

MERTON AND SUTTON JOINT CEMETERY BOARD 26 February 2019

Wards; Borough Wide Merton and Sutton

Subject: Budget Monitoring 2018/19 and Revenue Estimates 2019/20

Lead Officer: Zoe Church

Recommendations:

1. That the current budgetary position for 2018/19 based on the end of January 2019 shown in Columns 1 to 3 of Appendix A be noted.
 2. The Revenue Estimates for 2019/20 shown in Column 4 of Appendix A be approved.
 3. That the precepts for the financial year ended 31 March 2020 be set at zero.
 4. That the Board establishes its next meeting as early as possible in June 2019 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 Idverde be requested to provide comparative charging information to this meeting next year so that the Board may recommend Fee increases for the financial year 2020/21
 6. That Merton Council be asked to consider price increases of up to 2.5% for 2019/20 for burial services.
 7. That the Board review and approve the Risk Management Strategy and Risk Register (as at February 2019) attached as Appendix I
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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 January 2019 and revenue estimates for 2019-2020.

2. Details

2.1 Estimates

- 2.1.1 The Board's 2018/19 Budgetary Monitoring is attached at Appendix A (columns 1 to 3). The draft Revenue Estimates for 2019/20 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
- Asset register and depreciation – Appendix D
- Loan repayment – Appendix E
- Interment income – Appendix F
- Rental income – Appendix G

- 2.1.2 Appendix H 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 Appendix F details the actual and anticipated income for the cemetery under the new contractual arrangements. Prices for services were not increased last financial year, prior to the new contractual arrangements the Board would receive an annual comparative report to inform pricing decisions. It is therefore recommended that that Merton council considers increasing the pricing structure for services up to 2.5% for 2019/20 and that Idverde be request to provide a pricing comparison report (similar to that provided during prior year's budget setting processes) to the February 2020 budget setting meeting of the Board.
- 2.2.2 Appendix G details the expected rental income in 2018/19 and 2019/20

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 2.8% pay award has been built into salary estimates for 2019/20.
- 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 Evaluation. The pension contribution is based on the actuarial report received from Surrey Count Councils Actuary. The new rates from the next actuarial evaluation are scheduled to feed into the 2020/21 estimates.

2.5 Interim Valuation

2.5.1 Attached at Appendix D is the re-cast asset register of the Cemetery – based on the schedule provided to the District Valuer. The second table on the Appendix shows the anticipated movement in asset value for 2018/19. As a consequence of this change there will be:

- i) Adoption of an accounting policy
- ii) Anticipated Valuation Loss of £135k
- iii) Anticipated increase in asset value on the balance sheet of £1,250k matched by the creation of a revaluation reserve

2.5.2 The anticipated impact of this change is replicated in the monitoring and estimates (including Appendix A1)

2.5.2 Appendix E 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 7 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 2019/20 is proposed as follows:

Special Projects

Bearer Beams	50,000
Roads and Footpaths	20,000
Demolition of Greenhouse	20,000
Restructuring	10,000
Total Special Projects	100,000

2.6.2 Business cases will need to be compiled so that Schemes to be progressed in 2019/20 can be prioritised appropriately.

3. Common Fund Balances

3.1 The balance on the Common Fund brought forward into 2018/2019 is £661,678 plus the balances on the two smaller reserves of £29,959 provides a total of fund balances carried forward of £691,637.

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.

<u>Appendices</u>	<ul style="list-style-type: none"> A – Budgetary Monitoring 2018/19 and Revenue Estimates 2019/2020 A1 – Common Fund Balance B – Salary Estimates and Estimated and Contractors Charge C – Management and Administration Expenses D – Depreciation and Asset Register E – Estimated Debt Repayment F – MSJCB Interment etc. Income from Contractual Arrangements G – Rental Estimates H – Precept History MSJCB I – Risk Management Strategy and Risk Register as at February 2019
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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

