

Joint Report of the Deputy Chief Executive and the Executive Director**REVENUE ESTIMATES 2021/22 AND 2022/23****1. Purpose of report**

To seek approval of the proposed revenue budget for the financial year 2022/23, together with the revised estimate for the current year, in accordance with the service objective of providing efficient arrangements for funeral directors and clergy which meet the need of their service users at a reasonable cost.

2. Background

The proposals for the 2021/22 revised estimate and the estimates for 2022/23 are given in the attached appendices for Members' consideration.

The Joint Committee is asked to approve the detailed estimates, development items, allowances for inflation, fees and charges increases and the distribution to the two constituent authorities.

Recommendation

The Joint Committee is asked to RESOLVE that:

- 1. The revised estimate for 2021/22 and the base estimate for 2022/23 as submitted at appendix 2 be approved.**
- 2. An amount of £10,000 be provided to cover price inflation during 2022/23.**
- 3. An amount of £140,000 be provided to cover capital developments during 2022/23 as outlined in appendix 3 of the report.**
- 4. The fees and charges as detailed in appendix 4 be implemented.**
- 5. An amount of £400,000 be distributed to each of the constituent authorities in 2022/23.**

Background papers –
Nil

APPENDIX 1**BUDGET 2022/23****1. Introduction**

Details of the proposed revenue budget for the 2022/23 financial year and the revised estimate for 2021/22, are attached at appendix 2 for consideration.

The base estimates for 2022/23 contain inflationary increases for a potential pay awards, changes in employers National Insurance contributions and changes in fees and charges detailed for approval within this report.

2. Actual Outturn 2020/21

An abridged Annual Report and Statement of Accounts for 2020/21 was considered by the Joint Committee on 6 September 2021. The Crematorium Revenue balance as at 31 March 2021 was £590,629 (31 March 2020 - £99,287), which included a transfer from the Memorialisation Reserve (no longer required) and a contribution of £50,000 to the Repairs and Renewals Reserve.

The surplus on operations for the year was around £244,000 higher than budget, mainly due to additional income (£240,000) and lower employee costs (£40,000) offset by additional direct costs associated with the volume of sales (£36,000).

A distribution of £300,000 was made to each of the two constituent authorities in 2020/21 as agreed by the Joint Committee on 16 January 2020. This compared to a distribution of £500,000 to each of the constituent authorities in 2019/20.

3. Revised Estimate 2021/22

The revised estimates for 2021/22 includes an adjustment for the final costs associated with the installation of a new bereavement services management system.

Bramcote Bereavement Services has been exploring the upgrade to their software system for a number of years. As part of the 'Annual Report and Statement of Accounts 2019/20' report presented to this Joint Committee on 25 June 2020, Members approved a budget carry forward of £15,720 into 2020/21 for the final stages of this development project. Due to a number of factors, the project was not completed in 2020/21 and no carry forward was made into the 2021/22 budgets as part of the end of year accounts process.

This project has now been implemented in 2021/22. It is therefore necessary to include £15,700 in the 2021/22 budgets to fund this development from reserves. It is anticipated that the full amount may not be spent so a saving should be achieved

The expected income for cremations in 2020/21 is unchanged with cremation numbers for the year assumed to be 2,450 as when the budget was set.

The proposed distribution to each of the two constituent authorities in 2021/22 is £400,000 as agreed by the Joint Committee on 14 January 2021.

4. Base Estimate 2022/23 – Income

4.1. Cremation Fees

The estimates for 2022/23 are based upon 2,450 adult cremations and 50 direct cremations. These are the same as estimated number in the production of the previous 2021/22 budget and are considered to be prudent estimates. The proposed charges are as follows:

Cremation of the body of a person of 18 years and over (within or outside area)	£748
Direct Cremation of the body of a person of 18 years and over (within or outside area)	£395

The proposed increase in fees for 2022/23 is around 2.5%.

It is RECOMMENDED that the Joint Committee approve a cremation fee for persons of 18 years and over of £748 and a Direct Cremation fee of £395 with effect from 1 April 2022.

