

Joint Report of the Treasurer and the Bereavement Services Manager

BUDGET ESTIMATES 2023/24 AND 2024/251. Purpose of report

To seek approval of the proposed budgets for the financial year 2024/25, 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 2023/24 and the base budget for 2024/25, as submitted at appendix 2, be approved.**
2. **An amount of £1,829,000 be provided to cover capital developments in 2024/25, as outlined in appendix 3, be approved.**
3. **The fees and charges as detailed in appendix 4 be implemented.**
4. **A reduced total amount of £700,000 be distributed to the constituent authorities in 2023/24 and a total amount of £800,000 be distributed to the constituent authorities in 2024/25.**

3. Detail

The proposals for the 2023/24 revised estimate and the estimates for 2024/25 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 £700,000 in 2023/24 and £800,000 2024/25, split equally between Broxtowe and Erewash Borough Councils, given the level of estimated revenue account surplus as at 31 March 2024 and 31 March 2025.

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.

As such, it has been prudent to plan to reduce the estimated level of distribution in 2023/24 by £50,000 to each authority, given the level of pressure on the Crematorium's budget from increased costs (price inflation associated with fuel and energy) and reduced income (linked to the current reduction in death rates).

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. Climate Change Implications

There are no climate change implications in relation to this report.

9. Data Protection Compliance Implications

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

10. Equality Impact Assessment

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

11. Background Papers

Nil.

APPENDIX 1**BUDGET SETTING 2024/25****1. Introduction**

Details of the proposed revenue budget for the 2024/25 financial year and the revised estimate for 2023/24 are attached at appendix 2 for consideration.

The base estimates for 2024/25 contain inflationary increases for salaries and changes in fees and charges detailed for approval within this report.

2. Actual Outturn 2022/23

The Annual Report and Management Statement of Accounts for 2022/23 was considered by the Joint Committee on 15 June 2023. The Crematorium Revenue balance as at 31 March 2023 was £376,100, which was £80,152 lower than in 2021/22 (£456,252). There was no contribution made into the Repairs and Renewals Reserve.

The accounts for Bramcote Bereavement Services showed a revenue account deficit of £74,186 for the financial year ended 31 March 2023. The surplus on operations for the year was £608,398, which was £79,948 higher than the original budget approved in January 2022.

A distribution of £400,000 was made to each of the two constituent authorities in 2022/23 as agreed by the Joint Committee on 13 January 2022. This compared to a distribution of £400,000 to each of the constituent authorities in 2021/22.

3. Revised Estimate 2023/24

The proposed revised estimates for 2023/24, as presented in appendix 2, includes adjustments relating to employee expenses, Business Rates, utilities costs and income budgets.

The salaries establishment budget was increased by £50,400 in 2023/24 following a service restructure, the cost of which was partially offset by increasing the income budget by £25,000. This action was agreed by the Joint Committee on 15 June 2023.

The fuel and energy budget has also been increased to align with anticipated fuel costs following the rising energy price market. The data available when setting the original 2023/24 budget, suggested an allowance for inflation on energy was necessary and an additional £25,000 was included in the base budget. Since then, energy prices have risen higher than anticipated. It is now forecasted that the cost of energy alone, based on regular annual consumption, will potentially add an extra £62,000 to operating costs in 2023/24. This has been slightly offset

by operational efficiencies by implementing strategic changes to the daily operations of the site to reduce energy consumption and by applying an early increase in cremation fees from 1 January 2024.

Target of 2,450 adult cremations may not be achieved due to the death rate being down by 7.8% in 2023/24 compared to same period in 2022/23. Whilst the falling death rate will have a direct impact on the cremation numbers achieved, efforts continue to maintain and improve market share.

There is also a need to revise the financing of the capital developments in the year. This follows the resolution to fund £160,000 required for the project management costs for the replacement cremator from the Repairs and Renewals Reserve, which has utilised most of the remaining funds in this earmarked reserve. As such, the Car Parking development of £29,500, carried forward from 2022/23, which was to be 50% funded from the Repairs and Renewals Reserve will now be fully funded from Revenue Balances; and the Resurfacing of Pathways development of £60,000, which was to be fully funded by the Repairs and Renewals Reserve, will now be 50% funded from Revenue Balances.

