

**Committee: MERTON AND SUTTON JOINT CEMETERY BOARD**

**Date: 11 February 2020**

**Agenda Item:**

**Wards; Borough Wide Merton and Sutton**

**Subject: Budget Monitoring 2019/20 and Revenue Estimates 2020/21**

**Lead Officer: Zoe Church**

**Recommendations:**

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1. That the current budgetary position for 2019/20 based on the end of December 2019 shown in Columns 1 to 3 of Appendix A be noted.
  2. The Revenue Estimates for 2020/21 shown in Column 4 of Appendix A be approved.
  3. That the precepts for the financial year ended 31 March 2021 be set at zero.
  4. That the Board establishes its next meeting as early as possible in June 2020 to ensure that approved information is included in Merton's Accounts and information is despatched to Merton's External Auditors as soon as possible.
  5. That the Board review and approve the Risk Management Strategy and Risk Register (as at January 2020) attached as Appendix H
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## **1. Purpose of the Report and Executive Summary**

- 1.1 This report presents the projected outturn for 2018/19 based on the budgetary monitoring to 31 December 2019 and revenue estimates for 2020-2021.

## **2. Details**

### **2.1 Estimates**

- 2.1.1 The Board's 2019/20 Budgetary Monitoring is attached at Appendix A (columns 1 to 3). The draft Revenue Estimates for 2020/21 are attached as Appendix A (column 4). All estimates are at outturn prices.

Supplementary details are contained within appendices:

- Salaries, pension contributions – Appendix B
- Management and administration expenses – Appendix C
- Loan repayment – Appendix D
- Rental income – Appendix E
- Depreciation – Appendix G

- 2.1.2 Appendix F contains the precept history of the Merton and Sutton Joint Cemetery Board.

2.1.2 Estimates have been compiled utilising the best information available at the time of despatch, the costs and income will continue be monitored. A monitoring update will be provided at the June meeting of the board.

## **2.2 Income**

2.2.1 Prudent assumptions on the level of income generated from contractual arrangements have been made (this the is original agreed income sum without inflation). The Client Side officer will be presenting information in relation to contractual activity.

2.2.2 Appendix E details the expected rental income in 2019/20 and 2020/21

## **2.4 Salaries**

2.4.1 Salaries to the Board's part time Chief Officers, i.e. Clerk, Treasurer, Registrar and Consultant Surveyor are increased annually in line with negotiated and announced Joint Negotiating Committee (JNC) awards in accordance with the Board policy, approved on 8th March 1972 (Min. 48/3/72).

2.4.2 The Board meeting of 24th April 1989 resolved that subject to there being no legal impediment, future salary awards for the Board's part time officers be implemented from 1 April each year so as to coincide with the Board's financial year. Allowance of 2% pay award has been built into salary estimates for 2020/21.

2.4.3 Every three years Authorities are required to evaluate the sufficiency of their pension funds to meet future commitments and review appropriate contribution rates. This is called an Actuarial Valuation. Officers have just received the initial report which has shown a beneficial movement in the board's position and recommends that contribution rates are increased to 28% of the pension payroll for the next three financial years. Officers estimate that this equates to an annual contribution of £50,000 for 2020/21, 2021/22 and 2022/23. This figure will be revised when information is finalised.

## **2.5 Loan Repayments**

2.5.1 Appendix D sets out the interest and principle repayments incurred from the £1.763 million loan for various works. It is assumed that the loan will be over 25 years (the anticipated life of the extension) at a rate of 3.47% (rate as at June 2013). The Appendix highlights that the board will be in year 8 of the repayment schedule in 2019/20. The repayment commitment within this schedule has been fed into the estimates in Appendix A.

## 2.6 Special Projects

2.6.1 The special projects budget for 2020/21 is proposed as follows:

<b>Special Projects</b>	<b>£</b>
Restructuring (incl. Tenancy Arrangements)	10,000
Demolition of Greenhouse	20,000
Roads and Footpaths	20,000
Memorials	10,000
New Bearer Beams	25,000
Replacement Bearer Beams	25,000
<b>Total Special Projects</b>	<b>110,000</b>

## 3. Common Fund Balances

3.1 The balance on the Common Fund brought forward into 2018/2019 is £732,558 plus the balances on the two smaller reserves of £29,959 provides a total of fund balances carried forward of £762,517.

## 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 I is the updated Risk Strategy and updated risk register for review and approval by the Board.