4.2. Other Fees and Charges

The proposed increase in fees for 2022/23 is around 2.5% on 2021/22. These include the fees for all current memorials as well as memorialisation items, urns and caskets, deposits of cremated remains and miscellaneous services. The proposed charges for 2022/23 are set out in appendix 4 and reflect those of other crematoria.

It is RECOMMENDED that the Joint Committee approve the other fees and charges as detailed in appendix 4 with effect from 1 April 2022.

5. Base Estimate 2022/23 – Expenditure

5.1. Employees

The estimate for employee costs has increased by around £30,000 in 2022/23 when compared to the 2021/22 revised estimate. This is due to a number of factors, including the planned increase in the rate of employers National Insurance contributions. The pay award for both 2021/22 and 2022/23 has yet to be agreed between national employers and the respective trade unions. A further estimate of 2%, around £8,000, has been made in the salaries base budget in respect of the pay award due to employees from 1 April 2022.

Whilst the establishment has remained the same as previous, there has been a vacant post in the team, with agency staff utilised to cover staff absences.

5.2. Inflation

Members will be aware of the current price inflation pressures with regards to fuel, utilities and supplies. Expert advice suggests an allowance for inflation on utilities is necessary and an additional £10,000 has been included in the base budget for this. Furthermore, small allowances have also been built into budgets for unavoidable increases in certain items.

5.3. Developments 2022/23 and Beyond

The base budget shown at appendix 2 reflects the provision necessary to maintain the current level of operation. Developments funded from revenue are included in the base budget for 2022/23.

The provisional development proposals for 2022/23 through to 2024/25 are included in appendix 3. These are incorporated into the Medium Term Financial Strategy that is included elsewhere on this agenda.

Members should be aware that it is anticipated that a separate report will be brought to the Joint Committee during 2022/23 presenting a suitable business case and seeking funds towards new cremators.

6. Revenue Account Surplus

If all the matters referred to above are accepted, the forecast position at the end of 2021/22 would be as follows:

	£
Balance Brought Forward 31 March 2021	(590,629)
Net (Increase)/Decrease in balance for 2021/22 (appendix 2)	(689,950)
Distribution Estimate	800,000
Revenue Account Surplus 31 March 2022	(480,579)

The minimum recommended balance is £100,000 to safeguard crematorium balances from the potential impact of new crematoria in the local area and the effect on cremation numbers.

Given the level of estimated revenue account surplus at 31 March 2022, it is proposed at this stage to distribute a total of £800,000 in 2022/23, split equally between Broxtowe and Erewash Borough Councils. With no contribution into the Repairs and Renewal Reserve in 2022/23, this would leave a balance of £362,529 at 31 March 2023 if all assumptions were realised.

APPENDIX 2

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

<u>Description</u>	<u>Revised 2021/22 £</u>	<u>Base 2022/23 £</u>
INCOME		
Fees and Charges	(1,814,100)	(1,852,950)
Entries in Book of Remembrance	(19,000)	(19,000)
Weekend Scattering of Ashes	(1,200)	(1,250)
Cremation Fees - Hospital Bodies	(10,000)	(10,000)
Memorialisation Income	(40,000)	(48,000)
Visual Tributes Income	(12,000)	(45,000)
Pamela Cottage Rent	(5,400)	(5,400)
Vending Drinks Sales	(2,000)	(2,000)
Other Income	(6,000)	(6,000)
Donations Income	0	0
TOTAL INCOME	(1,909,700)	(1,989,600)
EXPENDITURE		
Employee Expenses		
Salaries	379,200	409,750
Training	2,500	2,500
Premises Related Expenses		
Repairs & Maintenance – General	50,000	50,000
Repairs & Maintenance – Cremators	75,000	75,000
Mercury Abatement – Factivate	11,000	11,000
Legionella Testing	200	200
Electrical Testing	200	200
Trade Refuse Collection	11,150	11,500
Fuel and Light	72,800	101,900
Rates and Water	111,200	107,200
Cleaning Materials	2,500	3,000
Window Cleaning	1,500	1,800
Transport Related Expenses		
Travelling Expenses	1,200	1,200
Supplies And Services		
Equipment, Tools and Materials	7,000	7,000

