

NORTH EAST SURREY CREMATORIUM BOARD**6th December, 2016****Estimates of Income and Expenditure for the Year Ending 31st March, 2018****Revenue**

1. The Board's estimates for 2016/17 and 2017/18 appear on the following pages, subject to the review of fees and charges. They are also subject to the approval of the Annual Budget shown at item A to the Treasurer's report, but the figures in that report have been included within these estimates.

Expenditure

2. The revised Total Expenditure for **2016/17** (line 20) is estimated to decrease by £26,130. This is partially as a result of the slippage of some maintenance items (Lines 3 + 4) to 2017/18. There is also a decrease in the amount payable to Wandsworth Borough Council for the management agreement which is explained in section A of this report.
3. Total expenditure for **2017/18** (line 20) is estimated to decrease by £24,820 compared with the 2016/17 original estimate. This is principally due to:-
 - (a) Line (3 + 4). Provision has been made in the 2017/17 estimates for the items totalling £102,700 mainly contained in the Appendix to the Surveyor's report elsewhere on this agenda. The corresponding total at this stage last year was £130,780, a decrease of £28,080.
 - (b) Line (6). Based on the provisional rating list for 2017 the rateable value of the Crematorium will increase from £130,000 to £143,600. The Valuation Office have provided an online calculator for businesses to estimate their 2017/18 business rates and based on that the budget for Business Rates has been increased by £4,590.

Income

4. When compared to the original estimate for 2016/17 for total income (line 40), the revised estimate is expected to decrease by £21,550 due to three main factors, the reduced number of cremations, the unavailability of cremated remains graves and an increase in the sales of granite niches as an alternative to cremated remains graves.
5. The estimate for 2017/18 is anticipated to increase by £28,520 due to a number of estimated demand changes.
6. Statistics reported elsewhere on the agenda indicate the number of cremations in 2016/17 has been lower than anticipated due to the works being undertaken at the Crematorium over the summer and autumn which reduced the number

of available service slots. It is anticipated that the final number of cremations in 2016/17 will be 1,760, but that 2017/18 levels will return to near the average for recent years at 1,800.

7. Memorial fee income has been less than originally anticipated, this is reflected in the revised estimates and is mainly due to the unavailability of cremated remains graves whilst the new site was being developed. Income from a variety of other memorials is steady for many types, but it is proposed to freeze prices for those that are not selling as well.
8. Changes in the estimates for other memorial income broadly reflect trends in memorial choices. This is an area that will need to be kept under review.

Capital

9. The Board has had a programme of several items of a capital nature. These are shown in lines 45 to 53. This includes the current estimate of the residual costs of replacing the cremators, this estimate includes the retention payment due to the main contractor and a new catafalque to take heavier coffins.
10. Other larger items include provision for refurbishing the external surfaces of the building, developing new cremated remains grave circles and developing a new area of the gardens for granite niches in 2016/17 and the resurfacing the pathways and driveway in 2017/18.
11. A new intruder alarm was installed in 2016/17 and an allowance is included to purchase a new music system in 2017/18, this purchase being deferred from 2016/17.
12. The effect of the capital programme in future years is included in the 10 year financial projection included in item D to the Treasurer's report.

Surplus for Year

13. The revised estimated surplus for 2016/17 (line 54) is £84,180, more than originally forecast due mainly to the postponement of the resurfacing works and the delay in the purchasing of the music system. There is a surplus of £274,130 forecast for 2017/18.

Balances

14. The Board's balances continue to be above that considered to be an adequate working balance in normal circumstances. This is due to the Board's significant planned commitments over the rest of this year and into next year. Balances are expected to return to normal levels over the next year and this is discussed further in Item D to the Treasurer's report.

Recommendation

15. The Board is recommended to approve the estimates and to authorise payments to be made within these approved estimates.

The Town Hall,
Wandsworth High Street,
London, SW18 2PU
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J M Stevenson
Treasurer to the Board

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