

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COYCHURCH CREMATORIUM JOINT COMMITTEE

15 JULY 2022

REPORT OF THE TREASURER

ANNUAL ACCOUNTING STATEMENT 2021-22

1. Purpose of report

- 1.1 The purpose of this report is to present the unaudited Annual Accounting Statement for the 2021-22 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. Due to the Local Government elections in May and changes to the committee members, the Joint Committee were unable to approve the statement by this date. It has been agreed with Audit Wales to accept the Annual Accounting Statement being agreed at today's meeting.
- 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 2022.

4. Current situation/proposal

4.1 Section 1 of the Annual Accounting Statement (**Appendix 1**) shows that in 2021-22 Coychurch Crematorium made a net surplus of £280,724 (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 2021, bringing the total of that reserve to £3,179,607 at 31 March 2022 compared to £2,898,883 in the preceding year.

Table 1 shows a summary of the final financial position for the Crematorium for 2021-22 as compared to the budget set at the start of the financial year.

Table 1 – Crematorium Financial Position 2021-22

Actual 2020-21 £'000		Budget 2021-22 £'000	Actual 2021-22 £'000	Variance 2021-22 £'000
	<u>Expenditure</u>			
348	Employees	326	359	33
275	Premises	424	281	(143)
156	Supplies, Services & Transport	199	201	2
100	Agency/Contractors	112	100	(12)
44	Administration	36	42	6
40	Capital Financing Costs	845	246	(599)
963	Gross Expenditure	1,942	1,229	(713)
	<u>Income</u>			
(1,728)	Crematorium Fees etc.	(1,446)	(1,409)	37
(50)	Welsh Government Grant	(15)	(71)	(56)
(30)	BCBC Contribution	(30)	(30)	0
(1,808)	Gross Income	(1,491)	(1,510)	(19)
(845)	(Surplus)/Deficit	451	(281)	(732)
(845)	Transfer (to)/from Reserve	451	(281)	

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

- The over spend of £33,000 on Employees is due to two additional Crematorium Technicians being employed for the full financial year which is offset by an under spend of £17,000 on other employee costs. The additional costs of the two posts have been funded by the Welsh Government COVID 19 Hardship Fund, which is included in the increased income for 2021-22.
- The under spend of £143,000 on Premises is made up of under spends on Planned Maintenance (£129,000), Grounds Maintenance (£1,000), Utilities (£10,000) and Business Rates (£3,000).

- The under spend of £12,000 on Agency and Contractors relates to grounds maintenance and waste disposal. While the budget was increased for 2021-22 the expenditure remained the same as the previous year.
- Table 2 below shows a breakdown of the Planned Capital Maintenance Budget along with the Outturn and Variances for 2021-22.

Table 2 – Planned Capital Maintenance 2021-22

2021-22	Budget 2021-22 £'000	Outturn £'000	Variance £'000
Flower Court Extension	550	15	535
Site Lighting	250	187	63
Chapel Sound System	45	44	1
Total	845	246	599

- The under spends on the Flower Court Extension and Site Lighting are due to the projects being delayed as a result of the Coronavirus pandemic. The Flower Court Extension and Site Lighting projects are planned to continue in 2022-23 and are included in the Planned Capital Maintenance budget for 2022-23.
- Income is higher than budgeted by £19,000 due to an increase in COVID 19 Hardship Fund grants from Welsh Government (£50,000), and receipt of the Child Burial Fees grant (£6,000) offset by a decrease in the number of cremations (£37,000). The number of cremations has decreased considerably in 2021-22, It is anticipated that income levels will return to pre-COVID 19 levels in 2022-23.

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 2021 & 2022

31 March 2021 £'000	Description	31 March 2022 £'000
	Property, Plant & Equipment	
3,487	- Other Land and Buildings	3,760
1,100	- Community Assets	1,100
4,587	Non-Current Assets	4,860
	Current Assets	
29	Inventories	28
165	Short Term Debtors	144
2,717	Cash and Cash Equivalents	3,018
2,911	Current Assets	3,190
	Short Term Borrowing	
(6)	Short Term Creditors	(7)
(6)	Current Liabilities	(7)
7,492	Net Assets	8,043
	Usable reserves	
2,899	- Accumulated Surplus	3,180
	Unusable reserves	
1,820	- Revaluation Reserve	1,917
2,767	- Capital Adjustment Account	2,943
	- Short-term Accumulating	
6	- Compensated Absences Account	3
7,492	Total Reserves	8,043

4.4 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.86 million as recorded on Line 12 of the Annual Accounting Statement represent buildings, land and fixtures and fittings. The increase in the value of Non-Current Assets is due to the re-evaluation, addition and depreciation of these assets.
- Inventories of £28,000 relates to stock included in the Balance Sheet and relates to memorials purchased for future use in the Garden of Remembrance.
- Short term debtors of £144,000 represents the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors as at 31st March 2022.

- Cash and cash equivalents of £3.018 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 £7,000 represents monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2021-22 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 2022 and revaluation of assets and capital adjustments.
- The accumulated surplus of £3.18 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 Revaluation Reserve of £1.917 million includes an adjustment in 2021/22 of £55,000 relating to a prior period which was miscoded to the Capital Adjustment Account.
- 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 accrues for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March.

5. Effect upon policy framework and procedure rules

- 5.1 There are no effects on the policy framework or procedure rules arising from this report.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

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

7.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

- **Long-term:** the consideration and approval of this report will assist in the short term planning for the long-term operation of the crematorium.
- **Prevention:** the consideration and approval of this report will assist in the planning of expenditure and funding to support future service delivery for the benefit of communities.
- **Integration:** the report supports all the well-being objectives.
- **Collaboration:** savings are achieved as a result of collaboration and integrated working of the Joint Committee.
- **Involvement:** publication of the report ensures that members and stakeholders can review and certify the Annual Accounting Statement for 2021-22.

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 2021-22 (Appendix 1), and requests that the Chair of the Joint Committee signs the Annual Accounting Statement prior to submission to Audit Wales.

**CARYS LORD
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BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
JULY 2022**

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Background documents: None