

2 June 2017

RUGBY AND DAVENTRY CREMATORIUM JOINT COMMITTEE – 14 JUNE 2017

A meeting of the Rugby and Daventry Crematorium Joint Committee will be held at 10.00am on Wednesday 14 June 2017 in Committee Room 2 at the Town Hall, Rugby.

Adam Norburn
Executive Director

A G E N D A PART 1 – PUBLIC BUSINESS

1. Appointment of Chairman – to appoint a Chairman of the Joint Committee for the 2017/18 municipal year (member of Daventry District Council).
2. Appointment of Vice-Chairman – to appoint a Vice-Chairman of the Joint Committee for the 2017/18 municipal year (member of Rugby Borough Council).
3. Minutes – to approve the minutes of the meeting held on 10th January 2017.
4. Apologies – to receive apologies for absence from the meeting.
5. Declarations of Interest.

To receive declarations of –

(a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their non-pecuniary interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a pecuniary interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of a County Council or any Parish Council is classed as a non-pecuniary interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.

6. 2016/17 Year-End Finance Report – report attached.
7. Operational Update – report to follow.
8. Funeral poverty – report attached.
9. Date of next meeting – please bring diaries to the meeting.

PART 2 – EXEMPT INFORMATION

There is no business involving exempt information to be transacted.

Any additional papers for this meeting can be accessed via the website.

The Reports of Officers (Ref. JCC 2017/18 – 1) are attached.

Membership of the Committee:

Councillors Mrs Parker and Ms Robbins (Rugby Borough Council)
Councillors Mrs Lomax and Robertson (Daventry District Council)

Officers:

Rob Back, Lisa Handy, Chris Blundell, Christine Fraser (Rugby Borough Council)
Simon Bowers, Julie Lewis, Rob Saunders (Daventry District Council)

If you have any general queries with regard to this agenda please contact Claire Waleczek, Senior Democratic Services Officer (01788 533524) or e-mail claire.waleczek@rugby.gov.uk. Any specific queries concerning reports should be directed to the listed contact officer.

If you wish to attend the meeting and have any special requirements for access please contact the Democratic Services Officer named above.

Rugby and Daventry Joint Crematorium Committee – 14th June 2017

2016/17 Year-End Finance Report

1. Introduction

This report sets out the 2016/17 financial year-end position for both revenue and capital for the Rainsbrook Crematorium, including an explanation of key variances to budget. A detailed breakdown of revenue performance is provided at Appendix 1.

2. Revenue performance

The table below shows the Crematorium generated a surplus of £280,370 in 2016/17 and that a return of £140,185 was distributed to both Daventry District and Rugby Borough councils. This contribution represented an additional £15,265 compared to original estimates.

	Budget (£)	Actual (£)	Variance (£)
Total Income	-£767,080	-£793,840	-£26,760
Total Expenditure	£517,240	£513,470	-£3,770
Overall Surplus	-£249,840	-£280,370	-£30,530
Profit share for DDC & RBC	-£124,920	-£140,185	-£15,265

(negative figures indicate income or underspent expenditure)

Explanations for the main revenue variances to the income and expenditure budgets are shown in Appendix 1, but significant items of note are:

2.1. Expenditure**Utilities**

There was a significant saving of £19,100 for utilities, primarily due to lower gas bills. This is due to a combination of better unit rates being negotiated with our supplier plus a milder winter than anticipated, resulting in lower usage.

Purchases for Resale

This budget was overspent by £16,950. The overspend on this item is offset by a favourable variance on income budgets from additional purchases sold, which is evident from the Income section below, with a greater achievement of income against budget for the Memorial Packages.

