

Joint Report of the Treasurer and the Bereavement Services Manager

REVENUE ESTIMATES 2022/23 AND 2023/24

1. Purpose of report

To seek approval of the proposed revenue budget for the financial year 2023/24, 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. Recommendation

The Joint Committee is asked to RESOLVE that:

1. **The revised estimate for 2022/23 and the base budget for 2023/24 as submitted at appendix 2 be approved.**
2. **An amount of £60,000 be provided to cover capital developments during 2023/24 as outlined in appendix 3 be approved.**
3. **The fees and charges as detailed in appendix 4 be implemented.**
4. **An amount of £400,000 be distributed to each of the constituent authorities in 2023/24.**

3. Detail

The proposals for the 2022/23 revised estimate and the estimates for 2023/24 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.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

It is proposed at this stage to distribute a total of £800,000 in both 2022/23 and 2023/24, split equally between Broxtowe and Erewash Borough Councils, given the level of estimated revenue account surplus as at 31 March 2023.

Members are reminded of the need to maintain at least the minimum recommended balance of £100,000 to safeguard crematorium balances from the potential impact of new crematoria in the local area and the effect on cremation numbers.

Further detailed financial comments are provided in the appendices to this report.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

Local authority responsibilities for the management and protection of cemeteries and crematoria are set out in the Local Government Act 1972 (Section 214 and Schedule 26) and the Local Authorities' Cemeteries Order 1977. Section 9 Cremation Act 1972 allows the Council to set charges or fees for the burning of human remains in any crematorium provided by the Council.

Section 12 Cremation Act 1972 requires the Council to publish a table of fees, a fee may be fixed in respect of a burial service before, or after cremation, and, if no fee is fixed, the fee, if any, fixed in respect of a burial service shall apply. (section 12, Cremation Act 1972).

The provisions under the Local Authorities' Cemeteries Order 1977 state that in determining the fees to be charged the burial authority shall take into account the effect of any resolution under section 147(3) of, or under paragraph 6 of Schedule 26 to, the Local Government Act 1972.

6. Human Resources Implications

There are no direct human resources implications for this report.

7. Union Comments

Not applicable.

8. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil.

APPENDIX 1**BUDGET 2023/24****1. Introduction**

Details of the proposed revenue budget for the 2023/24 financial year and the revised estimate for 2022/23, are attached at appendix 2 for consideration.

The base estimates for 2023/24 contain inflationary increases for salaries, changes in employers National Insurance contributions and changes in fees and charges detailed for approval within this report.

2. Actual Outturn 2021/22

An abridged Annual Report and Statement of Accounts for 2021/22 was considered by the Joint Committee on 23 June 2022. The Crematorium Revenue balance as at 31 March 2022 was £456,252 (31 March 2021 - £590,629), which was £134,377 lower than in 2020/21. This included an annual contribution of £50,000 into the Repairs and Renewals Reserve.

The accounts for the Bramcote Bereavement Services show a revenue account deficit of £79,564 for the financial year ended 31 March 2022. The surplus on operations for the year was £586,329, which was around £145,000 lower than the original budget approved in January 2021.

A distribution of £400,000 was made to each of the two constituent authorities in 2021/22 as agreed by the Joint Committee on 14 January 2021. This compared to a distribution of £300,000 to each of the constituent authorities in 2020/21.

3. Revised Estimate 2022/23

The proposed revised estimates for 2022/23 includes adjustments relating to employee expenses, fuel costs and income budgets.

The salaries budget has been increased by £18,500 to fully allow for the 2022/23 pay award, which was agreed at £1,925 fixed for each salary point (full-time equivalent). This was above the 2% inflationary allowance included in the original estimates. The budget has been further increased by £8,000 as the net cost of an additional temporary Crematorium Technician in 2022/23 which was partially funded by vacant posts within the establishment.

The fuel and energy budget has also been increased by £20,000 to align with anticipated fuel costs following the rising energy price market.

The expected income for cremations in 2022/23 is unchanged with cremation numbers for the year assumed to be 2,450 and 50 direct cremations as when the budget was set. Although the target cremation numbers are anticipated to be achieved, a £30,000 reduction of the revised income budget would be more representative of the likely income levels based on actual services rather than the legacy calculation of increasing the base income budget by inflation only.