<b><u>Appendices</u></b>	<p>A – Budgetary Monitoring 2019/20 and Revenue Estimates 2020/2021</p> <p>B – Salary Estimates</p> <p>C – Management and Administration Expenses</p> <p>D – Estimated Debt Repayment</p> <p>E – Rental Estimates</p> <p>F – Precept History MSJCB</p> <p>G - Depreciation</p> <p>H – Risk Management Strategy and Risks &amp; Issues Register as at January 2020</p>
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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** Budget files and Budgetary Control files

in the Corporate Services

Department

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- Useful links

Merton Council's Web site: <http://www.merton.gov.uk>

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<b>Description</b>	<b>Revised Budget 2019/20</b>	<b>Actual</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Original Budget 2020/21</b>	
Member Allowances	4,800	2,048	4,700	(100)	4,890	Appendix B
Super Fund Revaluation Costs	37,000	37,000	37,000	0	50,000	Appendix B
<b>Total Employees</b>	<b>41,800</b>	<b>39,048</b>	<b>41,700</b>	<b>(100)</b>	<b>54,890</b>	
Building Improvements	5,000	0	1,000	(4,000)	5,000	Repairs to Fence in 2020/21
Building Maint - Mechanical	5,000	413	1,413	(3,587)	5,000	Maintenance Contract £500
Gas	3,000	1,435	2,870	(130)	3,000	
Electricity	3,000	1,437	2,874	(126)	3,000	
NNDR	13,030	12,996	12,996	(34)	16,510	Calculated NNDR in 2020/21
Grounds Maintenance	222,180	0	212,149	(10,031)	212,640	Client Side and Contractor Costs
Mapping	2,000	0	495	(1,505)	0	
Multi-Functional Printers	500	26	76	(424)	500	
Print Room Costs	100	0	0	(100)	0	
Management and Administration	22,340	0	22,340	0	22,810	Appendix C
External Audit Fees	1,500	0	1,300	(200)	1,500	
Consultants	10,000	8,500	9,700	(300)	0	
Insurance Premiums	5,000	0	5,000	0	6,000	
Internal Legal Hard Charge	10,000	295	1,295	(8,705)	2,000	
Telephone - Call Charges	1,200	280	280	(920)	300	
Interest Paid	46,510	0	46,502	(8)	44,060	Appendix D
Depreciation	88,980	0	82,596	(6,384)	82,130	
<b>Total Running Expenses</b>	<b>439,340</b>	<b>25,383</b>	<b>402,887</b>	<b>(36,453)</b>	<b>404,450</b>	
Restructuring (incl. Tenancy Arrangements)	10,000	0	0	(10,000)	10,000	Planned Schemes
Demolition of Greenhouse	20,000	0	0	(20,000)	20,000	Planned Schemes
Roads and Footpaths	20,000	0	0	(20,000)	20,000	Planned Schemes
Memorials	0	0	0	0	10,000	Planned Schemes
New Bearer Beams	0	0	0	0	25,000	Planned Schemes
Replacement Bearer Beams	50,000	0	50,000	0	25,000	Planned Schemes
<b>Total Special Projects</b>	<b>100,000</b>	<b>0</b>	<b>50,000</b>	<b>(50,000)</b>	<b>110,000</b>	
<b>Total Expenditure</b>	<b>581,140</b>	<b>64,431</b>	<b>494,587</b>	<b>(86,553)</b>	<b>569,340</b>	
Rental Income	(43,020)	(35,434)	(42,678)	342	(43,240)	Appendix E
Interment Fees	(545,000)	443	(544,557)	443	(545,000)	Base Income Figure from Contract
Interest Income	(4,430)	0	(5,860)	(1,430)	(6,330)	
<b>Total Income</b>	<b>(592,450)</b>	<b>(34,991)</b>	<b>(593,095)</b>	<b>(645)</b>	<b>(594,570)</b>	
<b>Transfer to Reserves</b>	<b>(11,310)</b>	<b>29,440</b>	<b>(98,508)</b>	<b>(87,198)</b>	<b>(25,230)</b>	

**Merton and Sutton Joint Cemetery Board Estimates 2018-19**

<b>Salaries - Part time Officers</b>	<b>Original Revenue Estimates 2017/18 £</b>	<b>Revised Revenue Estimates 2017/18 £</b>	<b>Revenue Estimates 2018/19 £</b>	<b>Revenue Estimates 2019/20 £</b>	<b>Revenue Estimates 2020/21 £*</b>
<b>Salaries - Part time Officers</b>					
Clerk	2,100	2,100	2,140	2070	2110
Treasurer	2,100	2,100	2,140	2070	2110
Registrar	2,100	0	0	0	0
Consultant Surveyor	660	660	680	660	670
	<b>6,960</b>	<b>4,860</b>	<b>4,960</b>	<b>4,800</b>	<b>4,890</b>
<b>Pensions</b>	37,000	37,000	37,000	37,000	50,000
<b>Total Employee Costs</b>	<b>43,960</b>	<b>41,860</b>	<b>41,960</b>	<b>41,800</b>	<b>54,890</b>