2.2. Income

Cremations

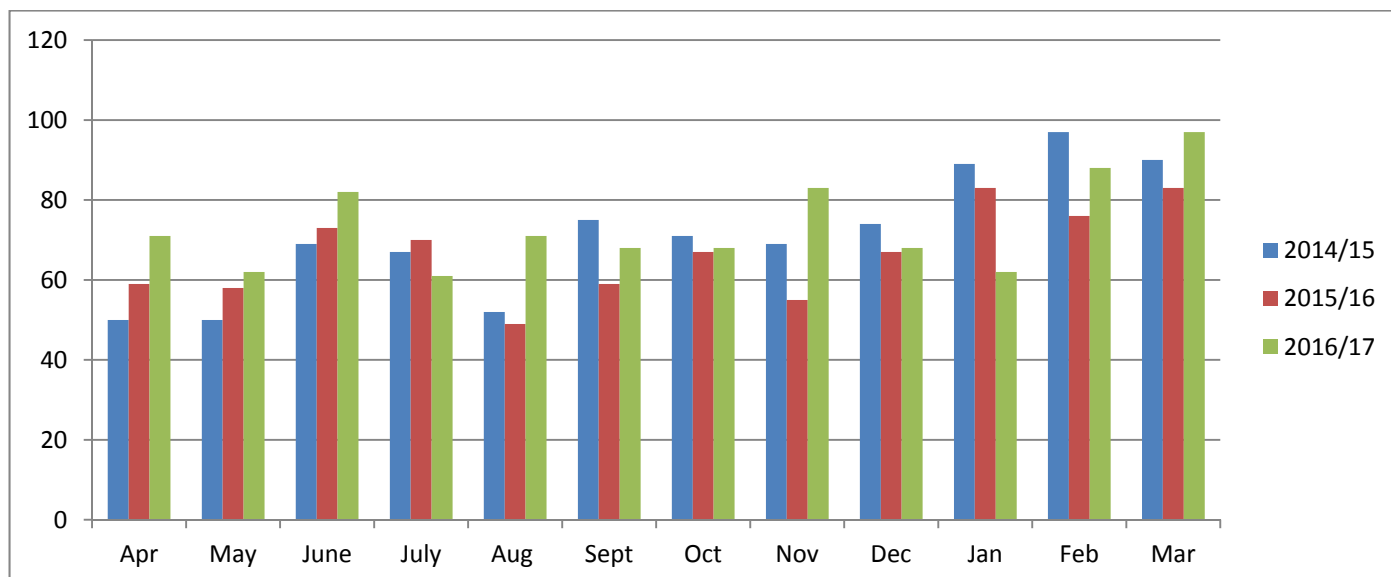
The final amount of income from cremations in 2016/17 was £674,320, an adverse variance of £23,180 compared to the budget. The 2016/17 budget was based upon an estimated 900 cremations for the year; however, the actual number of cremations undertaken was 881. This is a shortfall of only 19 cremations compared to original estimates,

Early indications from 2015/16 showed a steady increase in the number of cremations conducted each month, this trend was used as the basis to estimate that the number of cremations in 2016/17 would see an increase from the 799 cremations in 2015/16. As a result, an estimated 900 cremations had been budgeted for, a reduction on the 2015/16 budget but an increase on the actual number conducted.

Memorial Packages

Income generated from Memorial Packages totalled £94,460, far exceeding the expected budgeted income of £45,000. There has been significant work completed to improve the memorial areas in the Crematorium grounds and it is felt that this has contributed greatly to the increased sales.

The graph below shows the month-by-month cremations conducted at Rainsbrook since operations started in 2014.



For 2017/18, the income budget for cremations has been set at £715,500, which, again, is based on 900 cremations at the new price of £795 per cremation. From the information available for the start of 2017/18, it appears that demand on the service is not as high as the

same period last year, but it is too early to suggest that this will be an on-going trend for the rest of the year.

Contributions to Reserves

£10,000 has been put into the Cremator Replacement Reserve, as budgeted, and the closing balance for that reserve for 2016/17 stands at £20,000.

£6,410 from the Cameo scheme was received during 2016/17 against an expected income of £5,400. The final amount received depends on a number of factors such as the number of organisations in the scheme, the number of cremations we carry out (payment is received on 50% of the total number of annual cremations) and the amount received per cremation. The purchase of Bariatric Racking and a Child Cremation Tray have been funded from this income and it is proposed to transfer the residual amount of £1,770 to the Cameo Reserve.

