100	100	100	100
FURNITURE & EQUIPMENT MAINTENA	8,018.84	6,000	6,000	6,000	6,000
FURNITURE & EQUIPMENT SA	0.00	0	1,300	1,300	1,300
PROTECTIVE CLOTHING & UNIFORMS	1,292.12	1,600	1,600	1,600	1,600
LAUNDRY	12.75	500	100	100	100
BOOKS AND PUBLICATIONS	333.20	1,000	500	400	400
EXTERNAL PRINTING	3,194.77	3,500	3,000	3,000	3,000
STATIONERY	1,307.81	2,500	1,500	1,500	1,500
BOOK OF REMEMBRANCE	21,954.11	25,000	23,000	23,000	23,000
MEMORIALS CARDS	7,322.46	5,000	6,200	5,000	5,000
CONSULTANTS FEES	8,722.00	1,500	1,500	1,500	1,500
ADMIN.EXPENSES - FAREHAM	20,251.63	20,000	20,000	20,000	20,000
ADMIN.EXPENSES - PORTSMOUTH	11,556.19	9,500	9,500	9,500	9,500
MEDICAL REFEREES FEES	58,320.00	58,600	55,800	55,800	55,800
ORGANISTS FEES	15,287.98	17,000	16,000	16,000	16,000
EXTERNAL AUDIT FEES	2,040.00	1,000	0	0	0
PEST CONTROL	462.43	500	500	500	500
GRAPHIC DESIGN	440.56	0	500	500	500
POSTAGES	1,209.49	1,200	1,200	1,200	1,200
TELEPHONES	3,677.55	3,000	3,000	4,000	4,000

COMPUTER SOFTWARE	4,189.17	5,000	5,000	5,000	5,000
WEB CAST SERVICES	980.00	0	1,000	1,000	1,000
SUBSISTANCE EXP - EMPLOYEES	773.26	700	700	700	700
COURSES/CONFRENCES (EMPLOYEES)	426.00	500	500	500	500
GRANTS AND SUBSCRIPTIONS	2,679.20	3,500	3,000	2,500	2,500
MISC INSURANCES - PREMIUM	33,518.99	30,000	16,000	17,000	17,000
ADVERTISING	135.10	500	500	500	500
NON RECLAIMABLE VAT	48,708.46	50,000	50,000	50,000	50,000
BANK CHARGES	1,317.52	1,200	1,200	2,000	2,000
SPECIAL EXPENDITURE	0.00	0	0	0	0
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>261,152.09</b>	<b>251,900</b>	<b>232,200</b>	<b>233,200</b>	<b>233,200</b>

**CAPITAL FINANCING COSTS**

DEPRECIATION	334,253.00	335,000	335,000	335,000	335,000
<b>TOTAL CAPITAL FINANCING COSTS</b>	<b>334,253.00</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>	<b>335,000</b>

**SPECIAL EXPENDITURE**

CONTRIBUTION TO CAPITAL FUND	350,000.00	350,000	350,000	350,000	350,000
PENSION INTEREST COSTS	65,000.00	110,000	110,000	110,000	110,000
CONTRIBUTION TO R & R FUND	103,187.49	80,000	100,000	88,000	80,000
PAY TO CONSTITUENT AUTHORITIES	500,000.00	500,000	520,000	500,000	540,000
<b>TOTAL SPECIAL EXPENDITURE</b>	<b>1,018,187.49</b>	<b>1,040,000</b>	<b>1,080,000</b>	<b>1,048,000</b>	<b>1,080,000</b>

**GROSS EXPENDITURE**

<b>2,549,561.00</b>	<b>2,458,800.00</b>	<b>2,473,400</b>	<b>2,498,400</b>	<b>2,530,400</b>
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**INCOME**

CONTRIB.FROM GARDEN IMP.FUND	0.00	-1,500	-1,500	-1,500	-1,500
CAMEO TMAC INCOME	-26,136.54	0	0	0	0
SALE OF MEMORIAL CARDS	-7,889.23	-8,000	-8,000	-8,000	-8,000
CREMATION FEES	-1,767,700.00	-1,780,000	-1,792,000	-1,824,000	-1,856,000
BOOK OF REMEMBRANCE	-54,160.85	-55,100	-54,200	-54,200	-54,200
ORGANISTS FEES	-38,005.02	-45,000	-45,000	-38,000	-38,000
WEB BROADCASTING	-1,150.00	-2,000	-2,000	-2,000	-2,000
COSTS RECOVERED	0.00	0	0	0	0
MISCELLANEOUS FEES & CHARGES	-6,799.00	-7,000	-7,000	-7,000	-7,000
INTEREST ON INVESTMENTS	-3,194.84	0	-3,500	-3,500	-3,500
BANK INVESTMENT ACCOUNT	-287.04	-200	-200	-200	-200
RETURN ON PENSION FUND ASS	-41,000.00	-50,000	-50,000	-50,000	-50,000
CAPITAL CHARGE - ASSET RENTS	-334,253.00	-335,000	-335,000	-335,000	-335,000
MOVEMENT ON PENSIONS RESERVE	-24,000.00	-60,000	-60,000	-60,000	-60,000
EXP.FINANCED FROM RESERVES	-244,985.48	-115,000	-115,000	-115,000	-115,000

