

# Report



## Greater Gwent Crematorium Joint Committee

### Part 1

Date: Wednesday 15<sup>th</sup> January 2025

**Subject** Budget Proposals and Review of Fees for 2025-26

**Purpose** To present the draft budget proposals for 2025-26, and consider fee setting.

**Author** Head of Finance

**Ward** General

**Summary** To review and consider the budget proposals for 2025-26.

Appendix:

Appendix 1 Fees for consultation 2025-26  
Appendix 2 Draft budget proposals 2025-26  
Appendix 3 Distribution summary

**Proposal** **Members are asked to:**  
**Agree no fee increase for 2025-26, and a reduced fee of £325 for direct cremations, as detailed in the report on page 4. Approve the resulting budget proposals for 2025-26, noting the supporting information, detailed in the report on pages 3-5**

**Agree a distribution of £450,000 for the financial year 2024-25, requiring an anticipated c£10k drawdown from reserves**

**Action by** Head of Finance

**Timetable**

1. Any fee increases would be implemented from 01 April 2025
2. Draft budget proposals, fees and charges and distribution level to be agreed for 2025-26.

This report was prepared after consultation with:

- Head of Finance
- Service Manager for Environment and Leisure
- Bereavement Services Manager
- Head of Law and Standards
- Head of People, Policy and Transformation

## Signed

### Background

It is necessary for the Joint Committee to set the budget for the 2025-26 financial year. Fee options are detailed within this report, along with the draft budget proposals for 2025-26, which show a planned surplus of £351,682, prior to any distribution, or fee increase

### Financial Summary 2024-25

At the September meeting, we reported the detailed financial position as at 31 August, along with explanations for variances to budget. We have now revised the figures to 20 December, as shown in summary below

	<b>FY Budget 24/25</b>	<b>Actual to 20 Dec</b>	<b>Forecast 24/25</b>	<b>Variance to Budget</b>
<b>Total INCOME</b>	<b>(1,674,830)</b>	<b>(978,592)</b>	<b>(1,512,445)</b>	<b>162,385</b>
<b>Employees</b>	329,585	296,765	394,509	64,924
<b>Premises</b>	445,327	145,065	390,842	(54,485)
<b>Contribution to Repairs and Renewals Fund</b>	100,000	0	100,000	0
<b>Transport</b>	500	0	0	(500)
<b>Supplies &amp; Services</b>	162,921	170,704	186,347	23,426
<b>Capital Financing</b>	67,722	0	0	(67,722)
<b>Total EXPENDITURE</b>	<b>1,106,055</b>	<b>612,534</b>	<b>1,071,698</b>	<b>(34,357)</b>
<b>(SURPLUS) / DEFICIT</b>	<b>(568,775)</b>	<b>(366,058)</b>	<b>(440,747)</b>	<b>128,028</b>
<b>Less Suggested Distribution</b>	<b>450,000</b>		<b>450,000</b>	
<b>(Increase)/Decrease to Balances</b>	<b>(118,775)</b>		<b>9,253</b>	

### Potential impact on Reserves at 31<sup>st</sup> March 2025

Reserves b/f £812,825	<b>931,600</b>		<b>803,572</b>	
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**Income** - the position as at the end of December, is showing an out-turn forecast of £162k less income than budgeted. When the budget was set, it was based on cremation numbers of 1614, which included all cremations, and not just adult cremations. The table below highlights the projected cremation numbers for 24/25, which is consistent with last years adult cremations, so when considering the budget setting, it is recommended that the income levels should be aligned to the latest forecast.

Cremation numbers:	23/24 Actual	Full Cremations 24/25	Variance
Apr	116	124	8
May	103	122	19
Jun	121	119	-2
Jul	110	109	-1
Aug	120	113	-7
Sep	111	107	-4
Oct	102	115	13
Nov	132	121	-11
Dec	105	119	14
Jan	129	131	2
Feb	141	119	-22
Mar	130	125	-5
	<b>1,420</b>	<b>1,424</b>	<b>4</b>

**Employees** – the overspend is due to the agency cover required to cover the manager post. This vacancy has now been filled, along with all other vacancies.

