

D**NORTH EAST SURREY CREMATORIUM BOARD****6th December 2016****Distribution of Surplus Balances to Constituent Authorities for 2016/17****Background**

1. As approved by the Board in the Business Plan, as part of its medium term financial strategy, surplus balances in excess of a reasonable working balance (£100,000 at that time) and allowing for foreseeable developments, would be distributed to the constituent authorities. Annual surpluses and corresponding distributions were to be seen as a normal consequence of the Board's operating at competitive levels of efficiency and pricing.
2. In consequence of this strategy, the Board has considered the distribution of balances each year, and distributed surplus balances to constituent authorities in recent years as follows: -

	£
2010/11	400,000
2011/12	400,000
2012/13	400,000
2013/14	200,000
2014/15	-
2015/16	100,000

Considerations

3. The Board must have due regard to its needs in the medium term, and maintaining a suitable working balance, but there is no need to retain surplus balances.
4. The Board's facilities have undergone significant developments in the last few years, funded from balances and will continue to do so over the next year. The latest ten year financial projection (attached) reflects revised cash flows for the Board's plans, including the resurfacing the driveway and pathways and re-roofing the cloister walkway.
5. It is therefore appropriate to consider the Board's requirement for balances, having due regard both to these commitments, and allowing a suitable balance for uncertainties. The working balance had been allowed to significantly increase over the previous years to accommodate the replacement of cremators and other works which are now nearing completion.
6. The ten year revenue projection shown in the attached Appendix, includes the effects of the estimates and charges review reported elsewhere on this agenda, together with provision for both capital and revenue items identified by the Surveyor.

7. No provision has been included for any further real terms increases in cremation or memorial fees, although there maybe scope to do this in future. However, due regard must be had for the demand for memorials.
8. Based on this ten year projection and allowing for the capital programme, the Board is able to distribute more of its balances in the current year than originally anticipated, reflecting the delivery of the replacement cremator project within the budget allowed in the capital programme budget.
9. The surplus balances and the shares that would be distributed to each authority on the basis of their Council tax bases for 2016/17 are as follows:

	(Band D equivalent)	£
Merton	71,327.0	119,930.97
Sutton	70,569.2	118,686.79
Wandsworth	<u>125,734.0</u>	<u>211,412.24</u>
	<u>267,630.2</u>	<u>450,000.00</u>

Recommendation: -

10. The Board is recommended to distribute £450,000 of its surplus balances in 2016/17

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Treasurer to the Board