

Agenda



Greater Gwent Cremation Joint Committee

Date: Wednesday, 12 June 2019

Time: 2.00 pm

Venue: Committee Room 4 - Civic Centre

To: Councillors R Clark (Chair), Evans, D Davies, R Jeavons, Jones, Williams, Simmonds, Taylor and Tom

Item	Wards Affected
1	<u>Appointment of Chairman</u> To appoint a new Chair for 2019/2020 from Newport City Council in accordance with the rota of authorities.
2	<u>Appointment of Deputy Chairman</u> To appoint a new Deputy Chair for 2019/2020 from Caerphilly Borough Council in accordance with the rota of authorities.
3	<u>Apologies for Absence</u>
4	<u>Declarations of Interest</u>
5	<u>Minutes of the Previous Meeting</u> (Pages 3 - 4)
6	<u>Draft Accounts Report 2018/19</u> (Pages 5 - 10)
7	<u>Facilities Management</u> To receive an oral update from the Newport Norse representative
8	<u>Funeral Director's Report</u> To consider any issues raised by local Funeral Directors
9	<u>Manager's Report</u> (Pages 11 - 12)
10	<u>Date of Next Meeting - 11th September 2019 at 2pm in Committee Room 4</u>

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Minutes



Greater Gwent Cremation Joint Committee

Date: 12 December 2018

Time: 2.00 pm

Present: Councillors R Jeavons, P Edwards, B Jones, J Simmonds and J Taylor
Gareth Price (Head of Law & Regulation), Joanne Hazelwood, Paul Dundon (Superintendent Registrar) and Joanne Gossage (Green Services Manager)

Apologies: Councillors S Evans, D Davies, L Parsons, K Williams and S Tom

1 Apologies for Absence

Councillor Stephen Evans, Councillor Lee Parsons, Councillor Deb Davies, Councillor Richard Clark, Stephen Tom, Assoc of Funeral Directors

2 Declarations of Interest

None received.

3 Minutes of the Previous Meeting

The Minutes of the meeting of 24th September were accepted as a true record.

4 MTRP Budget Proposal - 2019/20 to 2022/23 and Budget Monitoring Report

The MTRP Budget Proposal for 2019/20 to 2022/23 and the Budget Monitoring Report was discussed jointly as they were both linked.

The Streetscene Services Manager presented a business case for an increase in the cremation fees in order to generate additional income. This proposal had been identified by Newport as part of its Medium Term Revenue Plan and was recommending a fee increase of 12.5% in order to generate a further distribution for Newport of £55k. The Head of Finance and the Finance Business Partner presented a fees and charges report which set out a range of possible increases and comparison figures were provided for other public and private crematoria, both locally and nationally. In order to deliver Newport's MTRP Budget Proposal and to obtain an additional £55k distribution from Gwent Crematorium in 2019/20 a 12.5% fee increase was required, which would increase the standard cremation fee from £684 to £769.50. Each council's apportioned share of the increased distribution was also identified, based on this level of fee increase and current levels of cremations..

Resolved

That the draft budget estimates for 19/20 be agreed.

5 Fee Increase Report for 19/20 - Report to Follow

Resolved

That the cremation fees be increased by 12.5% as from 1st April 2019. If any additional distribution is achieved and cremation numbers remain the same, it will be distributed to constituent authorities (as per the fee increase report). The estimates presented in the 2019/20 report were approved based on the 12.5% fee increase figures.

6 **Estimates 19/20 - Report to Follow**

The Head of Finance and the Finance Business Partner presented the Estimates for 19/20, showing the draft budget for the Crematorium for the next financial year. This assumed a level of distribution based on the increased fee levels and current numbers of cremations.

7 **Facilities Management**

The Norse representative informed the Committee the roof to the lodge garage needs replacing and is programmed to start on 7th January 2019.

There is some loose render by the flower area which we had to hack off in order to make safe however, we need a dry weekend in order to re-render this. The car park lining and repairs to the gate have been completed.

Resolved

That the Facilities management report be accepted.

8 **Managers Report - December 2018**

The Superintendent Registrar reported that numbers are continuing to decrease by 40 cremations per month.

It was reported they recently had Environmental Health from Torfaen carry out their annual health inspection and was pleased to report everything was good.

The Chair stated how pleased he was to read the glowing report from the Wales Audit Office after their Annual Inspection of Gwent Crematorium and asked Paul Dundon to pass on his congratulations to all staff for their hard work.

Resolved

That the Manager's report be accepted.

9 **Dates for 2019**

The following dates were approved at Council for 2019.

The meetings will take place in Room 4 at 2pm

13th March

12th June

11th September

4th December



Report

Greater Gwent Crematorium Joint Committee

Part 1

Date: Wednesday 12th June 2019

Item No: TBA

Subject Gwent Crematorium Draft Accounts 2018/19

Purpose This report confirms and explains the Committee's financial position for the year ending 31 March 2019

Author Joanne Hazlewood

Ward General

Summary The revenue budget has been managed well, and the outturn shows a surplus of £123,786, after the budgeted distribution, which has increased the reserves.