**Premises** - the saving is due to the reduction on the rateable value by the Valuation Office Agency

**Supplies & Services** – the overspend is due to the planned purchase of burial memorials, which due to their nature, are ordered in bulk, when required.

The budget agreed for 2024-25 presumed £569k surplus, and was sufficient to provide a dividend of £450k for Gwent partners, without using reserve balances. The current projections of £440k surplus, indicate that a £450k distribution would still be achievable without requiring a significant draw from reserves.

### **2025-26 Budget**

An incremental budget setting approach has been adopted reviewing the traditional budget levels for staff and running costs, and factoring in income levels more akin with expectation. Income levels are based on no fee increase and 1424 cremations, which is a reduction, compared to the 1614 used for budget setting in 24-25. These figures have been prepared in conjunction with service colleagues.

The 2025-26 draft budget indicates a net surplus of £352k, a decrease of £217k on 2024-25 levels, with service savings/pressures being explained in more detail below.

The following inflationary factors have been applied, when preparing the draft budget proposals:

Pay = 3%  
Refuse Collection = 8.2%  
Rates = 4%  
Water = 3%  
Rent income = 4%

**Premises** - as reported when the Committee approved the Cremator replacement works, there is expected to be savings in both gas usage and cremators repairs and maintenance costs, however these will not be realised until the new cremator is up and running later in the year. The full impact of this benefit will be mainly realised and shown in the 2026-27 budget.

The manager's report will detail plans for a proposed new memorial garden and infant memorial garden. Any potential impact on revenue, would be in capital financing costs, and would take effect in 2026-27, but the Committee will be updated after receiving final quotations. The budget being presented today does not have any provision for this.

**Supplies & Services** – the Service Manager has highlighted some services that will need reviewing within the next financial year. The music and media supplier, as the contract with Wesley Media is due to end on 22<sup>nd</sup> March 2025. Having contacted other suppliers, Obitus provide similar services to Wesley Media, are more user friendly, and also capable of offering a more diverse and professional choice to bereaved families in terms of in-service tributes and after service keepsakes. They have provided a quote, which includes:

- one-off cost for installation of software/hardware of £10,477
- yearly subscription cost of £10,600 for providing music, streaming, tributes, hymn lyrics, touch screen controller, tribute switching.

These are all fee generating items which will cover the yearly subscription, and have the potential to increase revenue further.

Also the current software used at Gwent Crematorium is outdated, and as Plotbox software has been adopted by the cemeteries at Newport City Council, they would be the preferred software provider. The proposal is estimated at:

- Installation, training and updating the system including creating drone imagery and interactive mapping of all memorials on site £34,095
- Annual support fee including running the online booking portal for Funeral Directors is £8,620.00

Provision has been made for the one-off installation costs, for the music/media services, and software provision, in the budget for 2025-26

**Income** – cremation numbers have stabilised and income levels can be projected more accurately, however aligning the budget to adult cremation numbers, and being mindful of the disruption to service provision, due to the necessary roof replacement, and the planned cremator replacement works, the income levels have been adjusted for budget setting, to £137k lower than 24-25.

By maintaining our current adult cremation fee of £930, we would be lower than our nearest competitors, Langstone Vale, operated by the Westerleigh group, who currently have a tiered pricing structure based on service time, with the most popular times being priced at £1,030