3. 2017/18 Budgets

In conjunction with the normal budget setting process, updated budget proposals were presented to both the Joint Committee and the Joint Board during 2016/17. A copy of the approved budgets for 2017/18 are attached.

It can be seen that expenditure is expected to be higher than in 2016/17, but it is anticipated that increased fees and charges for various income streams will provide a greater surplus providing an increased profit share of £133,780 for both Daventry District and Rugby Borough councils.

4. Memorialisation Capital Scheme

	Budget (£)	Actual (£)	Slippage (£)
Total Crematorium Investment	£18,490	£0	18,490
50% share for each Council	£9,245	£0	9,245

At the Committee meeting of 2016 it was recommended that funding of £18,490 remaining at the end of 2015/16 be carried forward to 2016/17. The funding was to be primarily utilised for additional memorialisation investment. Any further memorialisation investment proposals would be reported for consideration to the Committee at future meetings to include a business case to allow Committee to assess the medium term investment and funding requirements .

No expenditure was recorded in 2016/17 it is proposed that funding of £18,490 remaining at the end of 2016/17 be carried forward to 2017/18.

5. Summary

The overall surplus for Rainsbrook Crematorium for 2016/17 was £280,370, which proved a return of £140,185 each for Rugby Borough and Daventry District councils.

6. Recommendation

1. The Committee's year-end position for 2016/17 be considered;
2. the transfer of £1,770 to the Cameo Reserve be approved;
3. the transfer of £10,000 to the Cremator Replacement Reserve be approved; and
4. the 2016/17 slippage on the capital Memorialisation scheme be carried forward to 2017/18.

ENVIRONMENT AND PUBLIC REALM: CREMATORIUM**HEAD OF SERVICE:**

		ORIGINAL BUDGET 2016/17 £	ORIGINAL BUDGET 2017/18 £
CRM00			
	EXPENDITURE:-		
0000	- SALARIES	165,920	174,630
0011	- TRAINING FEES	1,000	1,000
0017	- PROFESSIONAL SUBSCRIPTIONS	240	240
0019	EMPLOYEE INSURANCE	620	620
	EMPLOYEE EXPENSES	<u>167,780</u>	<u>176,490</u>
0100	CREM REPAIR AND MAINTENANCE - CREMATORS	43,000	40,000
0100	BIER REPAIR AND MAINTENANCE - WHEEL BIERS	400	400
0100	MUSC REPAIR AND MAINTENANCE - MUSIC SYSTEM	6,500	5,250
0100	GENR REPAIR AND MAINTENANCE - BUILDING	10,000	20,000
0100	CRTN REPAIR AND MAINTENANCE - COMMITAL CURTAINS	0	1,250
0130	- ELECTRICITY	14,000	12,000
0131	- GAS	30,000	25,000
0141	- RATES	14,330	16,920
0143	- WATER	2,000	2,000
0170	- CONTRACT CLEANING	10,000	10,300
0171	- CLEANING MATERIALS	500	500
0174	CLEANING OF PATHS / CAR PARK	2,000	2,000
0180	- PROPERTY INSURANCE	2,120	2,120
0202	CAR ALLOWANCE COSTS	430	290
	PROPERTY EXPENSES	<u>135,280</u>	<u>138,030</u>
0300	- NEW EQUIPMENT	1,500	1,500
0301	MAINTENANCE OF EQUIPMENT	500	500
0303	- MATERIALS	1,000	1,000
0305	ARM ARMED FORCES PLAQUE	500	500
0305	BARB MEMORIAL PLAQUE - BARBICAN	1,000	400
0305	BIOB BIOBOXES	3,000	3,000
0305	BOR BOOK OF REMEMBRANCE	2,000	2,000
0305	BOULD PATH BOULDER PLAQUE	1,000	1,000
0305	CASK CASKETS / URNS / TUBES	1,000	1,000
0305	DVD DVD	250	300
0305	FLOR FLORAL DISPLAYS	500	500
0305	MBEN MEMORIAL BENCH PLAQUES	500	520
0305	MJLL MEMORIAL JEWELLERY	3,000	3,000
0305	MTAB GRANITE MEMORIAL TABLETS	12,000	16,800
0305	MTRC MEMORIAL TREE PLAQUES	500	520
0305	POND POND MARKER PLAQUE	300	300
0305	TOL TREE OF LIFE PLAQUE	1,000	1,500
0305	WCAST WEBCAST VIEWING	450	540
0306	- PERSONAL PROTECTIVE EQUIPMENT	500	500
0331	HOSPITALITY	600	600
0341	- UNIFORMS	500	500
0350	- STATIONERY SUPPLIES	1,000	610
0370	- POSTAGES	600	600
0371	CRM00 TELEPHONE EXPENSES	350	100
0371	CRM00 IT LINE RENTAL / BROADBAND	7,020	12,000