There is a need to maintain at least the minimum recommended revenue balances of £100,000. Given the impact of the above operational activity on balances in the current financial year, it is proposed that the distribution to each of the two constituent authorities is reduced from £400,000 to £350,000 in 2023/24.

4. Base Estimate 2024/25 – Income

4.1. Cremation Fees

The income estimates for 2024/25 are based upon a total number of 2,450 cremations. These are at the same level as the target number of cremations for the current year and are considered to be prudent estimates. Given the recent trend with falling death rates, no additional growth in cremation numbers is anticipated at this stage.

Cremation fees and other associated charges were recently uplifted from 1 January 2024 following approval by the Joint Committee on 19 October 2023. This uplift was considered earlier than in previous years and was designed to help to mitigate the impact of energy prices on the overall budget. The increase in these fees from January 2024 was around 9.1% with the cost of a full service rising from £820 to £895.

In view of the need to maintain at least the minimum recommended balance of £100,000, there is now an opportunity for Members to consider a further uplift in cremation fees from 1 April 2024.

Early data available from other local crematoria indicates that the new proposed cremation fees with a further uplift of £30 would still be very competitive. It is therefore proposed that cremation fees are increased from 1 April 2024 to generate an additional £70,750. This will enable further investment in bereavement services at the Crematorium; maintain the level of surplus distribution to the constituent authorities and; to safely maintain revenue balances above the minimum recommended threshold. The proposed charges from 1 April 2024 are as follows:

	Proposed Fees
Cremation of the body of a person of 18 years and over (within or outside area)	£925
Direct Cremation of the body of a person of 18 years and over (within or outside area)	£490

The proposed increase in fees for 2024/25 is 3.4% from those agreed from 1 January 2024. 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 well 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 £20,000 in the cremation fees budget.

It is RECOMMENDED that the Joint Committee approve a cremation fee for persons of 18 years and over of £925 and a direct cremation fee of £490 with effect from 1 April 2024.

4.2. Other Fees and Charges

The proposed increase in other fees and charges for 2024/25 is around 9%. 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 2024/25 are set out in appendix 4 and broadly 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 2024.

5. Base Estimate 2024/25 – Expenditure

5.1. Employees

The estimate for employee costs has increased by £8,050 in 2024/25 when compared to the 2023/24 revised estimate. The pay increase with an allowance for an estimated pay award of 4% in 2024/25, has been partially offset by there being no cost in the secondary pension contribution rates ('back-funding').

5.2. Inflation

Members will be aware of the price inflation pressures with regards to fuel, utilities and supplies. Advice suggests that an allowance for inflation on energy prices is necessary and an additional £17,400 has been added to the base budget 2024/25. Other inflation allowances have only been built into budgets for unavoidable and contractual increases in certain items.

5.3. Developments 2024/25 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 2024/25.

The provisional development proposals for 2024/25 through to 2026/27 are included in appendix 3. These are also incorporated into the Medium Term Financial Strategy that is included elsewhere on this agenda.

The scheme for the upgrade to the Media and Audio System as a revenue development at a cost of £29,000 was approved by the Joint Committee on 19 October 2023. This will be fully funded from the direct revenue financing.

The installation of new cremators at Bramcote Crematorium is also included in the development programme for 2024/25 at an estimated cost of £1.8m. The new cremators will be jointly and equally funded by Broxtowe and Erewash Borough Councils who are expected to arrange the financing within their own respective capital programmes accordingly.

6. Revenue Account Surplus

If all the matters referred to above are accepted, the forecast position at the end of 2024/25 would be as follows:

	£
Balance Brought Forward 31 March 2023	(376,100)
Net (Increase)/Decrease in balance for 2023/24 (appendix 2)	(473,550)
Distribution Estimate 2023/24	700,000
Revenue Account Surplus 31 March 2024	(149,650)
Net (Increase)/Decrease in balance for 2024/25 (appendix 2)	(809,000)
Distribution Estimate 2024/25	800,000
Revenue Account Surplus 31 March 2025	(158,650)

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, it is proposed at this stage to distribute a total of £800,000 in 2024/25, split equally between Broxtowe and Erewash Borough Councils. With a planned contribution of £25,000 into the Repairs and Renewal Reserve in 2024/25, this would leave a balance of £158,650 at 31 March 2025 if all assumptions were realised.