<u>Description</u>	<u>Revised 2021/22 £</u>	<u>Base 2022/23 £</u>
Vending Machines	2,100	2,100
Service Contracts	14,000	30,000
Clothing	2,500	2,500
Printing and Stationery	5,300	6,350
Book of Remembrance	7,500	7,500
Open Day	1,000	1,000
Service of Remembrance	2,500	2,500
Ash Boxes	0	6,000
Telephones	3,900	3,900
Postages	2,400	2,700
Software Maintenance	6,000	4,000
Audit Fees	1,500	1,500
Bank Charges	2,000	2,000
Consultancy	0	0
Music System	14,000	15,000
Medical Referee Fees	47,000	47,000
Security Patrol	0	0
Miscellaneous Music Costs	10,000	40,000
CCTV	1,000	1,000
Contingency	10,000	10,000
Subscriptions	1,000	1,000
Other Expenses	150	150
Insurances	16,150	17,700
Conference Expenses	500	500
Environmental Protection Act	3,000	3,000
Memorialisation Account	35,000	40,000
Third Party Payments		
Grounds Maintenance Contract	30,400	31,600
Central Departmental and Technical Support Services		
Central Support Recharges	168,700	175,400
Capital Financing Costs		
Capital Charges	84,500	84,500
Developments	60,700	140,000
TOTAL EXPENDITURE	1,258,250	1,461,150
COST OF SERVICE – CONTINUING OPERATIONS	(651,450)	(528,450)

<u>Description</u>	<u>Revised 2021/22 £</u>	<u>Base 2022/23 £</u>
Financing Costs and Investment Income		
Interest and Investment Income	(4,000)	(4,000)
Distribution to Constituent Authorities		
Broxtowe Borough Council	400,000	400,000
Erewash Borough Council	400,000	400,000
Other Comprehensive Income and Expenditure		
Revaluation of Fixed Assets	0	0
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	144,550	267,550
Adjustments between accounting and funding basis under regulation		
IAS 19 Pension Costs	0	0
Depreciation and Impairment	(84,500)	(84,500)
<u>Transfer to/(from) Earmarked Reserves</u>		
Repairs and Renewals Reserve	50,000	(65,000)
Donations Reserve	0	0
(Increase)/Decrease in Balances for Year	110,050	118,050
Bramcote Crematorium - Balance Brought Forward	(590,629)	(480,579)
Bramcote Crematorium - Balance Carried Forward	(480,579)	(362,529)

Donations Reserve

<u>Actual</u> <u>2020/21</u> £	<u>Description</u>	<u>Revised</u> <u>2021/22</u> £	<u>Base</u> <u>2022/23</u> £
	Expenditure		
0	Expenditure in Year	0	0
	Income		
(188)	Donations	0	0
(188)	(Surplus)/Deficit in Year	0	0
(6,205)	Balance Brought Forward	(6,393)	(6,393)
(6,393)	Balance Carried Forward	(6,393)	(6,393)

Repairs and Renewals Reserve

<u>Actual</u> <u>2020/21</u> £	<u>Description</u>	<u>Revised</u> <u>2021/22</u> £	<u>Base</u> <u>2022/23</u> £
	Expenditure		
0	Payments in Year	0	65,000
	Income		
(50,000)	Contributions in Year	(50,000)	0
0	Investment Interest	0	0
0	Total Income	0	0
(50,000)	(Surplus)/Deficit in Year	(50,000)	65,000
(131,849)	Balance Brought Forward	(181,849)	(233,849)
(181,849)	Balance Carried Forward	(233,849)	(166,849)

APPENDIX 3

DEVELOPMENTS 2022/23 AND BEYOND**2022/23 proposals**

Proposed Scheme	Estimated Costs* £	Funded by:
Car Park/Drainage – surface repairs, patch, relining	60,000	Repairs and Renewals 50% and Revenue 50%
Consultancy Fees – advice on tender specification for new cremators	20,000	Revenue
Cremator Reline and Hearth – relining the second cremator	50,000	Repairs and Renewals 50% and Revenue 50%
New Sliding Doors – replacement of the faulty sliding doors	10,000	Repairs and Renewals
TOTAL DEVELOPMENTS	140,000	

* Estimated costs include an element of capital salaries where appropriate.