Merton and Sutton Joint Cemetery Board

Description	Revised Budget 2018/19 £	Projected Outturn 2018/19 £	Variance to Budget £	Original Budget 2019/20 £	Narrative
	(1)	(2)	(3)	(4)	
Employee Costs					
Salaries	4,960	4,657	(303)	4,800	Detail in Appendix B
Super Fund Revaluation Costs	37,000	37,000	0	37,000	Actuarial Review Contribution
Total Employee Costs	41,960	41,657	(303)	41,800	
Running Costs					
Building Improvements	3,000	7,040	4,040	8,000	
Building Maint - Mechanical	3,000	0	(3,000)	0	
Building Maint - Electrical	150	0	(150)	0	
Gas	1,500	2,477	977	3,000	
Electricity	2,000	2,507	507	3,000	
NNDR	8,000	10,587	2,587	13,030	Expected increase circa £5k
Use of Water	6,300	2,500	(3,800)	3,000	
Contract/Client Side	215,820	221,330	5,510	222,180	
General Office Expenses	5,500	0	(5,500)	2,000	Digitising
Multi-Functional Printers	0	276	276	500	
Print Room Costs	0	16	16	100	
Fees (Mgt & Admin Expenses)	21,770	21,770	0	22,340	Detail in Appendix C
External Audit Fees	1,500	1,300	(200)	1,500	
Agents Fees	0	0	0	0	
Affiliation Fees	500	0	(500)	0	
Consultants	10,000	9,500	(500)	10,000	£8k Actuarial and £2k Valuation
Insurance Premiums	4,120	4,120	0	5,000	
External Waste Charges	1,500	0	(1,500)	0	
Internal Legal Hard Charge	10,300	3,015	(7,285)	10,000	
Telephone - Call Charges	1,200	983	(217)	1,200	
Mobile Phones - Call Plans	0	223	223	0	
Revaluation Loss	0	135,400	135,400	0	Details in Appendix D
Depreciation	89,510	83,376	(6,134)	41,310	Details in Appendix D
Interest on Loan	48,950	48,950	0	46,510	Details in Appendix E
Total Running Costs	434,620	555,369	120,749	392,670	
Special Projects					
Toilet Block Refurbishment	32,850	32,850	0	0	
Bearer Beams	59,130	59,130	0	50,000	
Demolition of Greenhouse	0	0	0	20,000	
Roads and Footpaths	0	0	0	20,000	
Restructuring	10,000	0	(10,000)	10,000	
Total Special Projects	101,980	91,980	(10,000)	100,000	
Total Expenditure	578,560	689,006	110,446	534,470	
Income					
Rental Income	(41,710)	(46,955)	(5,245)	(43,020)	Detail in Appendix G
Interment Fees	(567,020)	(537,733)	29,287	(545,000)	Detail in Appendix F
Memorial Fees	0	0	0	0	
Interest Income	(3,170)	(4,591)	(1,421)	(4,430)	0.75% on Average Balance
Total Income	(611,900)	(589,279)	22,621	(592,450)	
Transfer to Reserves	33,340	(99,727)	(133,067)	57,980	

Merton and Sutton Joint Cemetery Board

2018/19	Common Fund Balance	2019/20
(661,678)	Balance b/f	(710,195)
	99,727 Add Surplus (Deficit) for the Year	(57,980)
(83,376)	Transfer Depreciation to Capital Adjustment Account	(41,310)
	70,532 Minimum Revenue Provision	70,532
(135,400)	Loss on Revaluation	0
(710,195)	Balance c/f	(738,953)

Merton and Sutton Joint Cemetery Board Estimates 2018-19

Salaries - Part time Officers	Original Revenue Estimates 2017/18 £	Original Revenue Estimates 2017/18 £	Revenue Estimates 2018/19 £	Revenue Estimates 2019/20 £*
Salaries - Part time Officers				
Clerk	2,100	2,100	2,140	2070
Treasurer	2,100	2,100	2,140	2070
Registrar	2,100	0	0	0
Consultant Surveyor	660	660	680	660
	6,960	4,860	4,960	4,800
Pensions	37,000	37,000	37,000	37,000
Total Employee Costs	43,960	41,860	41,960	41,800

