

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COYCHURCH CREMATORIUM JOINT COMMITTEE

11 JUNE 2021

REPORT OF THE TREASURER

ANNUAL ACCOUNTING STATEMENT 2020-21

1. Purpose of report

- 1.1 The purpose of this report is to present the unaudited Annual Accounting Statement for the 2020-21 financial year to the Joint Committee, and to obtain approval to submit the Annual Accounting Statement for Coychurch Crematorium to Audit Wales.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Under Regulation 14 of the Accounts and Audit (Wales) Regulations 2014, Coychurch Crematorium Joint Committee is required to complete an Annual Accounting Statement as they are classed as a smaller local government body with annual income and expenditure below £2.5 million.
- 3.2 The Accounts and Audit (Wales) Regulations 2018 require that the Joint Committee must formally approve the Annual Accounting Statement by 30 June and certify that they present fairly the financial position of Coychurch Crematorium.
- 3.3 Unless the Annual Accounting Statement needs to be amended, the auditor will certify the Statement and send it back to the Joint Committee for publication with no further approval required by the Joint Committee. If however amendments are required, the auditor will send the Statement back to the Joint Committee for amendment and re-approval before the auditor can certify the Statement. The certified Annual Accounting Statement must be published by no later than the 30 September.

4. Current situation/proposal

4.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2020-21 Coychurch Crematorium made a net surplus of £845,231 (difference between Line 1 'Balances brought forward' and Line 7 'Balances carried forward'). The surplus has been added to the accumulated reserve for the Crematorium brought forward at 31 March 2020, bringing the total of that reserve to £2,898,883 at 31 March 2021 compared to £2,053,652 in the preceding year.

The following table shows a summary of the final financial position for the Crematorium for 2020-21 as compared to the budget set at the start of the financial year.

Table 1 – Crematorium Financial Position 2020-21

Actual 2019-20 £'000		Budget 2020-21 £'000	Actual 2020-21 £'000	Variance 2020-21 £'000
	<u>Expenditure</u>			
315	Employees	324	348	24
249	Premises	314	275	(39)
155	Supplies, Services & Transport	144	156	12
99	Agency/Contractors	104	100	(4)
32	Administration	36	44	8
207	Capital Financing Costs	882	40	(842)
1,057	Gross Expenditure	1,804	963	(841)
	<u>Income</u>			
(1,312)	Crematorium Fees etc.	(1,380)	(1,728)	(348)
(13)	Welsh Government Grant	0	(50)	(50)
(30)	BCBC Contribution	(29)	(30)	(1)
(1,355)	Gross Income	(1,409)	(1,808)	(399)
(298)	(Surplus)/Deficit	395	(845)	(1,240)
(298)	Transfer (to)/from Reserve	395	(845)	

4.2 Explanations for the more significant variances from budget are given below:

- The over spend of £24,000 on Employees is due to two additional Crematorium Technicians being employed from June 2020, offset by an under spend of £20,000 on other employee costs. The additional costs of the two posts have been funded by the Welsh Government COVID 19 Hardship Fund, and is shown in the increased income for 2020-21.
- The under spend of £39,000 on Premises is made up of under spends on Planned Maintenance (£16,000), Day to Day Maintenance (£14,000), Grounds Maintenance (£7,000) and Business Rates (£2,000).

- The over spend of £12,000 on Supplies, Services & Transport is made up of an over spend on Items for Resale (£32,000), offset by under spends on Purchase of Equipment (£10,000), Security Services (£6,500) and Equipment Repairs & Maintenance (£3,500).
- Table 2 below shows a breakdown of the Planned Maintenance Budget along with the Outturn and Variances for 2020-21.