Members should also be aware that it is anticipated that a separate report will be brought to the Joint Committee during 2022/23 presenting a suitable business case and seeking funds towards new cremators as a separate concept.

2023/24 proposals

Schemes to be brought forward later in the year as part of the 2023/24 budget process.

2024/25 proposals

Schemes to be brought forward later in the year as part of the 2023/24 budget process.

APPENDIX 4

Summary Of Charges – Bramcote Bereavement Services

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
Part 1	<u>Cremation Fee</u>		
	To include Cremation Fee; Medical Referee's Fee; Use of Music Facilities; and Scattering of Cremated Remains (Monday to Friday)	730	748
	<u>For the cremation of the body of:</u>		
	A person below the age of 18 years	Nil	Nil
	A person aged 18 years and over	730	748
	School of Anatomy cadaver	516	528
	Body part	49	50
	Direct Cremation	500	395
Part 2	<u>Urns and Caskets</u>		
	Urns	46	47
	Caskets	103	106
	Bio Box	5	6
	Polytainers	5	6
	White cremation Box	5	6
	Small white cremation box	5	6
	Donation Box	3	4
Part 3	<u>Miscellaneous Fees and Charges</u>		
	Extended Service Fee / Witness Charge	76	200
	Non cancellation fee (administration charge)	93	95
	Use of chapel for memorial service/committal	100	250
	Low Cost Funeral (09:00 Serenity Chapel only)	-	600
	Additional charge for weekend/bank holiday scattering	25	26
	Scattering of cremains from another Crematoria	65	66
	Weekend/bank holiday surcharge for same day cremation	260	266
	Additional charge for weekend/bank holiday use of chapel	95	98
	Temporary deposit per month (first month free)	35	36

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
Part 4	<u>Wesley Media Visual Tributes</u>		
	Single Still Image	18	19
	Slideshow – max 25 images, no music	38	39
	For additional 25 images	21	£22
	Slide Show - max 25 images with music	75	76
	For additional 25 images	21	22
	Family Video File	18	19
	Download MP4 Video File	18	19
	DVD or USB of Visual Tribute only	25	26
	<u>Wesley Media Recording of Service</u>		
	Downloadable MP4 Video File	30	35
	Including Visual Tribute	45	46
	<u>Wesley Media Webcast</u>		
	Webcast of service	30	35
	DVD or USB of webcast	60	61
	DVD or USB of webcast Including Visual Tribute	65	66
	Additional DVDs or USB of webcast	25	26
	<u>Wesley Media Visual Tributes – Urgent Services</u>		
	Following prices are for Visual Tributes request made after the 48-hour cut-off. Subject to an additional fee of £76.00 on top of below:	75	76
	Single Still Image	18	19
	Slideshow – Max 25 images, no music	38	39
	For additional 25 images	21	22
	Slide Show - Max 25 images with music	75	76
	For additional 25 images	21	22
	Family Video File	18	19
	Download MP4 Video File	18	19
	DVD or USB of Visual Tribute	25	26
	Administration Fee	15	15