ENVIRONMENT AND PUBLIC REALM: CREMATORIUM**HEAD OF SERVICE:**

			ORIGINAL BUDGET 2016/17	ORIGINAL BUDGET 2017/18
CRM00	EXPENDITURE:-		£	£
0374	CEM	SOFTWARE MAINTENANCE	1,500	1,500
0377	-	PUBLICITY & MARKETING	2,000	2,000
0413	-	MEDICAL REFEREES FEES	18,500	16,650
0414	-	ORGANIST FEES	19,000	19,000
0440	-	GENERAL INSURANCES	520	520
0444	-	POLLUTION CONTROL PERMIT	1,500	1,500
0447	-	SPECIAL EVENTS / ACTIVITIES	1,500	1,500
0448	-	ASSET MANAGEMENT EXPENSES	100	100
		GENERAL RUNNING EXPENSES	85,190	92,560
0710	DDC	PROFIT SHARE PAYMENT TO DAVENTRY	124,920	133,780
0742	EMIS	EMISSIONS TESTING	2,500	2,500
0742	OTHR	OTHER EXTERNAL CONTRACTORS	400	400
0743	GRDS	GROUNDS MAINTENANCE - WSU GARDENER	28,840	29,540
0743	IMP	GENERAL IMPROVEMENTS - WSU AD HOC	2,000	1,000
0743	TREE	TREE SURGERY - WSU	4,000	4,000
0743	WSTE	WASTE COLLECTION	1,600	900
		OTHER RUNNING EXPENSES	164,260	172,120
		EXPENDITURE	552,510	579,200
		LESS INCOME:-		
1100	CONT	CONTRIBUTIONS & DONATIONS - CAMEO SCHEME	-5,400	-5,400
1200	CASK	CASKETS / URNS / TUBES SALES	-1,000	-300
1400	ARM	ARMED FORCES MEMORIAL PLAQUE	-1,250	-1,250
1400	BARB	MEMORIAL PLAQUE - BARBICAN	-4,380	-1,750
1400	BOR	BOOK OF REMEMBRANCE	-3,000	-3,000
1400	BOULD	MEMORIAL PLAQUE - BOULDER	-5,000	-5,750
1400	DVD	MEMORIAL DVD	-500	-500
1400	MBEN	MEMORIAL BENCH PLAQUES	-2,000	-2,400
1400	MJLL	MEMORIAL JEWELLERY	-4,200	-4,200
1400	MTRE	MEMORIAL TREE PLAQUES	-2,800	-3,000
1400	POND	POND MARKER	-2,100	-2,100
1400	TOL	TREE OF LIFE PLAQUE	-6,750	-6,750
1402	CREM	CREMATIONS	-697,500	-715,500
1402	CHAP	USE OF CHAPELS	-700	-800
1402	MTAB	GRANITE MEMORIAL PACKAGE - MEMORIAL	-22,500	-30,000
1402	PLOT	GRANITE MEMORIAL PACKAGE - PLOT	-22,500	-30,000
1402	WCAST	MEMORIAL WEBCAST VIEWING	-900	-900
		INCOME	-782,480	-813,600
		NET EXPENDITURE	-229,970	-234,400
		(before accounting adjustments)		

