



Report to Portchester Crematorium Joint Committee

Date: **9 December 2024**

Report of: **Treasurer to the Joint Committee**

Subject: **REVENUE BUDGET 2025/26**

SUMMARY

This report sets out the revenue budget 2024/25 and 2025/26, together with the repairs and renewals and capital fund contributions for 2024/25 and 2025/26 and a review of fees and charges from 1 April 2025. The current capital works programme for future years has also been included for information.

RECOMMENDATIONS

- (a) That the capital works programme as detailed in Appendix D be approved;
- (b) That the Joint Committee approve the proposed cremation fees and other charges as set out in Appendices B and C from 1 April 2025;
- (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 2024/25.

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
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 2025/26.
3. Detailed information is set out in the various appendices to this report which cover the following:
 - Appendix A - Revised revenue budget for 2024/25 and the revenue budget for 2025/26
 - Appendix B - Optional charges from 1 April 2025
 - Appendix C - Cremation fees from 1 April 2025
 - Appendix D - Capital works programme and funding

BASE REVENUE BUDGET 2024/25

4. The original revenue budget for 2024/25 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. The main budget issue remains fluctuations in cremation numbers which have fallen over the past year as death numbers have fallen and the likely entry of more local competition in the forthcoming financial year. There is also a need to increase our Capital Works Fund balance to provide the resilience set out above.
6. The budget will be based on cremation numbers of 2,560 for the financial year 2024/25 and 2025/26.

	Cremations				
	2019/20	2020/21	2021/22	2022/23	2023/24
Cremations at nil charge	28	25	20	22	16
Walk through cremations	195	374	253	189	175
	3,076	3,209	2,760	2,966	2,690
Total cremations	3,299	3,608	3,033	3,177	2,881

7. The table below shows a comparison of the 2022 and 2023 calendar year cremation numbers with the nearest crematoria.

Location	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2023
Chichester	2,191	1,996
Southampton	1,403	1,226
Eastleigh	2,229	2,244
Romsey	1,794	1,977
Portchester	3,118	3,024
Havant	2,253	2,402

REVISED BUDGET 2024/25 and BASE BUDGET 2025/26

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

	Actuals 2023/24	Base Estimate 2024/25	Revised Estimate 2024/25	Base Estimate 2025/26
	£	£	£	£
EMPLOYEE RELATED EXPENDITURE	342,872	389,900	370,300	417,000
PREMISES RELATED EXPENDITURE	770,764	880,900	732,600	770,400
SUPPLIES AND SERVICES	363,200	360,200	383,400	390,800
CAPITAL CHARGES	481,769	400,000	480,000	480,000
SPECIAL EXPENDITURE	1,015,449	1,295,000	1,150,000	1,230,100
GROSS EXPENDITURE	2,974,054	3,326,000	3,116,300	3,288,300
Operating Income	2,320,026	2,751,000	2,431,300	2,633,300
Financing and Reserve Adjustments	654,028	575,000	655,000	655,000
GROSS INCOME	2,974,054	3,326,000	3,116,300	3,288,300

9. The budget for employee related expenditure in the current year has been adjusted in line with final pay awards and employer contributions. The increase of £27,100 for 2025/26 takes account of increased contributions that will become payable.
10. Premises related expenditure in the current year has decreased overall by £148,300; from £880,900 to £732,600 and for 2025/26 has decreased overall by £110,500; to £770,400. The budgets for gas and electricity have been adjusted in line with the rates notified by our suppliers, and we have received a payment correction in 2024/25 for a previous charging error in the rate being applied. The programme of works set against repairs and renewals expenditure is detailed in the Capital Programme at Appendix D.
11. Supplies and services related expenditure in the current year has increased overall by £23,200 from £360,200 to £383,400 and for 2025/26 has increased overall by £30,600; to £390,800. The recharge from Fareham Borough Council has increased for both years to correctly reflect the resource being allocated within the Property Team for the cremator replacement project.
12. 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 2024 the opening balance of this fund was £3,242,452. In order to increase the Capital Works Fund to levels that will meet the current cremator replacement

and associated building works, site improvements and future capital replacement programmes a budget of £525,000 is included for 2024/25 and £1,010,100 is included for 2025/26.