**Employee Costs - allowance for 2% Pay Rise in 2020/21**

**Pensions - Estimated Increase in Contribution Rate based on a letter from Surrey County Council on 10 January 2020**

Merton and Sutton Joint Cemetery Board - Management and Administration Expenses

Department	Estimate 2019-20 £	Estimate 2020-21 £	Description of Charge in 2020/21 (rates increased by 2% from 2019/20)
<b>Corporate Services Department</b>			
Finance Management and Principal Accountant and Clerical Assistant - Payments & Income	7,245	7,410	15 days @ £430 - 8 days compiling year end accounts and annual governance statement and liaison with internal and external audit; 7 days financial monitoring and risk management 3 days @ £320 - payment management and processing
Payroll	1,680	1,720	Payment of Part Time Officer Staff @ £430 per Officer
Human Resources, Training & Staff Side	2,097	2,140	Small charge to reflect Member and Part Time Officer use of Service
Information Technology	1,449	1,480	Part Time Officer use of Computerised Corporate Systems
Internal Audit	4,200	4,300	10 days @ £430 - 8.5 days undertaking the year end internal audit; 1.5 days work on annual governance statement utilised by MSJCB
Democratic Services	3,150	3,200	10 days @ £320 - for organising and co-ordinating meetings and activities
<b>Total Corporate Services Department</b>	<b>19,821</b>	<b>20,250</b>	
<b>Environment and Regeneration Department</b>			
Various professional officers experienced in mechanical, electrical and general building repairs and Estates Management staff	2,520	2,560	8 days @ £320 - for related activities
<b>Total Environment and Regeneration Department</b>	<b>2,520</b>	<b>2,560</b>	
Rounding	(1)	0	
<b>Total Recharges</b>	<b>22,340</b>	<b>22,810</b>	

<b>Merton Loan</b>																									
Interest		3.47% as at June 2013																							
Repayment Period		25 Years																							
Total Original Loan		881,664																							
	Year 1 2013/14	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	Year 6 2018/19	Year 7 2019/20	Year 8 2020/21	Year 9 2021/22	Year 10 2022/23	Year 11 2023/24	Year 12 2024/25	Year 13 2025/26	Year 14 2026/27	Year 15 2027/28	Year 16 2028/29	Year 17 2029/30	Year 18 2030/31	Year 19 2031/32	Year 20 2032/33	Year 21 2033/34	Year 22 2034/35	Year 23 2035/36	Year 24 2036/37	Year 25 2037/38
Interest	£ 30,594	£ 29,370	£ 28,146	£ 26,922	£ 25,699.00	£ 24,475	£ 23,251.00	£ 22,027	£ 20,804	£ 19,580	£ 18,356	£ 17,132	£ 15,909	£ 14,685	£ 13,461	£ 12,237	£ 11,014	£ 9,790	£ 8,566	£ 7,342	£ 6,119	£ 4,895	£ 3,671	£ 2,447	£ 1,224
Repayment	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267
<b>Total</b>	<b>65,861</b>	<b>64,637</b>	<b>63,413</b>	<b>62,189</b>	<b>60,966</b>	<b>59,741.56</b>	<b>58,517.56</b>	<b>57,294</b>	<b>56,071</b>	<b>54,847</b>	<b>53,623</b>	<b>52,399</b>	<b>51,176</b>	<b>49,952</b>	<b>48,728</b>	<b>47,504</b>	<b>46,281</b>	<b>45,057</b>	<b>43,833</b>	<b>42,609</b>	<b>41,386</b>	<b>40,162</b>	<b>38,938</b>	<b>37,714</b>	<b>36,491</b>
Adjustment to 13/14	7,649																								
<b>Adjusted Total</b>	<b>73,509</b>																								
Balance as at 31/3	846,397	811,131	775,864	740,598	705,331	670,065	634,798	599,532	564,265	528,998	493,732	458,465	423,199	387,932	352,666	317,399	282,132	246,866	211,599	176,333	141,066	105,800	70,533	35,267	0

<b>Sutton Loan</b>																									
Interest		3.47% as at June 2013																							
Repayment Period		25 Years																							
Total Original Loan		881,664																							
	Year 1 2013/14	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	Year 6 2018/19	Year 7 2019/20	Year 8 2020/21	Year 9 2021/22	Year 10 2022/23	Year 11 2023/24	Year 12 2024/25	Year 13 2025/26	Year 14 2026/27	Year 15 2027/28	Year 16 2028/29	Year 17 2029/30	Year 18 2030/31	Year 19 2031/32	Year 20 2032/33	Year 21 2033/34	Year 22 2034/35	Year 23 2035/36	Year 24 2036/37	Year 25 2037/38
Interest	£ 30,594	£ 29,370	£ 28,146	£ 26,922	£ 25,699.00	£ 24,475	£ 23,251	£ 22,027	£ 20,804	£ 19,580	£ 18,356	£ 17,132	£ 15,909	£ 14,685	£ 13,461	£ 12,237	£ 11,014	£ 9,790	£ 8,566	£ 7,342	£ 6,119	£ 4,895	£ 3,671	£ 2,447	£ 1,224
Repayment	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267	35,267
<b>Total</b>	<b>65,861</b>	<b>64,637</b>	<b>63,413</b>	<b>62,189</b>	<b>60,966</b>	<b>59,742</b>	<b>58,518</b>	<b>57,294</b>	<b>56,071</b>	<b>54,847</b>	<b>53,623</b>	<b>52,399</b>	<b>51,176</b>	<b>49,952</b>	<b>48,728</b>	<b>47,504</b>	<b>46,281</b>	<b>45,057</b>	<b>43,833</b>	<b>42,609</b>	<b>41,386</b>	<b>40,162</b>	<b>38,938</b>	<b>37,714</b>	<b>36,491</b>
Adjustment to 13/14	(7,649)																								
<b>Adjusted Total</b>	<b>58,212</b>																								
Balance as at 31/3	846,397	811,131	775,864	740,598	705,331	670,065	634,798	599,532	564,265	528,998	493,732	458,465	423,199	387,932	352,666	317,399	282,132	246,866	211,599	176,333	141,066	105,800	70,533	35,267	0