Employee Costs - allowance for 2.8% Pay Rise from actual 2018/19

Merton and Sutton Joint Cemetery Board - Management and Administration Expenses

Department	Original Estimate 2017-18 £	Revised Estimate 2017/18 £	Estimate 2018-19 £	Estimate 2019-20 £	Description of Charge in 2019/20
Corporate Services Department					
Finance Management and Principal Accountant and Clerical Assistant - Payments & Income	4,620	6,900	7,068	7,245	15 days @ £420 - 8 days compiling year end accounts and annual governance statement and liaison with internal an external audit; 7 days financial monitoring and risk management 3 days @ £315 - payment management and processing
Payroll	1,610	1,600	1,640	1,680	Payment of Part Time Officer Staff @ £420 per Officer
Cashiers Office Recharge (Incl Merton Link)	2,230	0	0	0	Income Collection and customer liaison now part of contractor functions
Human Resources, Training & Staff Side	5,740	2,000	2,040	2,097	Small charge to reflect Member and Part Time Officer use of Service
Information Technology	1,380	1,380	1,410	1,449	Part Time Officer use of Computerised Corporate Systems
Internal Audit	3,380	4,000	4,100	4,200	10 days @ £420 - 8.5 days undertaking the year end internal audit; 1.5 days work on annual governance statement utilised by MSJCB
Marketing & Communications	210	0	0	0	Now part of contractor functions
Democratic Services	2,690	3,000	3,060	3,150	10 days @ £315 - for organising and coordinating meetings and activities
Total Corporate Services Department	21,860	18,880	19,318	19,821	
Environment and Regeneration Department					
Three Professional Officers with technical, horticultural and arborticultural experience	15,140	0	0	0	Now added to client side functions - Client fee is being increased by £10k to incorporate this function
Various professional officers experienced in mechanical, electrical and general building repairs and Estates Management staff	2,290	2,400	2,448	2,520	8 days @ £315 - for related activities
Total Environment and Regeneration Department	17,430	2,400	2,448	2,520	
Rounding			4	(1)	
Total Recharges	39,290	21,280	21,770	22,340	

Re-casting Asset Register as at 31 March 2018

Asset	Acres	Carshalton UDC	Merton & Morden UDC	Ac Ld	Layout of New Section	Super's House /Office	Lays & wiring Room	Staff Drawing Room	Green House	Chapel	Chapel Heating	L/out RC Section	Potting Shed	Cem Ex	Mess Room	Boundary Wall	Grave Digger	Potting Shed	Cemetery Grounds	Transformer	Store Shed	New Boilers	Reps Scr Yd & Storage	Total
Area A - Kingston School	2.640	2,445.22																						2,445.22
Area B&B1 - Stables	21.350	19,774.78																						19,774.78
Area C&C1 - Stables	4.730	7,944.70	4,538.17	2,831.61	554.92															24,970.25				24,970.25
Stables Buildings																								41.99
Area CC - Aquiva	0.025		34.09	14.97	2.93																			1,578,803.64
Cemetery Land	26.350		25,392.74	15,774.42	3,091.37							731.11		1,410,668.83		110,867.64								0.00
Caretakers Land						3,213.56																		3,213.56
Caretakers House/Office																								0.00
Garage																								0.00
Chapel										26,551.79	404.94											26,327.50		53,284.23
Toilet Block/Waiting Room																								5,635.35
Greenhouse									2,323.31															2,323.31
Mess Room etc.								173.32					274.40		3,282.10		5,790.26				56.28		1,790.02	32,495.12
Kabote Digger																								5,790.26
Kabote Digger																								0.00
Total	55.095	22,220.00	29,975.00	18,621.00	3,649.23	3,213.56	5,635.35	173.32	2,323.31	26,551.79	404.94	731.11	274.40	1,410,668.83	3,282.10	110,867.64	5,790.26	591.50	12,277.52	24,970.25	56.28	52,655.00	1,790.02	1,736,722.41