Proposal That Committee:

1. Note the out-turn position, which is subject to audit, and the variances for the year;
2. Note the level of the Committee's accumulated reserves and the HoF recommendation that these are retained for the reasons shown in the report;
3. Note the areas of budget pressures, and the actions currently in place to manage these.
4. Recommend payment of the budgeted income distribution in two tranches from 2019/20 with a small balance retained for payment at or after year-end closure to confirm availability of surpluses to pay the budgeted amount.

Action by Head of Finance

Timetable Immediate, to meet publication deadline for 2018/19 accounts

This report was prepared after consultation with:

Head of Finance
Accountancy Staff
Budget Holder

Signed

Overview

The financial summary of the outturn against budget and forecast is shown below:

	FY Budget	Forecasted Outturn	Actual Outturn	Variance to Forecast
Total INCOME	(1,675,639)	(1,639,679)	(1,777,034)	(137,355)
Employees	283,705	312,116	309,549	(2,567)
Premises	297,582	332,013	409,186	77,173
Transport	2,000	598	308	(290)
Supplies & Services	201,931	145,287	131,044	(14,243)
Capital Financing	110,000	53,161	53,161	0
Total EXPENDITURE	895,218	843,175	903,248	60,073
(SURPLUS) / DEFICIT	(780,421)	(796,504)	(873,786)	(77,282)
Less Budgeted Distribution		750,000	750,000	
Additional Surplus to increase balances		(46,504)	(123,786)	

The outturn position for expenditure, follows the same pattern of over and under spending, in areas established early on in the financial year.

The overspend in premises has increased since the January forecast, as has the expenditure overall for the year. Looking at the analysis of the top 5 supplier increases, the issues are within repairs/maintenance, both for cremators and buildings, which is consistent with the nature of the business.

Supplier	2017/18	2018/19	Increase	
FACULTATIEVE TECHNOLOGIES	49,240.92	123,591.54	74,350.62	Cremator Maintenance/Repairs
NEWPORT NORSE LIMITED	29,286.29	66,151.65	36,865.36	Building Maintenance/Repairs
TORFAEN CBC	101,796.00	104,856.00	3,060.00	Rates
EXOVA (UK) LTD		3,145.00	3,145.00	Emissions Monitoring
EDF ENERGY LTD	27,232.03	30,004.98	2,772.95	Electricity

Income levels increased unexpectedly in the final quarter of the year, and the outturn was only a 9% loss of income in that quarter, compared to an average of 19% in the previous quarters.

	2017/18	2018/19	Variance	% loss of income
APRIL	183,428	151,095	32,333	
MAY	168,257	186,664	(18,407)	
JUNE	221,837	157,670	64,167	
QUARTER 1	573,522	495,429	78,093	14%
JULY	157,542	120,225	37,317	
AUGUST	153,206	159,886	(6,680)	
SEPTEMBER	170,349	114,567	55,782	
QUARTER 2	481,097	394,678	86,419	18%
OCTOBER	161,290	124,573	36,717	
NOVEMBER	197,814	146,294	51,520	
DECEMBER	201,259	144,694	56,565	
QUARTER 3	560,363	415,561	144,802	26%
JANUARY	124,649	125,895	(1,246)	
FEBRUARY	165,363	182,248	(16,885)	
MARCH	230,344	163,299	67,045	
QUARTER 4	520,356	471,442	48,914	9%
	2,135,338	1,777,110	358,228	17%

19% average loss of income

2019/20 impact

Whilst the outturn is positive for the Committee's finances overall for the year-end 2018/19, it is important to reflect on this, and assess what this might mean for the current year 2019/20 and beyond. Key observations and issues include:

General budget

Budget provision has funded the main demand areas, at current activity levels, and if costs do not increase further, the budgeted surplus and subsequent distribution should be achieved in future years, though the position is tight. That said, this is predicted on demand stabilising from this point, and gaining a greater understanding of repairs/maintenance costs, to ensure spending remains within existing budget provision.

Use of reserves

During the financial year 2018/19, the Committee approved an additional distribution, to reduce balances, Balances carried forward into 2019/20 are £1.2 million. Key considerations now include:

- Budgeted distribution is currently very close to the annual surplus generated, and therefore to maintain this position, there is little flexibility in income/expenditure levels.

- The Council's on-going reliance on receiving the budgeted distribution, and having confidence in continuing to receive this, consistently
- As always, funds required to deal with any unforeseen, significant maintenance issues

As financial austerity continues, it becomes even more important that the Committee considers and uses financial reserves to both protect its financial health and enabling its ambitions and priorities. Distributions have always been agreed and paid prior to year-end, based on the forecasted outturn position. Considering the issues highlighted above, it is recommended that the Committee retain the current reserve level, to provide some mitigation for unforeseen costs, or any further reduction in income, and therefore protect Council's income distribution in going forward in the short term. Whilst this should enable Council's to have confidence in receiving their income distribution in the short term, given the worsening financial position compared to previous year's, it is also recommended that the Committee retains a small percentage of the budgeted distribution until close to, or after the year end, to confirm availability of funds to pay the full distribution.