ENVIRONMENT AND PUBLIC REALM: CREMATORIUM**HEAD OF SERVICE:**

		ORIGINAL BUDGET 2016/17 £	ORIGINAL BUDGET 2017/18 £
CRM00			
ACCOUNTING ADJUSTMENTS:-			
0005	- IAS19 PENSION ADJUSTMENT *	4,170	4,240
0009	- APPRENTICESHIP LEVY	0	870
0780	- INTERNAL RECHARGES **	85,480	81,320
0900	- CAPITAL CHARGES ***	23,750	20,910
4000	- CONTRIBUTION TO RESERVES - CAMEO SCHEME	5,400	5,400
4000	- CONTRIBUTION TO RESERVES - REPLACEMENT	10,000	10,000
		<hr/>	<hr/>
		128,800	122,740
NET EXPENDITURE		<hr/>	<hr/>
		-101,170	-111,660
		<hr/>	<hr/>

* IAS 19 Adjustment - the notional estimated annual amount of what the Council should be paying towards ultimate cost of ex-employee pensions.

** Internal Recharges - overheads charged to front-line services from central services, including office costs such as heating, lighting & management / officer time chargeable to specific services.

*** Capital Charges - the notional charge to reflect the costs of using capital assets.

Crematorium Financial Monitoring and Key Performance Indicators (KPIs) 2016/17 – March 2017 (Year End)

2016/17 Budget Monitoring

	Year-End £
Expenditure	
Utilities - Charges much lower than budgeted for, expected increases in costs over colder months did not actually come to fruition.	-19,090
New Equipment - infant cremation tray and discharge trolley system plus bariatric coffin racking which will be offset with income from CAMEO	+4,940
Telephone Expenses - charges for Broadband connections higher than expected. IT is working on negotiating lower charges for future years	+6,120
Purchases for Resale – more spend than budgeted, but is offset with increased sales. Goods only purchased when a sale has been secured.	+16,940
Payments to Daventry DC – Increased profit share following a higher level of sales mainly from Memorial Packages	+15,270
Other small variances (items under £1,000)	-12,680
Subtotal	+11,500
Income	
Cremations – Income received from 881 cremations, 19 less than budgeted for.	+23,180
Memorial Packages – Income generated from Memorial Packages has far exceeded expectations, possibly as a result of the work done to improve the memorial areas in the Crematorium grounds	-49,460
Other small variances (items under £1,000)	-480
Subtotal	-26,760
TOTAL	-15,260

Total Income Analysis – Year to Date

			£	£
	Budget Sales	Actual Sales	Budget Income	Actual Income
Cremations	900	881	-697,500	-674,320
Granite Memorial Package – Memorial	43	90	-22,500	-47,230
Granite Memorial Package – Plot	43	90	-22,500	-47,230
Caskets/Urn/Tubes Sales*			-1,000	-230
Armed Forces Memorial Plaque	6	9	-1,250	-1,870
Barbican – Memorial Plaque	12	0	-4,380	0
Book of Remembrance*			-3,000	-3,020
Boulder – Memorial Plaque	12	1	-5,000	-420
Memorial DVD	10	13	-500	-650
Memorial Bench Plaque	10	18	-2,000	-3,750
Memorial Jewellery			-4,200	-4,550
Memorial Tree Plaques	10	25	-2,800	-6,920
Pond Marker	10	0	-2,100	0
Tree of Life Plaque	18	7	-6,750	-2,630
Use of Chapels*			-700	-5,000
Memorial Webcast Viewing	15	31	-900	-1,860
Total Income			-777,080	-799,680

* budgets set against values rather than number of sales due to various combinations of goods or service available

Average Income per cremation

£799,680 (total income) less £674,320 (cremation income)/881 (number of cremations) = **£142 additional income per cremation**