**GROSS INCOME**

<b>-2,549,561.00</b>	<b>-2,458,800</b>	<b>-2,473,400</b>	<b>-2,498,400</b>	<b>-2,530,400</b>
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PORTCHESTER CREMATORIUM JOINT COMMITTEE

OPTIONAL CHARGES

	Charges <u>2016/17</u> £	Proposed Charges <u>2017/18</u> £	% <u>Increase</u>
<b><u>BOOK OF REMEMBRANCE (INC. VAT)</u></b>			
Single entry (2 lines)	50.00	51.00	2.00
Double entry (5 lines)	82.00	84.00	2.44
Double entry with badge or crest	132.00	134.00	1.52
Treble entry (8 lines)	112.00	114.00	1.79
Treble entry with badge or crest	162.00	164.00	1.23
<b><u>MEMORIAL CARDS (INC. VAT)</u></b>			
Single entry (2 lines)	36.00	37.00	2.78
Double entry (5 lines)	43.00	44.00	2.33
Double entry with badge or crest	93.00	94.00	1.08
Treble entry (8 lines)	49.00	50.00	2.04
Treble entry with badge or crest	99.00	100.00	1.01
<b><u>USE OF ORGAN (INC. VAT)</u></b>			
Use of Organ	32.00	32.00	0.00
Services of Organist	31.00	32.00	3.23
Services of Organist	21.00	22.00	4.76
<b><u>OTHER</u></b>			
Scattering of ashes from other Crematoria	52.00	54.00	3.85
Temporary retention of cremated remains	12.00	13.00	8.33



PORTCHESTER CREMATORIUM JOINT COMMITTEE

CREMATION FEES

	Number of Cremations 2015/16	Existing Charge 2016/17 £	Proposed Charge 2017/18 £	% Increase
A young person whose age at the time of death did not exceed 16 years	26	No charge	No charge	
A person whose age at the time of death exceeded 16 years				
Option 1	3,240	560	570	1.79
Option 2	3,240	560	595	6.25
Walk through cremation		400	400	None

**PORTCHESTER CREMATORIUM JOINT COMMITTEE**

**STATEMENT OF REPAIRS AND RENEWALS FUND**

	£	£
Balance 1.4.2016		58,202
Contribution from Revenue Account 2016/17		<u>100,000</u>
		158,202
<b>Proposed applications 2016/17</b>		
-1701 Roofing Programme - Survey, clearance and initial Repairs (see Capital Programme)		
-1702 External redecoration	60,000	
-1703 Paving Works cleaning and repointing	40,000	
-1704 Staff Room Refurbishment	2,500	
-1705 Internal Redecoration – Charge & Cremation Room	3,000	
-1706 Internal Redecoration – South Cloister Toilets	1,500	
-1707 Water Feature Review	4,000	
-1708 Review compliance with Disability Discrimination Act and Provide new accessible door to the office	<u>4,000</u>	
		<u>-115,000</u>
<b>Estimated Balance 31.3.2017</b>		43,202
Contribution from Revenue Account 2017/18		<u>80,000</u>
<b>Balance of Repairs and Renewals Fund for schemes in 2017/18</b>		<u><u>123,202</u></u>

**PORTCHESTER CREMATORIUM JOINT COMMITTEE**

**CAPITAL WORKS PROGRAMME**

	Revised Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22
	£	£	£	£	£	£
Balance of Fund as at 1.4.2016	1,341,424	1,551,424	1,901,424	2,251,424	1,424	351,424
Advance during year	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
	1,691,424	1,901,424	2,251,424	2,601,424	351,424	701,424
<b>Less Applications</b>						
Cremator Furnace Relining	90,000					
Hearth Replacement						
Roofing Programme -						
Survey, clearance and initial repairs	50,000					
Replacement cremator programme				2,600,000		
	<u>140,000</u>	<u>0</u>	<u>0</u>	<u>2,600,000</u>	<u>0</u>	<u>0</u>
<b>Balance of Fund</b>	<u>1,551,424</u>	<u>1,901,424</u>	<u>2,251,424</u>	<u>1,424</u>	<u>351,424</u>	<u>701,424</u>

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**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE –  
12 December 2016**

**REPORT OF: THE ENGINEER AND SURVEYOR**

**SUBJECT: BUILDING WORKS REPORT**



**2015/16**

Ref	Item Description	Status	Budget £	Anticipated Cost £	Variation £	Commentary
1502/3	South Chapel – refurbishment	Works completed	205,000	205,000	Nil	Works completed. Retention money held
1510	Crematory/Committal areas		9,000	9,000		Investigation continues to find a suitable flooring material which will have both a smooth and durable surface and at the same time be resistant to the high temperatures.