The proposed distribution to each of the two constituent authorities in 2022/23 remains at £400,000 as agreed by the Joint Committee on 13 January 2022.

4. Base Estimate 2023/24 – Income

4.1. Cremation Fees

The estimates for 2023/24 are based upon 2,450 adult cremations and 50 direct cremations. These are the same as the target number for the current year and are considered to be prudent estimates. No further growth in cremation numbers is anticipated at this stage. The proposed charges are as follows:

	Proposed Fees
Cremation of the body of a person of 18 years and over (within or outside area)	£820
Direct Cremation of the body of a person of 18 years and over (within or outside area)	£430

The proposed increase in fees for 2023/24 is 9.5%. A benchmarking exercise of crematoria in the local area has been undertaken and, although their respective fees have not all been agreed as yet, it is anticipated that the proposed cremation fee at this level would still be within the mid-range fees charged across the region.

If Members were minded to vary cremation fees by 1% this would result in an increase/decrease of around £18,000 in the cremation fee budget.

It is RECOMMENDED that the Joint Committee approve a cremation fee for persons of 18 years and over of £820 and a direct cremation fee of £430 with effect from 1 April 2023.

4.2. Other Fees and Charges

The proposed increase in other fees and charges for 2023/24 is around 7%. 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 fees and charges for 2023/24 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 2023.

5. Base Estimate 2023/24 – Expenditure

5.1. Employees

The estimate for employee costs has increased by £39,400 in 2023/24 when compared to the 2022/23 revised estimate. This is due to a number of factors including an allowance for an estimated pay award of 5% in 2023/24; an increase in the primary pension contribution rates of 1%; some changes to the establishment including job evaluation regrades and a Crematorium Technician post; with these increases being partially offset by a reduction in the secondary pension contribution rates ('back-funding').

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 energy is necessary and an additional £25,000 has been included in the base budget 2023/24 for this (in addition to the £20,000 added to revised estimates in 2022/23). Further allowances have also been built into budgets for unavoidable increases in certain items.

5.3. Developments 2023/24 and Beyond

The base budget shown at appendix 2 reflects the provision necessary to maintain the current level of operation. Any developments to be funded from revenue are included in the base budget for 2023/24.

The provisional development proposals for 2023/24 through to 2025/26 are included in appendix 3. These are incorporated into the Medium Term Financial Strategy that is included elsewhere on this agenda.

One scheme is proposed for the resurfacing of some pathways on the site at a cost of £60,000. This will be fully funded from the Repairs and Renewal Fund.

The installation of new cremators at Bramcote Crematorium is anticipated later for the capital programme in 2024/25. This schemes will be brought forward later in the year as part of the 2024/25 budget process. The overall cost will be subject to tender, but this is expected to be a significant capital investment of over £1 million. The new cremators will be jointly and equally funded by Broxtowe and Erewash Borough Councils. The capital costs will be offset by efficiency savings on energy consumption and maintenance budgets.

6. Revenue Account Surplus

If all the matters referred to above are accepted, the forecast position at the end of 2022/23 would be as follows:

	£
Balance Brought Forward 31 March 2022	(456,252)
Net (Increase)/Decrease in balance for 2022/23 (appendix 2)	(579,460)
Distribution Estimate 2022/23	800,000
Revenue Account Surplus 31 March 2023	(235,712)
Net (Increase)/Decrease in balance for 2023/24 (appendix 2)	(699,600)
Distribution Estimate 2023/24	800,000
Revenue Account Surplus 31 March 2024	(135,312)

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 2023, it is proposed at this stage to distribute a total of £800,000 in 2023/24, split equally between Broxtowe and Erewash Borough Councils. With no contribution into the Repairs and Renewal Reserve in 2023/24, this would leave a balance of £135,312 at 31 March 2024 if all assumptions were realised.