APPENDIX 2

INCOME AND EXPENDITURE BUDGET

<u>Description</u>	<u>Revised 2023/24</u> £	<u>Base 2024/25</u> £
Income		
Cremation Fees Income	(1,924,400)	(2,198,450)
Memorialisation Income <i>(including visual tributes, book of remembrance and others)</i>	(113,500)	(128,100)
Other Income <i>(including rent income, miscellaneous income, donation and vending receipts)</i>	(19,900)	(32,200)
Total Income	(2,057,800)	(2,358,750)
Expenditure		
Employee Expenses		
Salaries	537,000	545,550
Training	1,500	2,500
Premises Related Expenses		
Repairs & Maintenance – General	55,000	55,000
Repairs & Maintenance – Cremators	80,000	80,000
Utilities (Fuel, Light and Water)	172,000	189,400
Business Rates	138,000	140,750
Other Premises Expenses (incl. Trade Waste)	31,800	33,200
Supplies and Services		
Other Supplies and Services	180,700	176,700
Medical Referee Fees	47,000	47,000
Materials and Equipment	7,000	5,000
Book of Remembrance/Memorialisation Account	35,000	32,500
Third Party Payments		
Grounds Maintenance Contract	35,900	38,550
Central Departmental & Technical Support Services		
Central Support Recharges	191,850	157,600
Capital Financing Costs		
Capital Charges	83,000	81,150
Developments (financed from Revenue/R&R)	269,500	29,000
Total Expenditure	1,865,250	1,613,900

<u>Description</u>	<u>Revised 2023/24</u> £	<u>Base 2024/25</u> £
Cost of Service – Continuing Operations	(192,550)	(744,850)
Financing Costs and Investment Income		
Interest and Investment Income	(8,000)	(8,000)
Distribution to Constituent Authorities		
Broxtowe Borough Council	350,000	400,000
Erewash Borough Council	350,000	400,000
Other Comprehensive Income and Expenditure		
Revaluation of Fixed Assets	-	-
Total Comprehensive Income and Expenditure	499,450	47,150
Adjustments between accounting and funding basis under regulation		
IAS 19 Pension Costs	-	-
Depreciation and Impairment	(83,000)	(81,150)
<u>Transfer to/(from) Earmarked Reserves</u>		
Repairs and Renewals Reserve	(190,000)	25,000
Donations Reserve	-	-
(Increase)/Decrease in Balances for Year	226,450	(9,000)
Crematorium Balance Brought Forward	(376,100)	(149,650)
Crematorium Balance Carried Forward	(149,650)	(158,650)

Donations Reserve

<u>Description</u>	<u>Revised 2023/24</u> £	<u>Base 2024/25</u> £
Expenditure		
Expenditure in Year	-	-
Income		
Donations	-	-
(Surplus)/Deficit in Year	-	-
Balance Brought Forward	(7,329)	(7,329)
Balance Carried Forward	(7,329)	(7,329)

Repairs and Renewals Reserve

<u>Description</u>	<u>Revised 2023/24</u> £	<u>Base 2024/25</u> £
Expenditure		
Payments in Year	190,000	-
Income		
Contributions in Year	-	(25,000)
Investment Interest	-	(500)
Total Income	-	-
(Surplus)/Deficit in Year	190,000	(25,500)
Balance Brought Forward	(196,939)	(6,399)
Balance Carried Forward	(6,399)	(31,899)

APPENDIX 3

DEVELOPMENTS 2024/25 AND BEYOND**2024/25 proposals**

Proposed Scheme	Estimated Costs* £	Funded by:
Upgrade to Media and Audio System	29,000	Revenue 100%
Installation of New Replacement Cremators and Associated Works	1,800,000	Jointly and equally funded by Broxtowe and Erewash Borough Councils
TOTAL DEVELOPMENTS	1,829,000	

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

The proposed **Upgrade to Media and Audio System** was agreed in principal at the meeting of the Bramcote Bereavement Services Joint Committee on 19 October 2023. The preferred option at £29,000 was for the replacement and upgrade of all hardware associated with current levels of media, audio and webcast systems in both chapels. Current chapel screens to be relocated in Serenity chapel waiting area. Upgrade to webcast tribute switching, improving customer experience and bring it up to end user expectation. Lectern touch remote system enhancing celebrant and minister interaction within any service.