<b>Combined Loan</b>																									
	Year 1 2013/14	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	Year 6 2018/19	Year 7 2019/20	Year 8 2020/21	Year 9 2021/22	Year 10 2022/23	Year 11 2023/24	Year 12 2024/25	Year 13 2025/26	Year 14 2026/27	Year 15 2027/28	Year 16 2028/29	Year 17 2029/30	Year 18 2030/31	Year 19 2031/32	Year 20 2032/33	Year 21 2033/34	Year 22 2034/35	Year 23 2035/36	Year 24 2036/37	Year 25 2037/38
Interest	£ 61,188	£ 58,740	£ 56,292	£ 53,844	£ 51,398	£ 48,950	£ 46,502	£ 44,054	£ 41,608	£ 39,160	£ 36,712	£ 34,264	£ 31,818	£ 29,370	£ 26,922	£ 24,474	£ 22,028	£ 19,580	£ 17,132	£ 14,684	£ 12,238	£ 9,790	£ 7,342	£ 4,894	£ 2,448
Repayment	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533	70,533
<b>Total</b>	<b>131,721</b>	<b>129,273</b>	<b>126,825</b>	<b>124,377</b>	<b>121,931</b>	<b>119,483</b>	<b>117,035</b>	<b>114,587</b>	<b>112,141</b>	<b>109,693</b>	<b>107,245</b>	<b>104,797</b>	<b>102,351</b>	<b>99,903</b>	<b>97,455</b>	<b>95,007</b>	<b>92,561</b>	<b>90,113</b>	<b>87,665</b>	<b>85,217</b>	<b>82,771</b>	<b>80,323</b>	<b>77,875</b>	<b>75,427</b>	<b>72,981</b>
Balance as at 31/3	1,692,795	1,622,262	1,551,729	1,481,196	1,410,662	1,340,129	1,269,596	1,199,063	1,128,530	1,057,997	987,464	916,931	846,397	775,864	705,331	634,798	564,265	493,732	423,199	352,666	282,132	211,599	141,066	70,533	0



MSJCB Rental Income

Source	Acres	Budget 2019/20	Actual to Date	Forecast Full Year 2019-20	Forecast 2020-21	Notes
Yard and Messroom	N/A	(22,906)	(23,078.99)	(23,078.99)	(23,530.00)	
Lodge	N/A	(2,964)	(2,470.20)	(2,964.24)	(2,960.00)	
Playing Field (A)	2.640	(4,400)	(4,000.00)	(4,000.00)	(4,000.00)	Rent Review 1st August 2018 in progress
Stables (B, B1, C & C1)	26.350	(6,000)	(5,884.62)	(5,884.62)	(6,000.00)	Deposit £6,000 to be refunded 28th April 2020
CC	0.025	(6,750)	0.00	(6,750.00)	(6,750.00)	
Cemetery Use	26.080	0	0.00	0.00	0.00	
<b>Total</b>	<b>55.095</b>	<b>(43,020)</b>	<b>(35,433.81)</b>	<b>(42,677.85)</b>	<b>(43,240.00)</b>	

Year ended 31st March	Interments	Expenditure	Income (excluding precepts)	Net Expenditure/ (Income)	Precepts	Surplus / (Deficit) C/Fwd
		£	£	£	£	£
1948	170	8,000	1,266	6,734	8,243	1,316
1949	285	7,477	2,214	5,263	4,593	646
1950	377	8,803	3,476	5,327	5,747	1,066
1951	414	9,927	4,572	5,355	6,494	2,205
1952	373	10,422	3,931	6,491	4,411	125
1953	406	10,845	4,152	6,693	6,927	359
1954	364	10,305	5,032	5,273	7,531	2,617
1955	379	11,091	5,660	5,431	5,344	2,530
1956	417	12,915	6,297	6,618	6,626	2,538
1957	423	14,338	6,584	7,754	7,355	2,139
1958	396	15,237	7,482	7,755	7,413	1,797
1959	422	14,680	7,459	7,221	9,215	3,791
1960	374	17,225	7,123	10,102	8,903	2,592
1961	372	16,485	7,121	9,364	9,455	2,683
1962	379	17,968	8,226	9,742	10,462	3,403
1963	409	19,154	8,202	10,952	11,406	3,851
1964	333	18,636	8,150	10,486	10,956	4,327
1965	339	19,356	7,727	11,629	10,472	3,170
1966	410	21,488	9,539	11,949	12,971	4,192
1967	355	24,293	9,307	14,986	13,989	3,195
1968	375	26,500	9,322	17,178	18,346	4,363
1969	399	26,182	10,103	16,079	17,564	5,848
1970	411	25,878	10,191	15,687	17,983	8,144
1971	387	30,941	10,156	20,785	17,983	5,342
1972	397	33,707	15,173	18,534	26,228	13,036
1973	359	33,495	18,645	14,850	18,395	16,581
1974	346	37,703	15,871	21,832	20,104	14,853
1975	322	46,775	17,103	29,672	19,785	4,966
1976	323	57,495	24,559	32,936	35,180	7,210
1977	295	67,119	24,308	42,811	42,084	6,483
1978	313	67,444	25,799	41,645	36,636	1,424
1979	301	75,975	28,991	46,984	53,581	8,071
1980	325	91,654	34,860	56,794	60,155	11,432
1981	304	107,837	43,524	64,313	69,434	16,553
1982	304	117,461	48,842	68,619	69,784	17,718
1983	325	129,798	48,909	80,889	71,163	7,992
1984	303	137,921	51,307	86,614	80,920	2,298
1985	306	129,955	61,550	68,705	88,640	22,533
1986	311	134,485	66,690	67,795	80,560	35,298
1987	333	148,940	71,782	77,158	67,860	26,000
1988	320	146,533	75,728	70,805	73,442	28,637
1989	340	159,704	80,465	79,239	69,058	18,456
1990	327	162,053	88,208	73,845	75,565	20,176
1991	314	179,929	92,042	87,887	85,149	17,438
1992	343	188,624	110,025	78,599	68,365	7,204
1993	312	191,312	107,427	83,885	76,192	(489)
1994	387	189,687	152,926	36,761	79,444	42,194
1995	379	231,725	167,181	64,544	79,444	36,261
1996	358	207,870	197,191	10,679	80,795	106,377
1997	348	198,678	204,958	(6,280)	40,000	152,658