13. 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. As at 1 April 2024 the opening balance of this fund was £50,000. In order to replenish the Repairs and Renewals Fund to levels that will meet future demands of the crematorium a budget of £70,000 is included for 2024/25 and £70,000 for 2025/26.
14. Gross income in 2024/25 has decreased overall by £209,700; from £3,326,000 to £3,116,300, mainly as a result of a fall in cremation numbers during 2024. Budgeted income in 2025/26 has increased overall to £3,388,300.

REVIEW OF FEES & CHARGES

15. The optional charges are set out in Appendix B to this report, with considered increases where appropriate from 1 April 2025.
16. The cremation fees are set out in Appendix C to this report, with a £75 increase proposed from 1 April 2025, equating to 9.1%. This is set having due regard to cost increases for employees, utilities and other premises cost increases along with service enhancements for our customers. The fee level of £900 for 2025/26 is still below the 2024 average cremation fee for the UK of £959.14, and the January 2024 average cremation fee for Hampshire of £1,034. The table below shows a comparison of the 2024 fees with the nearest crematoria:

Chichester	£1,195
Southampton	£987
Eastleigh	£1,125
Portchester	£825
Havant	£995

17. It is proposed to maintain for 2025/26 the current fee of £450 for Walk Through Services.
18. The schedule of charges for garden memorials was approved by the Joint Committee in September 2023 and are included for information in Appendix B.

FINANCIAL RISK ASSESSMENT

19. 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.
20. The Revenue Reserve is an accumulation of budget surpluses from previous years and was £157,893 as at 1 April 2024. In accordance with the Finance Strategy for 2025/26 it is prudent to maintain the level of this reserve at over £100,000 in order to provide a small retained resource to meet unforeseen fluctuations in revenue income and expenditure that are outside of the Joint Committee's control. 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. After taking into account the revised estimates for this year, and the

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proposed charges from 1 April 2025, the balance of the General Fund Revenue Reserve will not be increased.

21. The 5 year capital programme, from 2024/25 to 2028/29, is set out in Appendix D. The programme is set out as being fully funded from the existing Capital Works Fund and Repairs and Renewals Fund balances of £3,292,452 plus annual contributions over the life of the programme totalling £2,875,000. 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. Wherever possible, steps will be taken to strengthen the Capital Works Fund balance, for example, where underspends occur in the year.

CONCLUSION

22. This report includes various amendments to the budgets which, together with the proposed increase in fees and charges, should mean that the Crematorium facilities will continue to be operated, maintained and improved on a self-sustaining basis and without a requirement for any financial contributions from the constituent authorities in the foreseeable future.

APPENDICES

APPENDIX A – Revenue account for the year ended 31 March 2025 and 2026

APPENDIX B – Optional charges

APPENDIX C – Cremation fees

APPENDIX D – Capital works programme

Reference Papers

- (a) Report of the Treasurer to the Portchester Crematorium Joint Committee 'Revenue Budget 2024/25 - 11 December 2023
- (b) Report of the Treasurer to the Portchester Crematorium Joint Committee 'Annual Return For The Financial Year Ended 31 March 2024 – 24 June 2024
- (c) Report of the Manager and Registrar to the Portchester Crematorium Joint Committee 'Memorial Tree Fees and Charges' – 25 September 2023

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Treasurer to the Joint Committee
Civic Offices, Fareham