£674,320/881 = **£765 average cremation income**

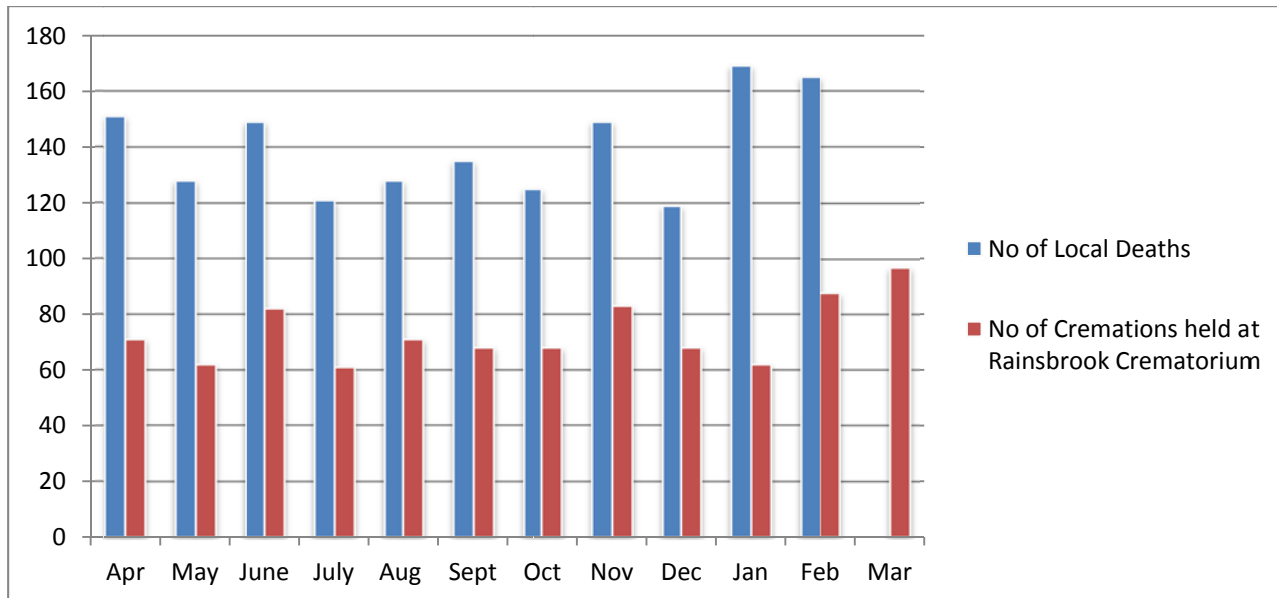
Emissions - Carbon Monoxide Equivalent and Particulates

Month	Exceeded/Not Exceeded
April	Not Exceeded
May	Not Exceeded
June	Not Exceeded
July	Not Exceeded
August	Not Exceeded
September	Not Exceeded
October	Not Exceeded
November	Not Exceeded
December	Exceeded (21/12/16)
January	Not Exceeded
February	Exceeded (28/2/17)
March	Not Exceeded

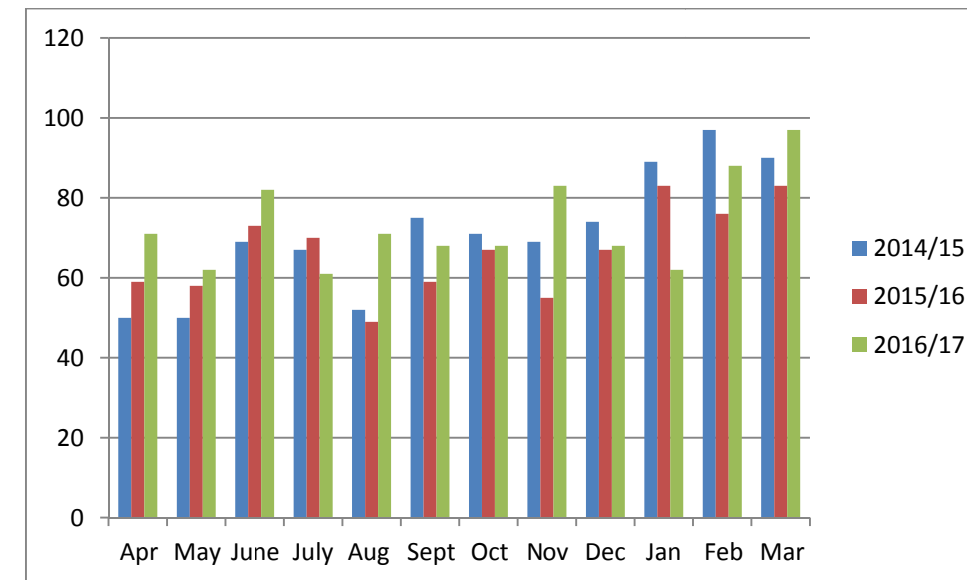
Health and Safety Issues		RIDDOR Incidents	
To Date	NIL	To Date	NIL
Pollution Incidents			
To Date	Cremator over pressurised due to bariatric cremation, operated manually to control and reported to EHO (incident 21/12/16) Cremator over pressurised due to air suction issues, FT tried to control remotely, operated manually to control and reported to EHO (incident 28/2/16) FT engineer on site to re set air intake and suction.		