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
	<u>Memorials and Inscriptions</u>		
Part 5	<u>Entries in Book of Remembrance (including VAT)</u>		
	For each 2 line entry	76	78
	For each 5 line entry	123	127
	For each 5 line entry & motif	193	198
	For each 8 line entry	199	204
	For each 8 line entry & motif	268	275
	<u>Digital Display (including VAT)</u>		
	Additional swipe card	5	6
	Extra page (each)	55	57
	<u>Miniature Books (including VAT)</u>		
	For each 2 line entry	103	106
	For each 5 line entry	125	129
	For each 5 line entry & motif	194	199
	For each 8 line entry	176	181
	For each 8 line entry & motif	245	252
Part 5	<u>Memorials and Inscriptions Cont'd</u>		
	<u>Memorial Plaques (including VAT)</u>		
	Wall Plaque - 10 Years Lease	530	540
	Wall Plaque plus metal posy vase	624	640
	Wall Plaque Renewal (10 Years)	318	325
	Bench Plaque - 10 Years Lease	530	540
	Bench Renewal (10 Years)	318	325
	Rose Plaque - 10 Years Lease	530	540
	Rose Plaque Renewal (5 Years)	189	193
	Rose Plaque Renewal (10 Years)	318	325
	Replacement Wall or Rose or Bench Plaque	123	126
	Barbican Plaque - 10 Years Lease	530	540
	Barbican Renewal (10 years)	318	325
	Barbican Plaque - Replacement	POA	POA

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
	Reflection Garden Wall Plaque - 5 Years Lease	160	165
	Reflection Garden Wall Plaque - Motif	20	21
	Reflection Garden Wall Plaque - Replacement	60	65
	Reflection Garden Wall Plaque Renewal (5 years)	80	91
	Book Room Wall Heart Plaque - 5 Years Lease	210	215
	Book Room Wall Heart Plaque - Motif	20	21
	Book Room Wall Heart Plaque - Replacement	60	65
	Book Room Wall Heart Plaque Renewal (5 years)	80	91
	Mulberry Tree Plaque - 5 Years Lease	160	165
	Mulberry Tree Plaque - Motif	20	21
	Mulberry Tree Plaque - Replacement	60	65
	Mulberry Tree Plaque Renewal (5 years)	80	91
	New/Upgrade memorial (Granite plaques)	105	110
	<u>Columbarium Charges (including VAT)</u>		
	<u>Level A (top)</u>		
	5 year lease	840	860
	10 year lease	1,260	1,290
	25 year lease	2,000	2,050
	<u>Level B</u>		
	5 year lease	840	861
	10 year lease	1,260	1,292
	25 year lease	2,000	2,050
	<u>Level B (Plaque Only)</u>		
	5 year lease	670	686
	10 year lease	1,000	1,025
	25 year lease	1,600	1,640
	<u>Level C</u>		
	5 year lease	760	779
	10 year lease	1,130	1,158
	25 year lease	1,800	1,845

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
	<u>Level C (Plaque Only)</u>		
	5 year lease	610	626
	10 year lease	900	923
	25 year lease	1,440	1,477
	<u>Level D</u>		
	5 year lease	670	687
	10 year lease	1,000	1,025
	25 year lease	1,600	1,640
	<u>Level D (Plaque Only)</u>		
	5 year lease	540	554
	10 year lease	800	820
	25 year lease	1,280	1,312
	5 year renewal	551	608
	10 year renewal	992	1,094
	First 80 letters on plaque	Included	Included
	Additional letters (beyond first 80)	2	2
	Photo on plaque (7"x5")	102	113
	Metal flower container	40	44
	Other plaque designs/various ash containers	POA	POA
	<u>Children's Columbarium Charges (including VAT)</u>		
	<u>Level 1 (top)</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380
	<u>Level 2</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380
	<u>Level 3</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380

		Approved Charges 2021/22 £	Proposed Charges 2022/23 £
	<u>Level 4</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380
	<u>Level 5</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380
	<u>Wall of Hearts Remembrance Room</u>		
	Wall of Hearts 5 Year Heart	210	215
	Wall of Hearts 5 Year Heart motif	20	21
	Wall of Hearts 5 Year renewable	90	91
	Wall of Hearts 5 Year Replacement	60	65
	<u>Granite Mushroom Plaques (including VAT)</u>		
	10 Year Lease	220	220
	10 Year Renewal	110	110
Part 6	<u>Private Graves</u>		
	Transfer of grave rights (simple)	40	41
	Transfer of grave rights (complex)	65	66
	Exhumation of Ashes	209	225
	Renewal of lease for 99 years	318	343