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

APPENDIX A

REVENUE BUDGET FOR THE YEAR ENDING 31 MARCH 2026

	Actual 2023/24 £	Base Estimate 2024/25 £	Revised Estimate 2024/25 £	Base Estimate 2025/26 £
EMPLOYEES				
Salaries - Basic Pay	264,618.79	292,600	285,000	307,000
Salaries - Overtime	10,255.09	5,000	10,000	10,000
National Insurance	25,896.50	31,900	28,900	39,600
Pension Costs	42,101.96	59,400	45,400	59,400
Training Courses	0.00	1,000	1,000	1,000
TOTAL EMPLOYEES	342,872.34	389,900	370,300	417,000
PREMISES				
R&M of Buildings	12,280.09	15,000	34,000	23,000
R&M of Fixed Plant	61,552.83	95,000	83,000	83,000
R&M of Grounds	87,789.53	90,000	95,000	100,000
R&M of Garden Imp. Scheme	7,175.00	1,500	1,500	1,500
R&M Footpaths	14,012.00	0.00	10,000	10,000
Building Maintenance Recharge	1,887.52	0.00	2,000	2,000
Electricity	123,327.66	130,000	90,000	110,000
Gas	199,269.36	265,000	131,700	150,000
Rents - General Payable	13,223.28	15,000	15,000	15,000
National Non-Domestic Rates	212,480.00	229,500	229,500	235,000
Water Charges	1,356.00	1,000	1,500	1,500
Fire Precaution Appliances	2,230.86	700	1,200	1,200
Contract Cleaning - General	16,551.77	25,000	20,000	20,000
Cleaning Materials	1,330.89	1,000	1,000	1,000
Toilet Requisites	5,288.08	200	5,200	5,200
Refuse Collection	11,009.30	12,000	12,000	12,000
TOTAL PREMISES	770,764.17	880,900	732,600	770,400
SUPPLIES AND SERVICES				
Furniture & Equipment Purchases	11,764.56	5,000	5,000	5,000
Materials - Operational	16.99	100	100	100
Furniture & Equipment - Maintenance	9,887.38	10,000	10,000	10,000
Furniture & Equipment - Service Agreement	1,060.00	1,000	1,000	1,000
Protective Clothing & Uniforms	4,327.75	2,000	3,000	3,000
Books & Publications	0.00	400	0	0
External Printing	2,082.00	2,000	2,000	2,000
Stationery	2,062.31	3,200	3,200	3,200
General Office Expenses	33.31	0	0	0
Book of Remembrance	21,533.91	22,000	24,000	25,000
Memorials Cards	4,906.82	5,000	6,000	6,000
Consultants Fees	12,930.00	1,500	1,500	1,500
Medical Referees Fees	51,858.00	55,800	50,800	50,800
Admin Expenses - Fareham	21,064.83	24,000	38,600	40,000
Pest Control	683.20	1,500	1,500	1,500
Admin Expenses - Portsmouth	15,173.01	18,000	18,000	18,000
Environmental License	772.00	800	800	800
Graphic Design Service	775.00	500	500	500
Other Services	695.00	500	500	500

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Postages	1,358.77	1,200	1,200	1,200
Telephones	2,091.20	4,000	4,000	4,000
ICT Computer Software	11,288.50	12,500	12,500	12,500
Web Cast Services	98,922.43	100,000	110,000	110,000
Subsistence Exp - Employees	174.49	200	200	200
Grants & Subscriptions	2,150.00	1,500	1,500	1,500
Insurance	19,933.75	25,000	20,000	20,000
Advertising	0.00	500	500	500
Non Reclaimable VAT	63,569.10	60,000	65,000	70,000
Bank Charges	2,085.85	2,000	2,000	2,000
TOTAL SUPPLIES AND SERVICES	363,200.16	360,200	383,400	390,800
CAPITAL FINANCING COSTS				
Depreciation	481,769.00	400,000	480,000	480,000
TOTAL CAPITAL FINANCING COSTS	481,769.00	400,000	480,000	480,000
SPECIAL EXPENDITURE				
Pay to Constituent Authorities	400,000.00	400,000	400,000	0
Pensions Interest Cost	100,000.00	75,000	75,000	75,000
Contribution to Capital Fund	434,518.72	650,000	525,000	1,010,100
Contribution to R & R Fund	8,670.35	70,000	70,000	70,000
Direct Revenue Financing	72,259.60	100,000	80,000	75,000
TOTAL SPECIAL EXPENDITURE	1,015,448.67	1,295,000	1,150,000	1,230,100
GROSS EXPENDITURE				
	2,974,054.34	3,326,000.00	3,116,300.00	3,288,300.00
INCOME				
Contrib from Garden Imp Fund	-1,266.00	-1,500	-1,500	-1,500
Cameo TMAC Income	-6,370.50	0	0	0
Cremation Fees	-2,096,450.00	-2,491,500	-2,112,000	-2,304,000
Book of Remembrance	-54,108.37	-60,500	-60,500	-60,500
Organists Fees	-2,632.57	-2,500	-2,500	-2,500
Web Broadcasting Services	-33,880.00	-108,000	-38,000	-38,000
Visual Tribute Services	-66,769.99	0	-70,000	-70,000
Memorial Cards	-6,699.20	-7,000	-7,000	-7,000
Ashes	-15,393.00	0	-18,000	-18,000
Cremation Fees - Walk through	0.00	0	-90,000	-90,000
Leased Memorial	0.00	0	-30,000	-30,000
Administration Fee	0.00	0	-1,400	-1,400
Cremation Fees - QA	0.00	0	-400	-400
Costs recovered	-1,972.27	0	0	0
Miscellaneous Fees & Charges	0.00	-20,000	0	0
Interest on Investments	-34,483.84	-60,000	-30,000	-10,000
Return on Pension Fund Ass	-93,000.00	-50,000	-50,000	-50,000
Excess of Depreciation over MRP	-481,769.00	-400,000	-480,000	-480,000
Movement on Pensions Reserve	-7,000.00	-25,000	-25,000	-25,000
Exp. Financed from Reserves	-72,259.60	-100,000	-100,000	-100,000
GROSS INCOME	-2,974,054.34	-3,326,000	-3,116,300	-3,288,300
NET EXPENDITURE	0	0	0	0