Estimated Asset Register Movements 2018-19

Asset	Acres	Useful Life	Total 31/03/2018	Depreciation	Bearer Beams	Toilet Block Return	Valuation Decrease	Valuation Increase	Re-Life	Total 31/03/2019	Useful Life	Depreciation
Area A - Kingston School	2.640		2,445.22					112,554.78		115,000.00		
Area B&B1 - Stables	21.350		19,774.78				115,225.22			135,000.00		
Area C&C1 - Stables	4.730		7,944.70				102,055.30			110,000.00		
Stables Buildings	16		24,970.25	(1,500.64)			66,590.39			90,000.00	15	(6,000.00)
Area CC - Aquiva	0.025		41.99				109,958.01			110,000.00		
Cemetery Land	20		1,578,803.64	(70,532.00)	59,130.00		0.00			1,432,000.00		
Caretakers Land							149,000.00			149,000.00		
Caretakers House/Office				(103.66)			342,890.10			346,000.00	30	(11,533.33)
Office	31		3,213.56				14,000.00			14,000.00	14	(1,000.00)
Garage	13		0.00				3,000.00			3,000.00	12	(250.00)
Chapel	18		53,284.23	(2,960.24)			135,676.01			186,000.00	17	(10,941.18)
Toilet Block/Waiting Room	17		5,635.35	(331.49)			41,846.14			80,000.00	16	(5,000.00)
Greenhouse	6		2,323.31	(387.22)			9,063.91			11,000.00	5	(2,200.00)
Mess Room etc.	19		32,495.12	(1,710.27)			48,215.15			79,000.00	18	(4,388.89)
Kabote Digger	1		5,790.26	(5,790.26)					100	100.00		
Kabote Digger			0.00						100	100.00		
Total	55.095		1,736,722.41	(83,375.78)	59,130.00	32,850.00	(135,401.64)	1,250,075.01	200.00	2,860,200.00		(41,313.40)

Merton & Sutton Joint Cemetery Board £1,763,328 Loan

Merton Loan		3.47% as at June 2013																								
Interest		25 Years																								
Repayment Period		881,664																								
Total Original Loan		881,664																								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25		
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38		
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
30,594	29,370	28,146	26,922	25,699	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		
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		
65,861	64,637	63,413	62,189	60,966	59,742	58,518	57,294	56,071	54,847	53,623	52,399	51,176	49,952	48,728	47,504	46,281	45,057	43,833	42,609	41,386	40,162	38,938	37,714	36,491		
Adjustment to 13/14		7,649																								
Adjusted Total		73,509																								
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																								

Sutton Loan

Sutton Loan		3.47% as at June 2013																								
Interest		25 Years																								
Repayment Period		881,664																								
Total Original Loan		881,664																								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25		
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38		
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
30,594	29,370	28,146	26,922	25,699	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		
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		
65,861	64,637	63,413	62,189	60,966	59,742	58,518	57,294	56,071	54,847	53,623	52,399	51,176	49,952	48,728	47,504	46,281	45,057	43,833	42,609	41,386	40,162	38,938	37,714	36,491		
Adjustment to 13/14		(7,649)																								
Adjusted Total		58,212																								
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																								

Combined Loan

Combined Loan		3.47% as at June 2013																								
Interest		25 Years																								
Repayment Period		881,664																								
Total Original Loan		881,664																								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25		
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38		
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		
61,188	58,740	56,292	53,844	51,396	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		
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		
131,721	129,273	126,825	124,377	121,931	119,483	117,035	114,587	112,141	109,693	107,245	104,797	102,351	99,903	97,455	95,007	92,561	90,113	87,665	85,217	82,771	80,323	77,875	75,427	72,981		
Adjustment to 13/14		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																								
Adjusted Total		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																								
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																								

Merton and Sutton Joint Cemetery Interment Income Calculation

Confirmed Income first year of contract	<u>MSJCB</u>	<u>Ldn/Gap Rd</u>	<u>Total</u>
Income to 31-3-17	70,939.00	56,004.00	126,943.00
Income to 31-01-18	500,062.60	350,788.00	850,850.60
Total for Contract Year	571,001.60	406,792.00	977,793.60
Guaranteed Weighted Income	545,000.00	320,259.00	865,259.00
Income Above Threshold	26,001.60	86,533.00	112,534.60
Weighted Income above Threshold (60%)	14,751.14	49,091.62	63,842.76
Total Sum Due to MSJC	559,751.14		
Total Sum Assumed 2017/18 Accounts	567,018.00		
Reduction to Prior Year Income	(7,266.86)		
Income figure to be assumed for 2018/19			
Guaranteed Weighted Income	545,000.00		
Reduction of Prior Year Income	(7,266.86)		
Income figure to be assumed for 2018/19	537,733.14		
Income figure to be assumed for 2019/20	545,000.00		

Merton and Sutton Joint Cemetery Board - Rental Income

Area	Acres	Annual Rental 2018/19	Revised Annual Rental 2018/19	Annual Rental 2019/20	Commentary
A	2.64	(4,000)	(4,200)	(4,400)	Increased Rental from 31/8/18
B&B1 and C&C1	21.35	(6,000)	(5,000)	(6,000)	Increases to £6,000 from 31/7/18
CC	0.025	(6,750)	(8,658)	(6,750)	2018/19 estimated £6,750 plus adjustment sum of £1908 for prior years share of income
Cemetery Use	26.35	0	0	0	
Lodge	N/A	(2,964)	(2,964)	(2,964)	
Yard, Messroom etc.	N/A	(22,000)	(26,133)	(22,906)	Leased to Idverde from 2-2-17 - estimated 2018/19 in cludes income due from 2017/18 of £3,227
Total	55.095	(41,714)	(46,955)	(43,020)	