Crematorium Financial Monitoring and Key Performance Indicators (KPIs) 2016/17 – March 2017 (Year End)

Number of Cremations held at Rainsbrook vs number of local deaths



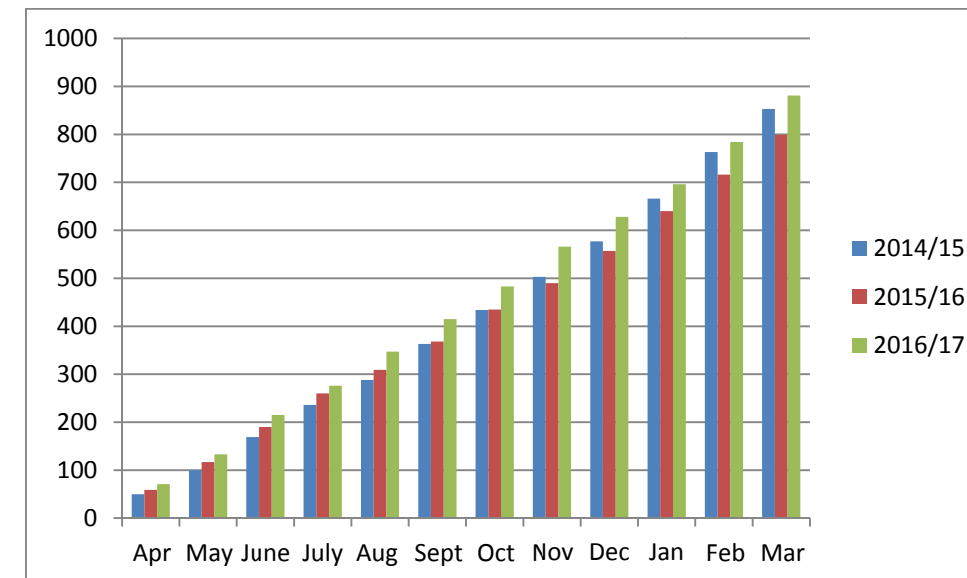
Monthly Cremations



Number of Cremations held at Rainsbrook vs number of Local Deaths			
	Local Deaths	Cremations Held at Rainsbrook	% of local death cremations carried out at Rainsbrook
April	151	71	47%
May	128	62	48%
June	149	82	55%
July	121	61	50%
August	128	71	55%
September	135	68	50%
October	125	68	54%
November	149	83	56%
December	119	68	57%
January	169	62	37%
February	165	88	53%
March		97	

*data for local deaths only available upto February 17

Cumulative Cremations



Cumulative Cremations	
2014/15	853
2015/16	799
2016/17	881

Reserve	Balance as at 31/03/2017
Cremator Replacement Reserve	£20,000
CAMEO	£11,768

**Rugby and Daventry Crematorium Joint Committee – 14th June
2017**

Funeral Poverty

Purpose of the report

The purpose of this report is to advise the joint crematorium committee of the proposals to increase the awareness of funeral poverty and to provide a fair and affordable funeral service.