Members will be aware of the proposed major capital project for the **Installation of New Replacement Cremators and Associated Works** at £1.8m in the capital programme in 2024/25. The overall cost will be subject to tender, but this is expected to be a significant capital investment. The new cremators will be jointly and equally funded by Broxtowe and Erewash Borough Councils. It is anticipated that 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.

2026/27 proposals

Schemes to be brought forward later in the year as part of the 2026/27 budget process.

APPENDIX 4

Summary Of Charges – Bramcote Bereavement Services

	Approved Charges 2023/24 £	Proposed Charges 2024/25 £
<u>Part 1: Cremation Fee</u>		
To include Cremation Fee; Medical Referee's Fee; Use of Music Facilities; and Scattering of Cremated Remains (Monday to Friday)	895*	925
<u>For the cremation of the body of:</u>		
A person aged 18 years and over	895*	925
A person below the age of 18 years *No charge to the family - fee of £240 claimed from Children's Fund	Nil	Nil*
School of Anatomy cadaver	575*	575
Body Part	55*	55
Direct Cremation (Unattended)	470*	490
Direct Cremation (Attended)	580*	600
Committal Service	895*	925
Saturday Service (prices combined to make it easier to understand)	1,205*	1,235
<i>Note * Agreed charges from 1 January 2024</i>		
<u>Part 2: Urns and Caskets</u>		
Urns	POA	POA
Caskets	POA	POA
Bio Box	6	6
Polytainers	6	6
Donation Box	4	4
<u>Part 3: Miscellaneous Fees and Charges</u>		
Extended Service Fee	295*	295
Witness Charge	85*	85
Non cancellation fee (administration charge)	95*	100
Use of chapel for memorial service (in the week)	295*	295
Use of chapel for memorial service (at a weekend)	410*	410
Sunrise Service (09:00 Serenity Chapel only)	700*	730
Add'n charge for weekend-scattering	30*	30
Scattering of remains from another Crematoria	80*	80
Temporary deposit per month (first month free)	40*	40
<i>Note * Agreed charges from 1 January 2024</i>		

	Approved Charges 2023/24 £	Proposed Charges 2024/25 £
<u>Part 4: Wesley Media Visual Tributes</u>		
Single Still Image	21	23
Slideshow – max 25 images, no music	43	47
For every additional 25 images	25	28
Slide Show - max 25 images with music	84	92
For every additional 25 images	25	28
Family Supplied Video File (Part of a Slideshow)	29	32
Family Supplied Video File (Not part of a Slideshow)	39	43
Downloadable Link of Visual Tribute only	19	21
DVD or USB of Visual Tribute only	29	32
<u>Wesley Media Recording of Service</u>		
Downloadable Video File Link	39	43
Downloadable Video File Link Including Visual Tribute	51	56
DVD or USB of Service Recording	68	75
DVD or USB of Service Recording Including Visual Tribute	73	80
Additional DVDs or USBs of Service Recording	29	32
<u>Wesley Media Webcast</u>		
Webcast of service (7 days on demand)	60	65
DVD or USB of Webcast	68	75
DVD or USB of Webcast Including Visual Tribute	73	80
Additional DVDs or USBs of Webcast	29	32
<u>Wesley Media Visual Tributes – Urgent Services</u>		
Prices for Visual Tributes - Requests made after the 48-hour cut-off are subject to an additional fee of £76.00	84	92
Administration Fee	15	15
<u>Part 5: Memorials and Inscriptions</u>		
<u>Entries in Book of Remembrance (including VAT)</u>		
For each 2 line entry	85	93
For each 5 line entry	138	151
For each 5 line entry & motif	215	235
For each 8 line entry	222	243