PRECEPT HISTORY M&SJC

Appendix H

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
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

PRECEPT HISTORY M&SJC

Appendix H

Year ended 31st March	Interments	Expenditure	Income (excluding precepts)	Net Expenditure/ (Income)	Precepts	Surplus / (Deficit) C/Fwd
		£	£	£	£	£
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	327	285,719	336,688	(50,970)	0	251,995
2005	306	291,487	351,113	(59,626)	(150,000)	161,621
2006	290	329,568	394,944	(65,376)	0	226,997
2007	292	357,500	374,118	(16,618)	0	243,615
2008	264	363,008	361,033	1,975	0	241,640
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	(29,615)	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	256	452,466	600,845	(148,380)	0	661,678

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.

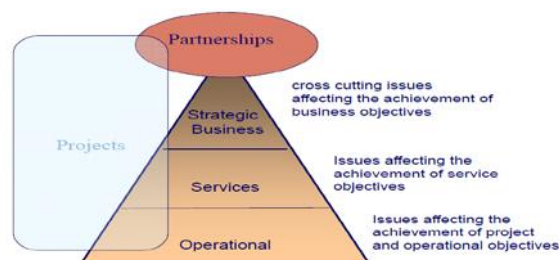
Risk Appetite

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
Financial Impact - FI	£100k - £500k per annum	£500k - £1m per annum	£1m - £5m per annum	Over £5m per annum
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	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	Likelihood 6. Very high 5. High 4. Significant 3. Possible 2. Low 1. Almost impossible	Impact 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.

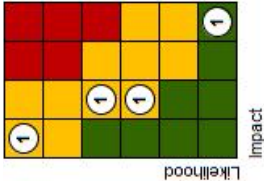
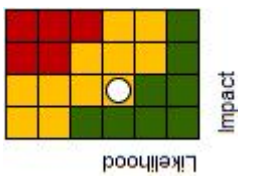
Risk Owners

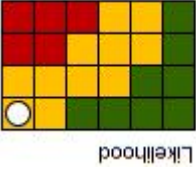






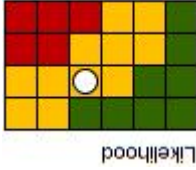
Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to a level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide information as part 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 ~ Quarter 4 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
MSJCB Merton & Sutton Joint Cemeteries Board Risk Register										
Client Side Manager	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		4	Action Plan in place from the Corporate Pandemic (swine flu) plan which would use a number of cemeteries for mass burial. At present the probability of a pandemic is deemed quite low. LBM will update plans as and when the threat of any new pandemic increases.	14-Feb-2019
								4		08-Nov-2018
								4		25-May-2018
								4		20-Mar-2018
Client Side Manager	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	- Client-side monitor the operation of the contract and the level of complaints - First contractor report has been received by the Board - The risk has been increased as there has been a marginal increase in the number of complaints.	14-Feb 2019
								2		08-Nov-2018
								6		25-May-2018
								6		21-Mar-2018

Risk Owner	Code & Name	Risk or Issue	Risk Description	Cause(s)	Consequence(s)	Impact code	Matrix	Current Score & Review History	Control Actions	Date provided		
Treasurer	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		<p>14-Feb-2019 6 </p> <p>08-Nov-2018 6 </p> <p>25-May-2018 6 </p> <p>25-May-2018 6 </p>	The financial situation will continue to be monitored. This is a mature fund for which Surrey County Council is unable to provide a detailed breakdown of former staff. The next Actuarial Revaluation is due in 2020. As additional information becomes available, it will be reported to the Board.	08 Nov 2018		
								<p>14-Feb-2019 8 </p> <p>08-Nov-2018 6 </p>			The contract has a built-in notice period which will allow time to commence re-provision if necessary. The likelihood element of this risk has been increased to four to reflect the chance of a no deal Brexit	14 Feb 2019
												
											R	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.