Year ended 31st March	Interments	Expenditure	Income (excluding precepts)	Net Expenditure/ (Income)	Precepts	Surplus / (Deficit) C/Fwd
		£	£	£	£	£
1998	364	194,514	236,535	(42,021)	0	194,679
1999	356	211,242	244,542	(33,300)	0	227,979
2000	312	216,869	248,694	(31,825)	0	259,804
2001	314	230,329	255,315	(24,987)	0	284,791
2002	317	218,613	286,709	(68,096)	(194,064)	158,823
2003	320	260,664	302,866	(42,202)	0	201,025
2004	320	285,719	336,688	(50,970)	0	251,995
2005	302	291,487	351,113	(59,626)	(150,000)	161,621
2006	290	329,568	394,944	(65,376)	0	226,997
2007	290	357,500	374,118	(16,619)	0	243,616
2008	264	363,008	361,033	1,975	0	241,641
2009	267	503,040	447,967	55,073	0	186,568
2010	228	467,356	385,789	81,567	0	98,340
2011	243	347,679	402,080	(54,401)	0	139,969
2012	212	361,096	500,971	(139,876)	0	279,845
2013	224	539,401	549,024	(9,622)	0	289,468
2014	216	508,926	538,540	(29,614)	0	319,082
2015	217	555,404	590,638	(35,235)	0	354,316
2016	262	569,668	710,329	(140,661)	0	494,977
2017	237	588,562	606,882	(18,321)	0	513,298
2018	248	452,465	600,846	(148,381)	0	661,679
2019	234	519,727	590,607	(70,880)	0	732,559

## CAPITAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

## Capital and Finance leases

There are no finance leases as at 31st March 2019

	Valuation to 31/3/2019 £	Depreciation at 31/03/2019	Disposals during year	Additions during year £	Valuation at 31/3/2020 £	
Land acquired from constituent authorities -						
Nil Carshalton UDC	22,220	0.00			22,220	
Nil Merton & Morden UDC	29,975	0.00			29,975	
Nil acquired from Merton & Morden UDC	18,621	0.00			18,621	
40 Layout of new section	3,542	107.33			3,435	
40 Superintendent's house & office	3,119	94.52			3,025	
40 Waiting room and lavatories	22,628	165.75		0	22,463	
40 Drawing room for works staff	168	5.10			163	
40 Greenhouses	2,255	68.33			2,187	
40 Chapel	26,250	301.99		-	25,948	
40 Chapel heating	393	11.91			381	
40 Layout of Roman Catholic section	710	21.50			688	
10 Potting shed conversion	206	68.60			137	
Nil Cemetery extension	1,340,137	70,532.00			1,269,605	
40 Mess room	3,186	96.53			3,089	
40 Boundary Wally, Layout, Fencing & Elect. Works	107,607	3,260.81			104,346	1,506,281
7 Grave Digger	0	0.00			0	
7 Vehicle equipment & potting sheds	0	0.00			0	
20 Cemetery Grounds	11,401	876.97			10,524	
20 Sub Transformer	23,187	1,783.59			21,403	
10 Store shed	42	14.07			28	
10 New Boilers	47,390	4,738.95			42,651	
10 Repairs to Service Yard & Storage	1,343	447.61			895	75,499.76
<b>TOTAL</b>	<b>1,664,377</b>	<b>82,595.56</b>	<b>0</b>	<b>0</b>	<b>1,581,781</b>	<b>1,581,781</b>
Land and Buildings	1,581,016	74,734.37	0	0	1,506,282	
Vehicles, Plant and Equipment	83,360	7,861.18	0	0	75,498	
	1,664,376	82,595.56	0	0	1,581,780	
MRP (non Loan)		12,063.56				
Loan Management Expense		70,532.00				

## CAPITAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

## Capital and Finance leases

There are no finance leases as at 31st March 2019

	Valuation to 31/3/2019 £	Depreciation at 31/03/2019	Disposals during year	Additions during year £	Valuation at 31/3/2020 £	
Land acquired from constituent authorities -						
Nil Carshalton UDC	22,220	0.00			22,220	
Nil Merton & Morden UDC	29,975	0.00			29,975	
Nil acquired from Merton & Morden UDC	18,621	0.00			18,621	
40 Layout of new section	3,435	107.33			3,327	
40 Superintendent's house & office	3,025	94.52			2,930	
40 Waiting room and lavatories	22,463	165.75		0	22,297	
40 Drawing room for works staff	163	5.10			158	
40 Greenhouses	2,187	68.33			2,118	
40 Chapel	25,948	301.99		-	25,646	
40 Chapel heating	381	11.91			369	
40 Layout of Roman Catholic section	688	21.50			667	
10 Potting shed conversion	137	68.60			69	
Nil Cemetery extension	1,269,605	70,532.00			1,199,073	
40 Mess room	3,089	96.53			2,993	
40 Boundary Wally, Layout, Fencing & Elect. Works	104,346	3,260.81			101,085	1,431,547
7 Tractor	0	0.00			0	
7 Grave Digger	0	0.00			0	
7 Vehicle equipment & potting sheds	0	0.00			0	
7 Ivenco Tipper Truck	0				0	
5 Indexing & Digitization DB	0				0	
5 Dumper Truck	0				0	
20 Cemetery Grounds	10,524	876.97			9,647	
20 Sub Transformer	21,403	1,783.59			19,619	
10 Store shed	28	14.07			14	
10 New Boilers	42,651	4,265.06			38,385	
10 Repairs to Service Yard & Storage	895	447.61			448	68,112.47
<b>TOTAL</b>	<b>1,581,781</b>	<b>82,121.66</b>	<b>0</b>	<b>0</b>	<b>1,499,660</b>	<b>1,499,660</b>
Land and Buildings	1,506,281	74,734.37	0	0	1,431,548	
Vehicles, Plant and Equipment	75,499	7,387.29	0	0	68,110	
	1,581,780	82,121.66	0	0	1,499,659	
MRP (non Loan)		11,589.66				
Loan Management Expense		70,532.00				

# Merton and Sutton Joint Cemetery (MSJC)

## Risk Management Strategy

Revised February 2019

## Policy Statement

MSJC's policy is to manage our risks by identifying, assessing and controlling them, with the aim of eliminating or reducing them to acceptable levels whilst being mindful that some risks will always exist and will never be eliminated.

The Board recognises its responsibility to risk management by supporting a structured, systematic and focussed approach to risk management through the approval of our risk management strategy. To optimise effectiveness the Board have adopted Merton's approach, policy, strategy and processes to dovetail with that embedded into the London Borough of Merton's operational and strategic activity.

The effective management of risk is at the core of our approach to delivering cost effective and efficient services as well as sound governance and is a continuous and evolving process, running through our strategies and service delivery arrangements. As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the organisation.

MSJC's aims and objectives in relation to risk management are to:

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Minimise the cemetery's exposure to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Assign clear roles and responsibilities for councillors and officers responsible for risk management
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

We will achieve this by:

- Having a clear and concise risk management strategy which underpins our approach and responsibilities to risk
- Incorporating risk management into business planning, project management and service delivery
- Monitoring and reporting risk on a regular basis to very Board meeting.

## **Risk Management Strategy**

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face, we are better able to actively recognise where uncertainty surrounding events or outcomes exists, and identify measures which can be taken to protect the cemetery, its staff, residents, customers and assets from these risks.

This strategy provides a structured approach to identifying emerging risks as well as assessing and managing current risks. It also incorporates a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on an annual basis, and updated where required.

## **What is risk?**

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Our risk management processes also include the assessment of Issues. Issues are current problems, questions, outstanding items, tasks or a request that exists in the immediate present. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

## **Definition of Risk Management**

Organisations exist to achieve their ambitions, aims and objectives. Risk Management is the process by which organisations methodically address and identify the risks that may prevent them from achieving these ambitions, aims and objectives. The intention is to achieve sustained benefit within each of their activities, and across the portfolio of all their activities.

Ultimately, risk management is about creating a better understanding of the most important problems facing organisations.

Risk is also implicit in the decisions all organisations take; how those decisions are taken will affect how successful they are in achieving their objectives. Decision making is, in turn, an integral part of the day to day existence and is particularly significant in times of change. Risk management therefore is a key component in the management of change and helps to support effective decision making.

We endeavour to identify all risks facing the cemetery and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red).

## **The benefits of risk management**

In addition to the business and service benefits of our approach, we are required to undertake risk management because it forms part of the Annual Governance Statement. We must, therefore, demonstrate that we have a systematic strategy, framework and process for managing risk.

