

REPORT TO : GREATER GWENT CREMATORIUM JOINT COMMITTEE

DATE : 20 JANUARY 2016

PURPOSE : REVIEW OF FEES AND REVENUE ESTIMATES FOR 2016/17

1. Introduction

This report is intended to:

1. outline the draft revenue estimates for 2016/17. These are included in detail at Appendix A.
2. propose Cremation fee increases commencing on the 1 April 2016. Details of our proposals are included at Appendix B.

2. Revenue estimates 2016/17

The draft estimates for 2016/17 outlined at Appendix A show a planned surplus of £719,471. Key factors to note are:

- Employee costs reflect a 1% increase which applies to the local government sector.
- The only inflationary increases applied are:
 - a) Energy costs 5%
 - b) Rates 2%
 - c) Refuse collection 8.2%
 - d) I.T 2.5%
 - e) Insurances 2%

** No increase in cremation fees has been reflected in these figures, so further surpluses could be generated by an increase in fees.

3. Fee Increases 2016/17

Given the continuing financial challenges that local government is currently facing, we are recommending that the Committee considers increasing the Cremation fees to be more consistent with other Welsh authorities.

This will ensure that the Crematorium is on a firm financial footing going forward, and can continue to provide a reasonable distribution back to its member Authorities.

A number of options for fee increases are considered at Appendix B. Having considered the Cremation Society of Great Britain published statistics, we would recommend a fee increase of 10% at this time.

4. Accumulated Balances

As at 31 March 2015, the Committee held a balance in reserve of £1.63 million. The surplus to 31 March 2016 is currently estimated to be £855,000, taking the surplus back up to £2.48 million.

5. Recommendations

It is recommended that :-

- a) the estimates for 2016/17 are approved,
- b) crematorium fees are increased by 10%,
- c) a distribution of £750,000 be made, prior to the financial year end, retaining a sufficient level of reserves to cover any emergency works.

Mr Meirion Rushworth
Honorary Treasurer

GREATER GWENT CREMATION JOINT COMMITTEE

ESTIMATES 2016/17

	Estimate 2014/15 £	Estimate 2015/16 £	Estimate 2016/17 £
Expenditure			
Employees	272,672	275,387	278,127
Premises	298,649	277,642	284,067
Transport	13,134	3,134	3,134
Supplies & Services	167,824	176,559	177,028
Support Services	35,587	27,293	27,293
Mercury Abat.Capital Costs	110,000	110,000	110,000
Capital Financing	62,000	62,000	62,000
	<u>959,866</u>	<u>932,015</u>	<u>941,649</u>
Income	(1,449,120)	(1,599,120)	(1,599,120)
Operating (Surplus)/Deficit	<u>(489,254)</u>	<u>(667,105)</u>	<u>(657,471)</u>
Capital Charge Adjustment	(62,000)	(62,000)	(62,000)
(Surplus)/Deficit for year	<u>(551,254)</u>	<u>(729,105)</u>	<u>(719,471)</u>

APPENDIX B

REPORT TO : GREATER GWENT CREMATORIUM JOINT COMMITTEE

DATE : 20 JANUARY 2016

PURPOSE : TO REVIEW THE CREMATION FEES FOR 2016/17

1. INTRODUCTION

The Joint Committee received a report on the review of fees for 2015/16, in January 2015, and decided to implement an increase of 10% from 01 April 2015.

It is now necessary to review fees for the coming year in light of our recent review of fees elsewhere in the country. It is proposed that any increase in fees as a result of this report will be actioned from 01 April 2016.

2. FEES in 2015/16

The table below shows the current cremation fee in Gwent, in relation to our geographically nearest competitors.

	Basic adult Cremation fee*	TOTAL Crematorium Charges**
CARDIFF	515.00	515.00
GWENT	592.00	592.00
HEREFORD	603.00	603.00
ABERDARE	626.00	626.00
BRIDGEND	615.00	635.70
BARRY	665.00	715.00
PONTYPRIDD	626.00	724.00
FOREST OF DEAN	740.00	740.00
GLOUCESTER	680.00	756.00

* cremation fee, plus medical referee's fee and environmental surcharge

** cremation fee plus medical referee's fee, environmental surcharge, use of chapel, music (recorded), and scattering/strewing of cremated remains

In 2014/15 Gwent was the 17th busiest crematorium out of 273 nationwide, and the busiest single chapel crematorium. It was the busiest in Wales, carrying out 13.17% of the 21,628 cremations in Wales.

Only 45 crematoria have lower cremation fees than Gwent. 230 are higher.

The 6 lowest fees nationwide are:

London (City of)	Local Authority	£360.00
Belfast	Local Authority	£360.00
South West Middlesex	Local Authority	£490.00
Nottingham	Local Authority	£498.00
Greenock	Local Authority	£511.60
Cardiff	Local Authority	£515.00

and the 5 highest fees nationwide are:

Beckenham	Private	£900.00
Chichester	Private	£900.00
Crawley	Private	£900.00
Leatherhead	Private	£900.00
Nuneaton	Private	£900.00

3. FEES for 2016/17

The following table shows the impact of various increases in the fees, with the additional estimated income based on cremations of 2781

% increase	Revised Fee	Additional estimated income
3%	£610	£50,058
5%	£622	£83,430
10%	£651	£164,079
15%	£681	£247,509
20%	£710	£328,158

4. RECOMMENDATIONS

It is recommended that the Joint Committee considers increasing the cremation fees by 10%. This would ensure sufficient funding for the Committee to maintain its services going forward, and for a distribution to constituent authorities.

Meirion Rushworth
Honorary Treasurer