PORTCHESTER CREMATORIUM JOINT COMMITTEE

OPTIONAL CHARGES

	Charges		Proposed Charges	Increase
	<u>2024/25</u>	<u>2025/26</u>		
	£	£		%
<u>BOOK OF REMEMBRANCE</u> (Prices include VAT)				
Single entry (2 lines)	66	68		3.0
Double entry (5 lines)	110	113		2.7
Double entry with badge or crest	168	173		3.0
Treble entry (8 lines)	155	160		3.2
Treble entry with badge or crest	210	215		2.4
<u>MEMORIAL CARDS</u> (Prices include VAT)				
Single entry (2 lines)	46	47		4.3
Double entry (5 lines)	58	60		3.4
Double entry with badge or crest	115	118		2.6
Treble entry (8 lines)	66	68		3.0
Treble entry with badge or crest	125	128		2.3
<u>USE OF ORGAN</u> (Prices include VAT)				
Use of Organ	46	47		4.3
<u>OTHER</u> (Prices are exempt from VAT)				
Scattering of ashes from other Crematoria	70	72		2.8
Temporary retention of cremated remains	18	19		5.5
Administration Fee for provision of additional Cremation Certificate	15	15		NIL
Administration Fee for provision of additional Garden Plan	10	10		NIL
Administration Fee for provision of genealogy information (price on application, minimum charge applies)	37	37		NIL
Provision of Bearer services	21	21		NIL

Product Name	Product Description	PCJC Charge	Proposed Charges	Increase
TRIBUTES		inc VAT £	£	%
Single Photo	A picture of the deceased that can be shown on your venue's screens throughout the service, or at a selected time.	Free	Free	Free
Basic Slideshow	Photo slideshow of up to 25 photos with simple transitions that can be set to loop. This option does not include music.	49	50	2%
Music Tribute (Formerly Pro Tribute)	A beautifully crafted Tribute of up to 25 photos, timed to a chosen piece of music with fade transitions.	75	75	NIL
Themed Tribute	Choose from a range of curated themes and have up to 25 photos professionally edited and timed to a chosen piece of music..	95	95	NIL

EXTRAS				
Extra Single Photo	A surcharge for any additional holding images beyond the Single Photo.	13	13	NIL
Tribute Download	A downloadable version of the Music or Themed Tribute to keep forever.	11	11	NIL
Extra Tribute Photos	For each extra 25 photos on a visual tribute.	25	25	NIL
Extra Work Charge	A fee that is applied to any of the standard products for additional work outside the norm, e.g. adding a video to a Tribute.	25	25	NIL
Late Fee	A late fee may be applied where amendments are requested after the content submission deadlines.		25	NEW
Family Supplied Tribute	Family Supplied video/photo Tribute used as received with basic quality checks performed by the Obitus team.	30	32	6.7

STREAMING				
Live & On Demand	A professionally live streamed service so that people can still watch and pay their respects virtually. With Live & On Demand, families can share the secure link with others to watch as it's happening with the option to view online for a further 28 days. A downloadable file is also available. Live Only version available upon request for £22.	54	55	1.9