However, the Board recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include:

- Stronger ability to achieve our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in our ability to adapt to change
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

### **Organisational awareness of risk and risk management**

Ensuring that there is a strong organisational awareness of risk management will be achieved through utilisation of the procedures and processes put in place by the London Borough of Merton including training sessions, reviews, departmental meetings, briefings and staff bulletins which will take place on a regular basis. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk i.e. the Risk Management Toolkit and other guidance.

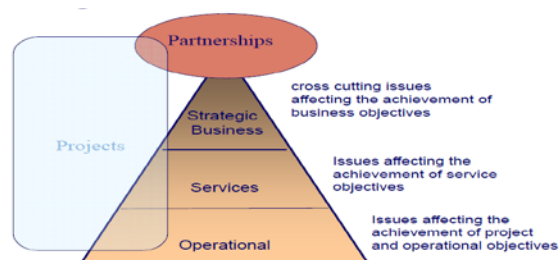
### **Risk Appetite**

The cemetery recognises that its risk appetite to achieve the corporate priorities identified within its business plan could be described in general as an “informed and cautious” approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be accepted, for example to support innovation in service delivery. To offset this there are areas where the cemetery will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the cemetery, supporting the overall “informed and cautious” position on risk.

### **How does risk management integrate with other policies?**

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance; by ensuring close links we can enhance our resilience. Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, its link with risk management is key to ensuring the continuous delivery of services which are important to the community.





### **Risk management in projects**

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

### **Risk management in partnerships**

The cemetery is likely to be involved in a range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

### **Risk management and financial planning**

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed, and then reviewed on a regular basis.

It is important that risks identified and assessed at an operational level can be escalated to managers and the Board. However, because a risk may have a great impact on an individual does not necessarily follow that it may have the same impact on the service.

### **Financial Risk Management**

Local government has faced unprecedented financial challenges in recent years that are likely to remain well into the next decade. The harsh financial economy faced by local authorities has led Central Government and the public sector accounting body CIPFA to start to consider how best to minimise the chance of further Section 114 notices being released and providing early warnings of authorities being unable to balance their budgets.

For MSJC focus is placed on monitoring contractor information regarding income to ensure targets are met, monitoring costs to ensure operations are conducted within the income generated and an awareness of the future impact of the organisation's pension fund and its long term business model to ensure that sufficient reserves exist to maintain the cemetery when all burial space is utilised.

There is also a financial impact element to the authorities risk matrix which has been recently reviewed and simplified. Officers will continue to review activity and adopt best practice etc. where appropriate

## Scoring Risk

In conjunction with this strategy, more detailed guidance will be issued to assist officers in identifying risks and issues, and the scoring, managing and reporting of those risks identified.

When determining a score for cemetery level risks, definitions of likelihood and impact of risk should be used in conjunction with the matrix below. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, critical, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

### Defining the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur more than 50%, and up to 90% of the time
4 - Significant	Occurs or likely to occur more than 25%, and up to 50% of the time
3 - Possible	Occurs or likely to occur more than 5% and up to 25% of the time
2 - Low	Occurs or likely to occur more than 1% and up to 5% of the time
1 - Almost Impossible	Occurs or likely to occur up to 1% of the time

### Defining the Impact of Risk

Categories	1 Marginal	2 Moderate	3 Serious	4 Very Serious
<b>Financial Impact - FI</b>	£100k - £500k per annum	£500k - £1m per annum	£1m - £5m per annum	Over £5m per annum
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

## Risk Matrix

Likelihood	6	6	12	18	24	<b>Likelihood</b> 6. Very high 5. High 4. Significant 3. Possible 2. Low 1. Almost impossible	<b>Impact</b> 4. Very Serious 3. Serious 2. Moderate 1. Marginal
	5	5	10	15	20		
	4	4	8	12	16		
	3	3	6	9	12		
	2	2	4	6	8		
	1	1	2	3	4		
	1	2	3	4			

Impact

### Reporting and escalating risks

All risks are reviewed for reporting to each meeting of the Board. Officers and staff linked to the cemetery are expected to raise risks and issues as identified. These are then reviewed and where necessary escalated to the Board.

### Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk register needs to be regularly managed, with risk owners re-assessing their risks, re-scoring them if appropriate, and providing sufficient narrative in respect of the Control Measures they have in place (i.e. the actions which they are taking to mitigate against the risk). The reviews of risk registers should be managed by exception.

The Board have adopted the London Borough of Merton's approach to risk management and as such the MSJC Risk Register is reviewed by Merton's Corporate Risk Management Group to ensure consistency of treatment throughout the Authority.

Removal of any risks from the registers must be approved by the Board. To be removed from the register risks must have remained green for two consecutive meetings of the Board. There are otherwise no rigid guidelines for dropping risks from the registers because clear parameters are not always possible. A decision is sometimes taken to keep a low-scoring risk in view on the basis that its status might change over a short period, or so those with an assurance role can be confident mitigation against a risk can be sustained

### Roles, Responsibilities and Governance

#### Board

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the cemetery faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have a responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

#### Officers

Officers are ultimately accountable in ensuring that risk management is fully embedded in the Cemetery's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the cemetery's Risk Management Strategy. They will take a leading role in the risk management process, ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff.