**2016/7**

Ref	Item Description	Status	Budget £	Anticipated Cost £	Variation £	Commentary
1701	Roofing Programme		60,000	5,000	-55,000	Initial inspection and cleaning carried out. The survey shows that the roof is generally in good condition hence the underspend. There is a small area beneath the Mercury Abatement apparatus where ponding has occurred and a further visit is required in Jan 2017.
1702	External Redecoration		60,000	27,000	-33,000	Initial works completed. Underspend due to work being undertaken in working hours resulting in savings. Insufficient time to complete all the works during the summer. Investigate further works required in 2017.

Ref	Item Description	Status	Budget £	Anticipated Cost £	Variation £	Commentary
1703	Paving Works cleaning and repointing		40,000	40,000	0	Trial area completed using chemical treatment on the worst area. The paving area is cleaner but not as good as anticipated. A further trial area will be treated to fully assess the treatment and the results reviewed.
1704	Staff Room Refurbishment		2,500	9,900	7,400	Works currently on site and nearing completion. Overspend due to requirement to replace panel heaters; replacement of external doors and new covering to worn stair treads.
1705	Internal Redecoration – Charge & Cremation Room		3,000	3,000	0	Works to be carried out in conjunction with ref 1510
1706	Internal Redecoration – South Cloister Toilets		1,500	4,800	3,300	Works completed. Overspend due to more extensive works required than was estimated in the budget.
1707	Water Feature Review		4,000	4,000	0	To be commenced in Jan 2017
1708	Review compliance with Disability Discrimination Act and provide new accessible door to the office		4,000	4,000	0	.To be commenced in Jan 2017
		<b>Total (for 2016/7)</b>	<b>175,000</b>	<b>97,700</b>	<b>-77,300</b>	

Note - Items previously reported as completed are not shown

*Terry Garvey*  
**Engineer and Surveyor**

# Agenda Item 9

REPORT TO: PORTCHESTER CREMATORIUM JOINT  
COMMITTEE – 12<sup>th</sup> DECEMBER 2016



REPORT BY: MANAGER AND REGISTRAR

## STATISTICS

### 1. MONTHLY COMPARISON

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
SEPT	394	246	224	263
OCT	329	270	236	253
NOV	305	244	257	278*

### 2. TOTAL CREMATIONS

	<u>YEAR</u>	<u>TO END NOVEMBER</u>
2013	4248	3926
2014	3356	3087
2015	3329	3068
2016	-	3067*

### 3. DISPOSAL OF REMAINS

Ashes received from other Crematoria.....	33
i) Total disposals within grounds.....	288
ii) Remains removed from crematorium.....	423
iii) Retained.....	44
TOTAL	755**

Scattered 40%                      Removed 60%

### 4. GAS CONSUMPTION

Total gas consumption (cu.m.).....	57497
Total cremations.....	755
Average gas consumption (cu.m).....	76

\*Correct at 25<sup>th</sup> November

\*\* To end 25<sup>th</sup> November

**JAMES CLARK**  
**MANAGER & REGISTRAR**  
**25<sup>TH</sup> November 2016**

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# Agenda Item 10



**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE  
Monday 12<sup>th</sup> December 2016**

**REPORT BY: THE HORTICULTURAL CONSULTANT**

## **CREMATORIUM GROUNDS – GENERAL UPDATE**

The grounds continue to look good as we approach winter. I have issued two extra grass cuts – one to be undertaken during November and a further one in December.

The winter bedding was planted during October and I am pleased that there have been no thefts. We will continue to monitor this and report any thefts to the Police.

I am also pleased to report that there was no damage to trees during the recent storms. This demonstrates the effectiveness of the extensive tree works carried out over the last three years.

The Atlantic Cedar to replace the diseased one removed from the car park should be arriving in January 2017. It is a large specimen approximately 3 metres tall so should have instant impact.

We did very well in the South and South East Britain in Bloom competition attaining a gold award and the large cemetery of the year award 2016.

The contractor Brighstone continues to perform very well and I am pleased with their work.

*Ashley Humphrey*  
Horticultural Consultant

*Background List of Documents –  
Section 100D of the Local Government Act 1972 - None*

AH/jh  
22 November 2016

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