Direct Cremations which are non-attended services, held at the chapel, provide a low-cost funeral option for families. They are currently priced at £459, however because of their increasing popularity with families, it is felt there is a need to provide competitive options so that they can utilise Gwent Crematorium, where these services are their preferred option. We are experiencing local Funeral Directors going past our crematorium and travelling further afield to other crematoria to carry out these services, as we are currently much more expensive. We recommend matching price on the Direct Cremations with our neighbouring crematoria currently set at £325, while we feel Direct Attended Cremation services, held at 8:30, 9:00 or 9:30 should be priced at £450. We would remain flexible in the times that these services take place and manage schedules to aid families and Funeral Directors, although they usually take place at the beginning or end of the day.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Budgeted income level is unachievable if repairs affect service provision/cremation numbers	H	H	Consider reducing the budgeted income level	Head of Finance
Refurbishment work costs increase substantially	H	H	Consider options for funding the refurbishment works to minimise the pressure on the annual revenue budget	Head of Finance

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

The overall aim of the budget proposals is to ensure the on-going delivery of the Cremation service whilst also providing an income source to Gwent Councils.

## Options Available and considered

There are options available for consideration, for fees, distribution to constituent authorities and reserve levels

All the following assumptions are based on cremation numbers of 1,424 projected for 2025-26

### Fees – 2025-26 budget

- a) Maintaining the current fee structure would not generate additional income, but would ensure we remain below the average of our closest competitors
- b) A 4% fee increase, in line with inflation, would increase the adult cremation fee from £930 to £967, and could result in total additional income of £52,688.

- c) Reducing the Non-Attended Direct Cremation fee from £459 to £325, would ensure that we are providing competitive options for families to utilise Gwent Crematorium. There have been 64 direct cremations in the period April-December, so if projected for the full year, the £134 fee reduction would have a potential projected impact of £11,390 loss of income, however, this report has detailed that we are currently losing business to other crematoria, so by reducing the fee, we will attract more direct cremations, which will offset the loss.

### **Distribution 2024-25**

Projections for 2024-25 are indicating a surplus of £440k prior to any distribution. Reserve balances are £812,825

If final out-turn is as projected, a distribution of £450k would require a minimal draw from reserves of £9k, reducing the balance at year end to £802k

### **Reserves**

Reserve balances are currently £812,825, and with the projected surplus, prior to distribution, could increase the balances to £1.2m

## **Preferred Option and Why**

### **Fees**

- a) Following a 10% increase for 2024/25 to £930, it is recommended that fee levels are now frozen.
- b) Reduce Non-Attended Direct Cremation fee from £459 to £325
- c) Reduce Attended Direct Cremation fee from £459 to £450

### **Distribution**

It is recommended that the Committee agree a distribution of £450,000 for 2024-25, with any shortfall to be taken from reserves. This would ensure the Committee retains reserves of £800k which would be sufficient as a risk mitigation against unanticipated cost volatility.

The distribution for 2025-26 would likely have to be reduced in line with the lower surpluses being made/budgeted. This will be agreed later in the year, but it is pertinent that the Committee is made aware of the impact of the new budget and fee decision, on the ability to make/maintain a distribution to constituent authorities.

## **Comments of Chief Financial Officer**

The report makes the recommendation to maintain the 2024-25 distribution at the historical budgeted level of £450k. This is projected to require c£10k of reserves to achieve, and in the context of reserve levels, is affordable.

The budget for 2025-26 reflects the changes being made to the services provided and also the recommendation to maintain fees at current levels. It is for the Committee to review and agree this, but the lower fee levels have a 'cost' associated with them, alongside lower number of cremations suggested as achievable for the budget, will impact on the distribution levels going forward. It will have a financial impact on all constituent authorities.

### **Comments of Monitoring Officer**

There are no legal matters arising from this report

### **Comments of Service Manager for Environment and Leisure**

### **Comments of Head of People, Policy and Transformation**

The Wellbeing of Future Generations Act requires the Council to apply sustainable development principles in its undertakings and this also relates to setting the budget for 2025/26, on behalf of the Joint Committee. The report considers the options for fees and reserves distribution and seeks to balance financial sustainability with cost volatility and commercial competitiveness.

There are no direct human resources implications.