Rising costs

Funeral poverty is where the price of a funeral is beyond a person's ability to pay. This problem is getting a lot worse because funerals are getting much more expensive at the same time as support from the government is reducing. Funeral poverty has increased by 50% in just three years.

The impact of funeral poverty can be financial, in the form of unmanageable debt, but it can also be emotional in the form of the distress, shame and the perceived stigma of not being able to provide a 'decent send-off' for someone we love.

The cost of funerals has risen more than 90% in a decade. The average price for a cremation now stands at £3,214 and £4,136 for a burial. Prices are increasing at four times the rate of inflation and have risen above inflation for the past 35 years.

These costs are placing an unbearable burden on the already stretched finances of bereaved families, many of whom are getting into serious, unmanageable debt when they lose someone they love. In 2013 the most expensive transaction on credit cards was "Funeral Services", with an average cost of £1,114. The situation is worse still for people who can't access more affordable forms of credit and have to turn to high-interest lenders to cover funeral costs.

When loved ones are grieving they clearly don't act in the same way as usual consumers. This is a big problem in an industry where there are such huge differences in what funeral directors charge for the same goods and services. And to make matters worse, it's difficult to find clear, comparable information about what funerals really cost.

Government support

Funerals are getting much more expensive at the same time as support from the government is reducing. The Social Fund Funeral Payment is available to people on qualifying benefits when there is no money from the family or the estate of the deceased. It used to cover the cost of a basic funeral. It now only covers around 37% of the overall bill.

Making a claim can be a complex process and can leave people confused and frustrated at a very stressful and disorientating time.

Alternative Solution

The Bereavement Services team based at Rainsbrook Crematorium can develop a selection of direct low cost cremation options that have transparent pricing and clarity of service. We could offer a choice of two or three high quality value for money cremation options – with transparent costings and easy to understand service explanation and delivered to the highest standard by an experienced team using professional funeral directors.

It is considered that the development of this service offer could enable a range of direct cremations which are up to £2,000 cheaper than traditional funeral costs. This is because costs can be cut out unneeded cost without reducing the unrivalled service and facility quality. Hidden charges will be avoided or be motivated to 'up sell' unnecessary extras. Prices would be transparent and therefore guaranteed. A clear menu of priced options for enhanced services could be provided if desired.

Package 1 - Cremation without a funeral

Direct cremation is a simple, dignified option in which your loved one is cremated without a funeral service or ceremony. Sometimes known as an unattended cremation, by removing the service, the family of the deceased or those responsible for arrangements can make substantial savings of between £2,000 and £6,000 compared to traditional funeral costs.

The package would include the collection of the deceased to a private chapel of rest, provision of a coffin and preparation of the deceased, transport to the crematorium and the cremation, along with all necessary disbursements.

Package 2 - Cremation with a funeral

A cremation with a funeral service is the most popular form of cremation. An attended service is provided and takes place alongside the cremation. They can be religious or non-religious and this is something officers can help to organise.

The package would include collection of the deceased to a private chapel of rest, preparation of the deceased, choice of coffin, viewing, hearse and one limousine, officiant and the cremation along with all necessary disbursements.

Embalming, orders of service, floral tributes, obituary notices would not be included. However these services could be included at an extra cost.

Both options offer fixed costs which include all fees, plus options which allow families to personalise the service to meet their needs. Rainsbrook's cremations can offer savings of at least £1,500 compared to traditional funerals.

Responding to the market trend

Members will be aware from the previous financial outturn report that the crematorium has reduced the number of expected full service cremations and adjusted the income projections, as no service style cremations are rapidly increasing in popularity. There are some obvious limitations on the ability to generate “trade” through Rainsbrook Crematorium and there can be significant seasonal variations in mortality rates. However, the crematorium does need to try to increase the efforts it makes to influence choices by families to make Rainsbrook the first choice in the area.

Recommendation

A complete specification to allow funeral directors to tender for the delivery of the service be prepared.