Comments of Chief Financial Officer

The 2018/19 financial year was a departure from previous year, as the service has always exceeded its budgeted targets comfortably, with reserves growing. The surplus in 2018/19 was close to that required to pay out the expected surpluses to the Gwent Councils. It seems that the trading environment for this service is still subject to some uncertainty.

Therefore, it is recommended that the current reserves are held to protect future payments in the short term, and whilst the service stabilises.

Comments of Monitoring Officer

There are no legal issues arising from this Report, which sets out the budget outturn figures for 18/19 and the accumulated reserves. The final figures show an additional surplus of £123k for the year, after the agreed distribution, which has increased the available reserves.

Wellbeing of Future Generations (Wales) Act 2015

Wellbeing of Future Generations (Wales) Act 2015 forms an integral part of the financial management of the Council. Analysis and review of reserves are an important aspect on the future generations, and the Head of Finance reviews and assesses the robustness and adequacy of these reserves, as part of this outturn report.

Dated:

The annual return for 2018/19 has been completed, in line with the statutory deadline of 30 June 2019, so is now subject to audit, and approval by Committee. The return shows the balances being carried forward into 2019/20 are £1,236,346. The audited version of the return will be presented to the Committee on the 11 September 2019.

	Year ending		Notes and guidance for compilers
	31 March 2018 (£)	31 March 2019 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	1,914,828	2,512,485	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	2,135,336	1,777,108	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	297,852	309,549	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg. termination costs.
5. (-) Loan interest/capital repayments	5,000	5,000	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	1,234,827	2,738,698	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	2,512,485	1,236,346	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors and stock balances	168	1,419	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	2,538,179	1,675,672	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	25,862	440,746	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	2,512,485	1,236,346	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	2,307,326	2,307,326	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	531,605	478,445	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

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Manager's Report

Statistics

Website

In the past 28 days to date, there have been approximately 13000 views of the crematorium web pages.

MEMORIAL SALES

MONTH	VASE BLOCKS	SANCTUM 12	LEASE RENEWALS
Dec 2018	0	0	1
Jan 2019	3	2	2
Feb 2019	3	2	8
Mar 2019	5	5	6
Apr 2019	6	1	3
May 2019	3	3	3

CREMATIONS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Jan	233	246	268	240	262	278	220*	254	278	254	283	298	279
Feb	211	254	258	243	262	254	200*	268	256	226	262	227	239
Mar	204	230	299	277	287	241	267	279	249	235	253	218	250
Apr	178	237	229	268	245	222	268	237	193	229	222	246	227
May	195	219	266	266	230	234	274	270	232	198	204	236	224
Jun		164	260	264	241	239	218	193*	232	235	206	201	224
Jul		186	219	211	237	257	211	175*	204	208	205	206	247
Aug		176	236	244	187	206	183	168*	241	198	191	223	220
Sep		173	228	228	232	204	194	158*	221	218	204	210	211
Oct		193	240	224	225	243	234	186*	233	232	225	251	241
Nov		190	251	239	249	222	226	176*	220	219	212	200	225
Dec		166	191	244	266	248	200	182*	234	227	238	234	207
	1021	2434	2945	2948	2913	2848	2695	2546*	2793	2679	2705	2750	2794

**Figures marked with an asterisk are at times with reduced service provision due to the installation of mercury abatement plant.*

The cremation totals for the first 5 months of the calendar year are 165 lower than in 2018. Whilst there are clear revenue implications, the lead-in time for funerals is considerably lower, which has positive effects on the public perception of the service.

MAINTAINANCE

Works are taking place to replace the external flues from the cremators and to renew lagging on the flues. This is major work, which necessitates taking two cremators at a time out of use. The work has been planned at a time which should create minimal disruption to services. The works are scheduled to be complete by 28th June. Until then, the crematorium will be operating on reduced capacity.

EASTER OPENING HOURS

Following adverse comments from one of the crematorium's users, I would ask the committee to consider the weekend opening hours of the crematorium.

Current opening hours

Grounds: 24 hours a day, every day of the year.

Office, chapel, book room: Monday-Friday 9.30am-4.30pm

Saturday, Sunday & National Holidays 1.30pm - 4.30pm

Mothers' Day, Fathers' Day & Palm Sunday (Flowering Sunday) 9.30am-4.30pm

These times are displayed within the crematorium grounds, on the website, and on the Google information page for the facility.

The client was upset that the buildings were not open in the mornings over the Easter and Christmas periods. He had arranged a family gathering to view the book of remembrance, but was unable to see the book due to the opening hours.

The times of opening in current use reflect demand, and no other request has been made to alter the opening hours in the past fifteen years or so.

At Christmas time, the peak in visitor numbers comes in the fortnight prior to Christmas day, when visitors bring wreaths. Because the grounds are open 24 hours a day, this does not require any changes in our normal operation.

The peak in visitor numbers at Easter comes on Palm Sunday, which is commonly referred to locally as "flowering Sunday", when it is customary to visit family graves. On Palm Sunday, the opening hours are already extended.

Recommendation

That the current opening hours are left unchanged.