### **Comments of Cabinet Member**

### **Scrutiny Committees**

n/a

### **Equalities Impact Assessment and the Equalities Act 2010**

n/a

### **Children and Families (Wales) Measure**

n/a

### **Wellbeing of Future Generations (Wales) Act 2015**

In preparing this report, the Wellbeing of Future Generations (Wales) Act 2015 has been considered by balancing short-term needs with the need to safeguard the ability to also meet long term needs. We are considering options to provide a service which will allow us to withstand the competitive market, and meet our future wellbeing goals and objectives, and in doing so, understand the importance of involving

those with an interest in achieving them, and ensuring that those people reflect the diversity of those to whom we provide a service.

## **Crime and Disorder Act 1998**

n/a



## APPENDIX 1 – FEE REVIEW

### 1. FEES in 2024-25

The table below shows the current cremation fees

# Crematorium costs

The following is our costs for services effective from 1 April 2024.

Cremation fees	Cost
Cremation – adult (18 years old and over)	£930.00
Cremation – infant/child (less than one year old to 17 years old)	Free
Direct cremation – adult	£459.00
Memorial service	£386.00
Disposal of cremated remains from elsewhere / returned cremated remains	£92.00
Recording of service / webcast	£94.00
Single still image	£18.00
Family video file	£39.00
Slideshow (maximum of 25 images) no music	£39.00
Slideshow (maximum of 25 images) with music	£76.00
Additional 25 slideshow images	£21.00
Additional visual tribute ordered after Wesley Media 48 hour cut-off period	£75.00
Copy of cremation certificate	£11.00

## 2. CREMATION FEES for 2025-26

The following table shows the impact of various increases on the fees, based on the projected 25-26 cremation numbers of 1,424.

<b>% increase / decrease</b>	<b>Revised Fee</b>	<b>Impact on adult cremation fee</b>	<b>Impact on income levels</b>
0%	£930	£0	£0
4%	£967	£37	£52,688

**APPENDIX 2 - DRAFT BUDGET PROPOSALS 25-26**

	<b>FY Budget 24/25</b>	<b>Forecast 24/25</b>	<b>25/26 Draft Estimate based on no fee increase £930</b>	<b>25/26 Draft Estimate based on 4% inflationary increase £967</b>
<b>INCOME</b>	<b>(1,674,830)</b>	<b>(1,512,445)</b>	<b>(1,537,640)</b>	<b>(1,592,516)</b>
<b>Employees</b>	329,585	394,509	349,472	349,472
<b>Premises</b>	445,327	390,842	452,498	452,498
<b>Contribution to Repairs and Renewals Fund</b>	100,000	100,000	100,000	100,000
<b>Transport</b>	500	0	500	500
<b>Supplies &amp; Services</b>	162,921	186,347	213,133	213,133
<b>Capital Financing</b>	67,722	0	70,355	70,355
<b>EXPENDITURE</b>	<b>1,106,055</b>	<b>1,071,698</b>	<b>1,185,958</b>	<b>1,185,958</b>
<b>(SURPLUS) / DEFICIT</b>	<b>(568,775)</b>	<b>(440,747)</b>	<b>(351,682)</b>	<b>(406,558)</b>
<b>Less Suggested Distribution</b>	<b>450,000</b>	<b>450,000</b>		
<b>(Increase)/Decrease to Balances</b>	<b>(118,775)</b>	<b>9,253</b>		

**Potential impact on Reserves at 31<sup>st</sup> March 2025**

Reserves b/f £812,825	<b>931,600</b>	<b>803,572</b>		
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### APPENDIX 3 – DISTRIBUTION SUMMARY

	StatsWales Population <b>2021</b>	%	<b>450,000</b>
Blaenau Gwent	66,993	13.89	62,489
Caerphilly (Islwyn only)	70,136	14.54	65,421
Monmouthshire	93,194	19.32	86,929
Newport	159,658	33.09	148,924
Torfaen	92,453	19.16	86,237
<b>TOTAL</b>	<b>482,434</b>	<b>100.00</b>	<b>450,000</b>