KEEPSAKES				
DVD or USB	A one-of-a-kind memento to keep forever. A DVD or USB Keepsake copy of the service, Tribute or both, in a personalised grey linen case.	55	55	NIL

EXTRAS				
Second Copies	Any additional copies of the keepsake range can be bought at a reduced price. DVD or USB Video Books Memory Box	30 New New	32 75 100	6.7 New New

Services for Young People				
Live & On Demand, Single Photo and Basic Slideshow	For young people under the age of 18, we offer free Live & On Demand Streaming, a Single Photo and a Basic Slideshow or music tribute of up to 25 photos. Alternatively, the value of these products can be credited against a more premium option if preferred.	Free	Free	Free

Product Name	Product Description	PCJC Charge inc VAT £
Memorial Tree Maple Leaf	Acrylic Maple Leaf Memorial Plaque, including 5 line inscription and 5 year Licence period	300.00
Memorial Tree Licence Renewal	Renewal of Licence, after 5 years, for a further 5 year period	174.00
Replacement Leaf	Ordering a replacement leaf when renewing the Licence.	126.00
Landmarks Frieze	Daffodil or Hampshire Rose plaque – 5 year Licence	360.00
Landmarks Frieze Licence Renewal	Renewal of Licence, after 5 years, for a further 5 year period.	174.00
Landmarks Frieze – Replacement Plaque	Ordering a replacement plaque when renewing the Licence.	186.00
Naval Frieze	Poppy plaque – 5 year Licence	360.00
Naval Frieze Licence Renewal	Renewal of Licence, after 5 years, for a further 5 year period.	174.00
Naval Frieze - Replacement Plaque	Ordering a replacement plaque when renewing the Licence.	186.00

PORTCHESTER CREMATORIUM JOINT COMMITTEE

CREMATION FEES

	Number of Cremations	Existing Charge	Proposed Charge	%
	2023/24	2024/25	2025/26	Increase
		£	£	
A young person whose age at the time of death did not exceed 18 years	16	No Charge	No Charge See Note 1	
A person whose age at the time of death exceeded 18 years	2,690	825	900	9.1
Walk through cremation with virtual memorial service			550	NEW
Walk through cremation	175	450	450	NIL
Cremation of clinical waste and remains received from hospitals		220	240	9.1

Notes

Note 1 – Charges for a young person under 18 years old will be free to customers at the point of need. The charges, which are the same as for other cremations, are reimbursed to Portchester Crematorium by the Children's Funeral Fund administered by Department for Work and Pensions.

Notes

Note 1 – Charges for a young person under 18 years old will be free to customers at the point of need. The charges, which are the same as for other cremations, are reimbursed to Portchester Crematorium by the Children's Funeral Fund administered by Department for Work and Pensions.

APPENDIX D

CAPITAL PROGRAMME AND FINANCING

Capital Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/9 £'000
Staff Area improvements	5	5			
Waiting Room Refurbishment					
Signage	20				
Chapel Entrance Road resurfacing	15				
Roof Repairs / Improvements					
Lighting Replacement / Upgrades		75			
External Redecoration		25			
Bulk Store for Grounds Maintenance					
Garden Shelter Refurbishment	18				
Garden Wood Carving Installations					
Garden Memorial Installations					
South Chapel Lobby	7				
Fountain Removal	15				
North Chapel Catafalque	20				
Cremator Replacement	1733	1417			
Cremator Consultancy	75				
Hold Over Equipment	50	30			
Cremator Building Work	257	240	17		
Site Improvements	20	250	300	250	250
TOTAL CAPITAL EXPENDITURE	2,235	2,042	317	250	250
Funded by:					
Capital Works Fund					
Opening Balance at 1.4.2024	-3,242	-1,612	-685	-768	-918
Contribution	-525	-1,010	-400	-400	-400
Application	2,155	1,937	317	250	250
Balance of Fund	-1,612	-685	-768	-918	-1,068
Repairs and Renewals Fund					
Opening Balance at 1.4.2024	-50	-40			
Contribution	-70	-70			
Application	80	105			
Balance of Fund	-40	-5			
Total Funding	2,235	2,042	317	250	250