Table 2 – Planned Capital Maintenance 2020-21

2020-21	Budget 2020-21 £'000	Outturn £'000	Variance £'000
Flower Court Extension	520	11	509
Site Lighting	300	8	292
Electricity Distribution Boards	20	17	3
Chapel Sound System	42	4	38
Total	882	40	842

- The under spends on the Flower Court Extension, Site Lighting and Chapel Sound System are due to the projects being delayed as a result of the Coronavirus pandemic. All three projects are planned to proceed in 2021-22 and are included in the Planned Capital Maintenance budget for 2021-22.
- Income is higher than budgeted by £398,000 due to increases in the number of cremations (£347,000), receipt of the Child Burial Fees (£6,000) and COVID 19 Hardship Fund (£44,000) grants from Welsh Government. 2020-21 saw an increase in the number of cremations of 25% which was largely driven by the COVID 19 pandemic. It is anticipated that income levels will return to normal levels in 2021-22.

4.3 In addition to the Annual Accounting Statement, a supplementary Balance Sheet is provided in Table 3 below. This supplementary information provides a further breakdown of the figures recorded in the Annual Accounting Statement. This is for information only, and is not subject to audit at year end.

Table 3 – Balance Sheet for Years Ended 31 March 2020 & 2021

31 March 2020 £'000	Description	31 March 2021 £'000
	Property, Plant & Equipment	
3,611	- Other Land and Buildings	3,487
1,100	- Community Assets	1,100
4,711	Non-Current Assets	4,587
	Current Assets	
29	Inventories	29
153	Short Term Debtors	165
1,882	Cash and Cash Equivalents	2,717
2,064	Current Assets	2,911
	Short Term Borrowing	
(7)	Short Term Creditors	(6)
(7)	Current Liabilities	(6)
	Net Assets	
6,768	Net Assets	7,492
	Usable reserves	
2,054	- Accumulated Surplus	2,899
	Unusable reserves	
1,820	- Revaluation Reserve	1,820
2,892	- Capital Adjustment Account	2,767
2	- Short-term Accumulating	
	- Compensated Absences Account	6
6,768	Total Reserves	7,492

4.4 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.587 million as recorded on Line 12 of the Annual Accounting Statement represent buildings, land and fixtures and fittings. The decrease in the value of Non-Current Assets is due to the depreciation charged against these assets.
- Inventories of £29,000 relates to stock included in the Balance Sheet at the lower of cost and net realisable value and relate to memorials purchased for future use in the Garden of Remembrance.
- Short term debtors of £165,000 represent the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors as at 31st March 2021.

- Cash and cash equivalents of £2.717 million represents cash held by Bridgend County Borough Council, the financial services provider, as part of its general bank account. No separate bank account exists for Coychurch Crematorium.
- Short term creditors of £6,000 represent monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2020-21 and includes a balance for annual leave not yet taken by staff.
- Reserves are reported in two categories. Usable reserves can be used by the Committee to provide services subject to the need to maintain a prudent level of reserves. The second category, Unusable Reserves, are not available to provide services. This includes a reserve that holds the timing differences between the annual leave entitlement for staff and actual annual leave taken at 31 March 2021 and revaluation of assets and capital adjustments.
- The accumulated surplus of £2.899 million as recorded in Line 11 of the Annual Accounting Statement reflects the surplus for the current year and the balance of any previous year's surpluses/deficits held to fund any future capital works. The accumulated surplus will be the subject of a future report considering its use for proposed improvements and the possible repayment to the Partner Authorities.
- The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.
- The Accumulated Absences Account absorbs the differences that would otherwise arise on the Accumulated Surplus Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Accumulated Surplus Balance is neutralised by transfers to or from the Account. The Account balance was £6,500 as at 31 March 2021 (£2,300 - 31 March 2020).

5. Effect upon policy framework and procedure rules

5.1 There is no impact on the Policy Framework and Procedure Rules.

6. Equality Impact Assessment

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act have been considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

8.1 These are reflected within the report.

9. Recommendations

9.1 The Joint Committee is recommended to approve the Annual Accounting Statement for Coychurch Crematorium for 2020-21 (Appendix 1), and request that the Chair of the Joint Committee signs the Annual Accounting Statement.

**GILL LEWIS
INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE & CHANGE
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
JUNE 2021**

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Background documents: Report of the Treasurer
Coychurch Crematorium Joint Committee
5 March 2021