APPENDIX 2

Comprehensive Income and Expenditure Statement

<u>Description</u>	<u>Revised 2022/23</u> £	<u>Base 2023/24</u> £
Income		
Fees and Charges	(1,822,950)	(1,950,000)
Entries in Book of Remembrance	(19,000)	(17,500)
Weekend Scattering of Ashes	(1,250)	(2,000)
Cremation Fees - Hospital Bodies	(10,000)	(10,750)
Memorialisation Income	(48,000)	(48,000)
Visual Tributes Income	(45,000)	(48,000)
Pamela Cottage Rent	(5,400)	(5,400)
Vending Drinks Sales	(2,000)	(1,500)
Other Income	(6,000)	(11,000)
Total Income	(1,959,600)	(2,094,150)
Expenditure		
Employee Expenses		
Salaries	436,250	475,650
Training	2,500	2,500
Premises Related Expenses		
Repairs & Maintenance – General	51,000	55,000
Repairs & Maintenance – Cremators	75,000	80,000
Mercury Abatement	11,000	13,000
Legionella Testing	200	200
Electrical Testing	200	200
Trade Refuse Collection	11,500	12,650
Fuel and Light	121,900	146,550
Rates and Water	107,200	108,100
Cleaning Materials	3,000	3,000
Window Cleaning	1,800	1,550
Transport Related Expenses		
Travelling Expenses	1,200	1,200
Supplies And Services		
Equipment, Tools and Materials	7,000	7,000
Website Development	15,000	2,750
Vending Machines	2,100	1,500

<u>Description</u>	<u>Revised 2022/23</u> £	<u>Base 2023/24</u> £
Marketing	10,000	10,000
Service Contracts	30,000	33,000
Clothing	2,500	3,000
Printing and Stationery	6,350	7,000
Book of Remembrance	7,500	7,500
Open Day	1,000	1,000
Service of Remembrance	2,500	2,500
Ash Boxes	6,000	10,000
Telephones	3,900	3,900
Postages	2,710	3,000
Software Maintenance	4,000	4,000
Audit Fees	1,500	1,500
Bank Charges	2,000	3,000
Music System	15,000	17,500
Medical Referee Fees	47,000	47,000
Security Patrol	0	500
Miscellaneous Music Costs	40,000	42,000
Surveillance	1,000	1,000
Contingency	10,000	10,000
Subscriptions	1,000	1,000
Other Expenses	150	150
Insurances	17,700	18,900
Conference Expenses	500	500
Environmental Protection Act	3,000	3,000
Memorialisation Account	40,000	35,000
Third Party Payments		
Grounds Maintenance Contract	31,610	35,900
Central Departmental and Technical Support Services		
Central Support Recharges	175,370	191,850
Capital Financing Costs		
Capital Charges	84,500	83,000
Developments	140,000	60,000
Total Expenditure	1,533,640	1,547,550
Cost of Service – Continuing Operations	(425,960)	(546,600)

<u>Description</u>	<u>Revised</u> <u>2022/23</u> £	<u>Base</u> <u>2023/24</u> £
Financing Costs and Investment Income		
Interest and Investment Income	(4,000)	(10,000)
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	370,040	243,400
Adjustments between accounting and funding basis under regulation		
IAS 19 Pension Costs	0	0
Depreciation and Impairment	(84,500)	(83,000)
<u>Transfer to/(from) Earmarked Reserves</u>		
Repairs and Renewals Reserve	(65,000)	(60,000)
Donations Reserve	0	0
(Increase)/Decrease in Balances for Year	220,540	100,400
Bramcote Crematorium Balance Brought Forward	(456,252)	(235,712)
Bramcote Crematorium Balance Carried Forward	(235,712)	(135,312)

Donations Reserve

<u>Actual</u> <u>2021/22</u> £	<u>Description</u>	<u>Revised</u> <u>2022/23</u> £	<u>Base</u> <u>2023/24</u> £
	Expenditure		
0	Expenditure in Year	0	0
	Income		
(540)	Donations	0	0
(540)	(Surplus)/Deficit in Year	0	0
(6,393)	Balance Brought Forward	(6,933)	(6,933)
(6,933)	Balance Carried Forward	(6,933)	(6,933)

Repairs and Renewals Reserve

<u>Actual</u> <u>2021/22</u> £	<u>Description</u>	<u>Revised</u> <u>2022/23</u> £	<u>Base</u> <u>2023/24</u> £
	Expenditure		
0	Payments in Year	65,000	60,000
	Income		
(54,273)	Contributions in Year	0	0
0	Investment Interest	0	0
0	Total Income	0	0
(54,273)	(Surplus)/Deficit in Year	65,000	60,000
(181,849)	Balance Brought Forward	(236,122)	(171,122)
(236,122)	Balance Carried Forward	(171,122)	(111,122)

