

MERTON AND SUTTON JOINT CEMETERY BOARD

Date: 14 November 2017

Wards; Borough Wide Merton and Sutton

Subject: Budget Monitoring 2017/18

Lead Officer: Zoe Church

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Recommendations:

1. That the current budgetary position for 2016/17 based on the second quarters monitoring be noted.
 2. That the Board review and approve the Risk Register attached as Appendix D
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1. Purpose of the Report and Executive Summary

- 1.1 This report presents the projected outturn for 2017/18 based on the budgetary monitoring to 30 September 2017 and reviews the risk register of the Board.

2. Details

2.1 Monitoring

- 2.1.1 Attached as Appendix A is the monitoring position as at the end of September 2017 with projected outturn to 31 March 2018.
- 2.1.2 Attached as Appendix B are the calculations underpinning the interment income estimates with interment numbers attached as Appendix B1.
- 2.1.3 Attached as Appendix C is the information underpinning the rental estimates for the Board.
- 2.1.4 Currently income projections are higher than those in the original estimates. In addition, expenditure is not as high as originally envisaged when setting the estimates.

3. Common Fund Balances

- 3.1 The balance on the Common Fund at year end is estimated to increase to just over £700k based on current income and expenditure levels.

4. Consultation undertaken or proposed

- 4.1 None for the purposes of this report.

5. Timetable

5.1 None for the purposes of this report.

6. Financial, resource and property implications

6.1 As contained in the body of the report

7. Legal and statutory implications

7.1 None for the purposes of this report.

8. Human rights, equalities and community cohesion implications

8.1 None for the purposes of this report.

9. Risk management and health and safety implications

9.1 Attached as Appendix D is the updated Risk Register for review and approval by the Board.

<u>Appendices</u>	A – Budgetary Monitoring 2017/18 B – Idverde Income Estimates C – Rental Estimates D – Risk Management Strategy and Risk Register as at November 2017
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Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report

Merton & Sutton Joint Cemetery Board Financial Monitoring 2017

	ORIGINAL BUDGET 2017/18	SPEND TO SEPTEMBER 2017	ADDITIONAL SPEND TO YEAR END	PROJECTED OUTTURN	VARIANCE	NARRATIVE
EMPLOYEES						
Salaries	6,960	2,540	6,420	8,960	2,000	
Agency	0	2,858	2,500	5,358	5,358	
Pensions	37,000	(18,000)	55,000	37,000	0	
	43,960	(12,602)	63,920	51,318	7,358	
RUNNING COSTS						
Idverde Contract Charges	117,000	(19,500)	136,500	117,000	0	
Client Side Costs	60,000	0	70,000	70,000	10,000	
General Maintenance - Buildings	13,000	1,222	4,069	5,291	(7,709)	Committed Works
General Maintenance -Mechanical	13,500	202	10,000	10,202	(3,298)	Some work to be undertaken on the toilets
General Maintenance - Electrical	1,000	20	200	220	(780)	Committed works
General Maintenance - Grounds & Paths	6,000	0	6,000	6,000	0	Some works to be undertaken
Gas	2,050	(277)	2,327	2,050	(0)	Expected spend to budget
Electricity	2,710	369	2,088	2,457	(253)	Committed budget
Water	3,550	1,545	2,133	3,678	128	Committed budget
Equipment	1,730	0	0	0	(1,730)	No spend expected
LBM Legal Services	5,440	0	5,440	5,440	0	Estimated costs
General Office Expenses	1,700	4,200	1,000	5,200	3,500	Majority of forecast already spent
Rubbish Disposal	5,000	0	1,500	1,500	(3,500)	Committed budget
Telephones	0	516	1,000	1,516	1,516	Projected charges to year end
Affiliation fees	2,200	0	1,000	1,000	(1,200)	
Rates	7,560	0	7,560	7,560	0	Assumed Spend to Budget
Insurance	4,000	0	4,000	4,000	0	Assumed Spend to Budget
Management and Administration Expenses	39,290	0	21,280	21,280	(18,010)	Revised Recharges
Audit Fee	1,400	0	1,400	1,400	0	Assumed Spend to Budget
Depreciation	23,220	0	23,220	23,220	0	Assumed Spend to Budget
Interest and MRP - Loan	121,930	0	121,930	121,930	0	Assumed Spend to Budget
	432,280	(11,703)	422,647	410,944	(21,336)	
SPECIAL PROJECTS	70,000	0	60,000	60,000	(10,000)	£20k restructuring and Toilets and £40k Bearer Beams
TOTAL EXPENDITURE	546,240	(24,305)	546,567	522,262	(23,978)	