	Approved Charges 2023/24 £	Proposed Charges 2024/25 £
For each 8 line entry & motif	299	326
<u>Digital Display (including VAT)</u>		
Additional swipe card	7	8
Extra page (each)	62	68
<u>Miniature Books (including VAT)</u>		
For each 2 line entry	116	127
For each 5 line entry	140	153
For each 5 line entry & motif	216	236
For each 8 line entry	197	215
For each 8 line entry & motif	274	299
<u>Memorial Plaques (including VAT)</u>		
Wall Plaque - 10 Years Lease	594	648
Wall Plaque plus metal posy vase	704	768
Wall Plaque Renewal (10 Years)	358	391
Bench Plaque - 10 Years Lease	595	649
Bench Renewal (10 Years)	358	391
Rose Plaque - 5 Years Lease	594	648
Rose Plaque Renewal (5 Years)	213	233
Rose Plaque Renewal (10 Years)	358	391
Replacement Wall or Rose or Bench Plaque	139	152
Barbican Plaque - 10 Years Lease	584	637
Barbican Renewal (10 years)	351	383
Barbican Plaque - Replacement	POA	POA
Reflection Garden Wall Plaque - 5 Years Lease	182	199
Reflection Garden Wall Plaque - Motif	31	34
Reflection Garden Wall Plaque - Replacement	75	82
Reflection Garden Wall Plaque Renewal (5 years)	101	111
Book Room Wall Heart Plaque - 5 Years Lease	237	259
Book Room Wall Heart Plaque - Motif	31	34

	Approved Charges 2023/24 £	Proposed Charges 2024/25 £
Book Room Wall Heart Plaque - Replacement	75	82
Book Room Wall Heart Plaque Renewal (5 years)	101	111
Mulberry Tree Plaque - 5 Years Lease	182	199
Mulberry Tree Plaque - Motif	31	34
Mulberry Tree Plaque - Replacement	75	82
Mulberry Tree Plaque Renewal (5 years)	101	111
New/Upgrade memorial (Granite plaques)	121	132
<u>Columbarium Charges (including VAT)</u>		
• <u>Level A (top)</u>		
5 year lease	948	1,034
10 year lease	1,422	1,551
25 year lease	2,255	2,459
• <u>Level B</u>		
5 year lease	946	1,032
10 year lease	1,419	1,547
25 year lease	2,255	2,459
• <u>Level C</u>		
5 year lease	857	935
10 year lease	1,274	1,389
25 year lease	2,030	2,213
• <u>Level D</u>		
5 year lease	756	825
10 year lease	1,128	1,230
25 year lease	1,804	1,967
5 year renewal (80% of current lease fee)	See note	See note
10 year renewal (80% of current lease fee)	See note	See note
First 80 letters on plaque	Included	Included
Additional letters (beyond first 80)	2.50	3
Photo on plaque (7"x5")	135	148
Metal flower container	53	58
Other plaque designs/various ash containers	POA	POA
<u>Children's Columbarium Charges (including VAT)</u>		

	Approved Charges 2023/24 £	Proposed Charges 2024/25 £
• <u>Level 1 (top)</u>		
Plaque & Ashes (25 Years)	750	818
Renewal	380	415
• <u>Level 2</u>		
Plaque & Ashes (25 Years)	750	818
Renewal	380	415
• <u>Level 3</u>		
Plaque & Ashes (25 Years)	750	818
Renewal	380	415
• <u>Level 4</u>		
Plaque & Ashes (25 Years)	750	818
Renewal	380	415
• <u>Level 5</u>		
Plaque & Ashes (25 Years)	750	818
Renewal	380	415
<u>Granite Mushroom Plaques (including VAT)</u>		
10 Year Lease	220	240
10 Year Renewal	110	120
<u>Part 6: Private Graves</u>		
Transfer of grave rights (simple)	43	47
Transfer of grave rights (complex)	69	76
Exhumation of Ashes	236	258
Renewal of lease for 99 years	360	393
<u>Part 7: Digital Remembrance Online Page</u>		
Digital Online Remembrance Page - Child under 18	21	25
Digital Online Remembrance Page - Adults	46	50