APPENDIX 3

DEVELOPMENTS 2022/23 AND BEYOND**2023/24 proposals**

Proposed Scheme	Estimated Costs* £	Funded by:
New development for the resurfacing of some pathways on the site.	60,000	Repairs and Renewals 100%
TOTAL DEVELOPMENTS	60,000	

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

2024/25 proposals

Schemes to be brought forward later in the year as part of the 2024/25 budget process.

The installation of new cremators at Bramcote Crematorium is anticipated for the capital programme in 2024/25. The overall cost will be subject to tender, but this is expected to be a significant capital investment of over £1 million. The new cremators will be jointly and equally funded by Broxtowe and Erewash Borough Councils.

The capital costs will be offset by efficiency savings on energy consumption and maintenance budgets.

2025/26 proposals

Schemes to be brought forward later in the year as part of the 2025/26 budget process.

APPENDIX 4

Summary Of Charges – Bramcote Bereavement Services

		Approved Charges 2022/23 £	Proposed Charges 2023/24 £
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)	748	820
	<u>For the cremation of the body of:</u>		
	A person below the age of 18 years * fee via the Children's Fund	Nil	240*
	A person aged 18 years and over	748	820
	School of Anatomy cadaver	528	528
	Body part	50	50
	Direct Cremation (Unattended)	395	430
	Direct Cremation (Attended)	n/a	530
	Committal Service	748	820
Part 2	<u>Urns and Caskets</u>		
	Urns	47	47
	Caskets	106	106
	Bio Box	6	6
	Polytainers	6	6
	White cremation Box	6	6
	Small white cremation box	6	6
	Donation Box	4	4
Part 3	<u>Miscellaneous Fees and Charges</u>		
	Extended Service Fee	200	268
	Witness Charge	78	78
	Non cancellation fee (administration charge)	95	95
	Use of chapel for memorial service/committal	250	268
	Low Cost Funeral (09:00 Serenity Chapel only)	600	642
	Add'n charge for weekend/bank holiday scattering	26	28
	Scattering of remains from another Crematoria	66	71
	Weekend/bank holiday surcharge for same day cremation	266	285
	Add'n charge for weekend/bank holiday use of chapel	98	105
	Temporary deposit per month (first month free)	36	36

		Approved Charges 2022/23 £	Proposed Charges 2023/24 £
Part 4	<u>Wesley Media Visual Tributes</u>		
	Single Still Image	19	19
	Slideshow – max 25 images, no music	39	39
	For additional 25 images	22	22
	Slide Show - max 25 images with music	76	76
	For additional 25 images	22	22
	Family Video File	19	29
	Download MP4 Video File	19	19
	DVD or USB of Visual Tribute only	26	26
	<u>Wesley Media Recording of Service</u>		
	Downloadable MP4 Video File	35	35
	Including Visual Tribute	46	46
	<u>Wesley Media Webcast</u>		
	Webcast of service	35	35
	DVD or USB of webcast	61	61
	DVD or USB of webcast Including Visual Tribute	66	66
	Additional DVDs or USB of webcast	26	26
	<u>Wesley Media Visual Tributes – Urgent Services</u>		
	Prices are for Visual Tributes request made after the 48-hour cut-off. Subject to an additional fee of £76 on top of below:	76	76
	Single Still Image	19	19
	Slideshow – Max 25 images, no music	39	39
	For additional 25 images	22	22
	Slide Show - Max 25 images with music	76	76
	For additional 25 images	22	22
	Family Video File	19	19
	Download MP4 Video File	19	19
	DVD or USB of Visual Tribute	26	26
	Administration Fee	15	15