Merton & Sutton Joint Cemetery Board Financial Monitoring 2017

	ORIGINAL BUDGET 2017/18	SPEND TO SEPTEMBER 2017	ADDITIONAL SPEND TO YEAR END	PROJECTED OUTTURN	VARIANCE	NARRATIVE
INCOME						
Ideverde Income	(590,650)	90,833	(763,761)	(672,928)	(82,278)	See Appendix B
Residual Income	0	(11,658)	0	(11,658)	(11,658)	Pre Contract Income
Rents	(13,910)	(1,632)	(34,282)	(35,914)	(22,004)	See Appendix C
Interest	(2,530)	0	(3,068)	(3,068)	(538)	
	(607,090)	77,543	(801,111)	(723,568)	(116,478)	
NET EXPENDITURE	(60,850)	53,238	(254,545)	(201,307)	(140,457)	

Interest Calculations

Opening Balance	(513,297)
Estimated Closing Balance	(714,065)
Interest 2017/18 at 0.5%	(3,068)

PROJECTED INCOME MERTON AND SUTTON CEMETERY

01/02/17 to 30/09/2017	February	March	Total 2016-17	April	May	June	July	August	September	Total 2017-18
Purchase & Interments	25,015	43,968	68,983	26,635	73,700	47,501	39,459	67,538	34,347	289,180
Memorials permits	504	252	756	2,328	2,344	1,028	1,860	2,627	4,089	14,276
Transfer of ownership	100	600	700	100	600	1,500	900	700	460	4,260
Planting and Upkeep	250	250	500	4,650	19,600	2,438	925	88	88	27,788
Total Income	25,869	45,070	70,939	33,713	96,244	52,467	43,144	70,953	38,984	335,504
London & Gap Road	19,708	36,296	56,004	29,581	25,650	79,653	16,972	40,129	17,454	209,439
Total Contract Income	45,577	81,366	126,943	63,294	121,894	132,120	60,116	111,082	56,438	544,943

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	<u>MSJCB</u>	<u>Ldn/Gap Rd</u>	<u>Total</u>
Income to 31-3-17	70,939	56,004	126,943
Income to 30-9-17	335,504	209,439	544,943
Projection to 31-01-18	288,470	180,078	468,549
Total for Contract Year	694,913	445,521	1,140,434
Guaranteed IncomeWeighted	527,237	338,022	865,259
Income Above Threshold	117,373	75,250	192,623
Total Anticipated Income	644,610	413,271	1,057,882
Income Fed & March 2018	119,151	74,380	193,531

Less Reversal of Debtor	(90,833)
Total Estimated Income	<u>672,928</u>

Appendix
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Interment Information 2013-2018

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
April	14	18	25	19	24
May	27	21	20	17	22
June	23	26	20	11	27
July	19	12	35	16	25
August	18	15	23	10	15
September	24	15	7	17	9
October	13	26	27	19	19
November		19	19	21	10
December		24	19	19	11
January		23	22	25	16
February		16	25	21	20
March		22	20	22	18
TOTAL (for full year)	138	237	262	217	216

Rental Income

Area	Annual Rental 2017/18	Annual Rental 2017/18	Acres	Commentary
A	(4,000)	(4,000)	2.64	
B&B1	(100)	(100)	21.35	Increases to £2,000 from 31/7/18
C&C1	(100)	(100)	4.73	Increases to £4,000 from 31/7/18
CC	(6,750)	(6,750)	0.025	
Cemetery Use	N/A	N/A	26.35	
Lodge	(2,964)	(2,964)	N/A	
Yard, Messroom etc.	0	(22,000)	N/A	Leased to Idverde from 2-2-17
Total	(13,914)	(35,914)	55.095	

MSJCB risk register - November 2017

Risk No	Short Name	Risk	Issue	Cause	Consequences	Likelihood	Impact	Risk Score	RAG	Direction	Impact	Risk Owner	Portfolio Holder	Action Plan (Y/N) /	Comment regarding review
MSJCB2	Pandemic	✓		Reduction in Burials as population has reduced	Reduction in Burial Income	1	4	4	G	→	R	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	Corporate Pandemic (swine flu) plan	LBM will update plans as and when any new pandemic arises
MSJCB3	Rental Income		✓	Unable to maximise income through rents	The bulk of MSJC Land rented out at a peppercorn rent	4	1	4	G	↓	FI	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	Rents reviewed regularly	Ideverde have just leased the yard, messroom etc. at an annual rent of £22k
MSJCB7a	Contracting out of Merton and Sutton Services		✓	The contracting out of Merton and Sutton office administration, grounds maintenance and grave digging services	Impact on the operation and management of the cemetery	4	1	4	G	↓	S/R	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	N/A	Review of management and operation of the service has been completed and is being considered at this meeting
MSJCB7	Contracting out of Merton and Sutton Services		✓	The contracting out of Merton and Sutton office administration, grounds maintenance and grave digging services	Short, Medium and Long Term Pension Implications	6	1	6	A	→	FI	MSJCB	Cllr Draper (M) Cllr Whitehead (S)	N/A	Information on membership of the pension fund outstanding
Emerging risks															