**Client Side/Contractor**

Client Side/Contractor have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are required to maintain an awareness of risk and ensure that any risks they identify are captured by the risk management process, understanding and responding to the key risks which could significantly impact on the achievement of their service and/or team objectives. Managers should encourage staff to be open about risk so that appropriate mitigation actions and control measures can be agreed.

**Risk Owners**

Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to a level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide information as part of reviews to the Board.

**Individual Staff**

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks deriving from their everyday work, processes and environment. Risks which could impact on service delivery, the achievement of objectives, or their own or others' wellbeing must be identified and actively managed, with mitigating actions in place where appropriate.

# Risks & Issues Register ~ Merton & Sutton Joint Cemeteries Board

as at January 2020

Risk Owner	Code & Name	Risk or Issue	Risk Description	Cause(s)	Consequence(s)	Impact code	Matrix	Current Score & Review History	Control Actions	Date provided
	MSJCB Merton & Sutton Joint Cemeteries Board Risk Register		MSJCB							
Page 25  Doug Napier	MSJCB02 Pandemic leading to a reduction in income	Risk	Impact of a possible Pandemic on short, medium and long term income.	The risk is that income will be reduced in the long term. Initially there will be a surge in income from the mass grave at the cemetery. Subsequently it is envisaged that demand for burial services will be reduced for a number of years.	It is envisaged that the unitary income from a mass burial would be lower than that generated from individual burials. In addition, the Board may need to reconsider the length of time over which the extension loans are paid off. The initial surge in income would be offset by lower expected income levels for a period of time, and the Board may struggle to break even over this period.	SP		9  23-Jan-2020	Action Plan in place from the Corporate Pandemic (swine flu) plan which would use a number of cemeteries for mass burial.	23 Jan 2020
								4  14-Jan-2020 4  19-Jun-2019		
								4  05-Jun-2019	The Coronavirus outbreak in China will be monitored by officers. In response to recent news coverage the likelihood of this risk occurring has been increased to a 3 and the impact reduced from a 4 to a 3 this reduction reflects the current mortality rates (January 2020)	

Risk Owner	Code & Name	Risk or Issue	Risk Description	Cause(s)	Consequence(s)	Impact code	Matrix	Current Score & Review History	Control Actions	Date provided
Doug Napier	MSJCB07a Poor operational service delivery	Issue	Poor service delivery achieved under contracting arrangements	The risk is that there will be a negative operational effect as a consequence of the externalisation of Merton and Sutton office administration, grounds maintenance and grave digging services.	Negative impact on service efficiency and quality leading to potential consequences in terms of reputation and lower income.	R		6  14-Jan-2020	<ul style="list-style-type: none"> <li>- Client-side monitor the performance of the contract and the level of complaints</li> <li>- Regular contractor reports are now being received by the Board</li> <li>- Memorial safety inspection and bearer beam replacement programmes have been established and are currently being delivered.</li> <li>- The situation in respect of some reports of overflowing waste bins is being monitored</li> </ul>	14 Jan 2020
								6  19-Jun-2019		
								6  05-Jun-2019		
								6  14-Feb-2019		
Zoe Church	MSJCB07b Maintaining the MSJCB pension fund	Issue	MSJCB has a separate mature pension fund	The risk is that the mature pension fund for which we anticipate the deficit will increase at each Actuarial revaluation.	Short, Medium and Long Term Pension implications from additional funding to maintain the pension fund	SP		3  14-Jan-2020	<ul style="list-style-type: none"> <li>The initial figures from the Actuarial Revaluation have just been received and there has been a favourable movement in the overall funding position of MSJC's pension fund.</li> <li>The current contribution level has been maintained in the estimates and the risk reduced this budget will be updated when final figures are received.</li> </ul>	14 Jan 2020
								6  19-Jun-2019		
								6  05-Jun-2019		
								6  14-Feb-2019		

Risk Owner	Code & Name	Risk or Issue	Risk Description	Cause(s)	Consequence(s)	Impact code	Matrix	Current Score & Review History	Control Actions	Date provided												
Doug Napier	MSJCB07c Failure of contracting-out arrangements	Risk	Withdrawal of the contractor from the contract	There is a risk that the contractor may withdraw from the contract and that Merton would need to re-provide the service. It is unclear whether the chances of this happening are heightened by Brexit	Withdrawal from the contract either by design or through administration / liquidation will have an impact upon service provision during the interim changeover period whilst Merton re-provides the service.	R		<table border="1"> <tr> <td>8</td> <td></td> <td>14-Jan-2020</td> </tr> <tr> <td>8</td> <td></td> <td>19-Jun-2019</td> </tr> <tr> <td>8</td> <td></td> <td>05-Jun-2019</td> </tr> <tr> <td>8</td> <td></td> <td>14-Feb-2019</td> </tr> </table>	8		14-Jan-2020	8		19-Jun-2019	8		05-Jun-2019	8		14-Feb-2019	It is envisaged that any contract re-negotiation will result in either lower income or increased contractual costs.	14 Jan 2020
8		14-Jan-2020																				
8		19-Jun-2019																				
8		05-Jun-2019																				
8		14-Feb-2019																				

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