		Approved Charges 2022/23 £	Proposed Charges 2023/24 £
	<u>Memorials and Inscriptions</u>		
Part 5	<u>Entries in Book of Remembrance (including VAT)</u>		
	For each 2 line entry	78	78
	For each 5 line entry	127	127
	For each 5 line entry & motif	198	198
	For each 8 line entry	204	204
	For each 8 line entry & motif	275	275
	<u>Digital Display (including VAT)</u>		
	Additional swipe card	6	6
	Extra page (each)	57	57
	<u>Miniature Books (including VAT)</u>		
	For each 2 line entry	106	106
	For each 5 line entry	129	129
	For each 5 line entry & motif	199	199
	For each 8 line entry	181	181
	For each 8 line entry & motif	252	252
Part 5	<u>Memorials and Inscriptions Cont'd</u>		
	<u>Memorial Plaques (including VAT)</u>		
	Wall Plaque - 10 Years Lease	540	550
	Wall Plaque plus metal posy vase	640	650
	Wall Plaque Renewal (10 Years)	325	335
	Bench Plaque - 10 Years Lease	540	550
	Bench Renewal (10 Years)	325	335
	Rose Plaque - 10 Years Lease	540	550
	Rose Plaque Renewal (5 Years)	193	203
	Rose Plaque Renewal (10 Years)	325	335
	Replacement Wall or Rose or Bench Plaque	126	136
	Barbican Plaque - 10 Years Lease	540	550
	Barbican Renewal (10 years)	325	335
	Barbican Plaque - Replacement	POA	POA

	Approved Charges 2022/23 £	Proposed Charges 2023/24 £
Reflection Garden Wall Plaque - 5 Years Lease	165	175
Reflection Garden Wall Plaque - Motif	21	31
Reflection Garden Wall Plaque - Replacement	65	75
Reflection Garden Wall Plaque Renewal (5 years)	91	101
Book Room Wall Heart Plaque - 5 Years Lease	215	225
Book Room Wall Heart Plaque - Motif	21	31
Book Room Wall Heart Plaque - Replacement	65	75
Book Room Wall Heart Plaque Renewal (5 years)	91	101
Mulberry Tree Plaque - 5 Years Lease	165	175
Mulberry Tree Plaque - Motif	21	31
Mulberry Tree Plaque - Replacement	65	75
Mulberry Tree Plaque Renewal (5 years)	91	101
New/Upgrade memorial (Granite plaques)	110	120
<u>Columbarium Charges (including VAT)</u>		
<u>Level A (top)</u>		
5 year lease	860	900
10 year lease	1,290	1330
25 year lease	2,050	2090
<u>Level B</u>		
5 year lease	861	880
10 year lease	1,292	1330
25 year lease	2,050	2070
<u>Level B (Plaque Only)</u>		
5 year lease (no longer offered)	686	n/a
10 year lease (no longer offered)	1,025	n/a
25 year lease (no longer offered)	1,640	n/a
<u>Level C</u>		
5 year lease	779	779
10 year lease	1,158	1,178
25 year lease	1,845	1,865

	Approved Charges 2022/23 £	Proposed Charges 2023/24 £
<u>Level C (Plaque Only)</u>		
5 year lease (<i>no longer offered</i>)	626	n/a
10 year lease (<i>no longer offered</i>)	923	n/a
25 year lease (<i>no longer offered</i>)	1,477	n/a
<u>Level D</u>		
5 year lease	687	707
10 year lease	1,025	1,045
25 year lease	1,640	1,660
<u>Level D (Plaque Only)</u>		
5 year lease (<i>no longer offered</i>)	554	n/a
10 year lease (<i>no longer offered</i>)	820	n/a
25 year lease (<i>no longer offered</i>)	1,312	n/a
5 year renewal	608	80% of current lease fee
10 year renewal	1,094	80% of current lease fee
First 80 letters on plaque	Included	Included
Additional letters (beyond first 80)	2	2
Photo on plaque (7"x5")	113	113
Metal flower container	44	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

		Approved Charges 2022/23 £	Proposed Charges 2023/24 £
	<u>Level 3</u>		
	Plaque & Ashes (25 Years)	750	750
	Renewal	380	380
	<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	215	215
	Wall of Hearts 5 Year Heart motif	21	21
	Wall of Hearts 5 Year renewable	91	91
	Wall of Hearts 5 Year Replacement	65	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)	41	43
	Transfer of grave rights (complex)	66	69
	Exhumation of Ashes	225	236
	Renewal of lease for 99 years	343	360