

MANSFIELD AND DISTRICT JOINT CREMATORIUM COMMITTEE

ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2020/2021



Mansfield
District Council



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

CONTENTS

Page No.	
2	Introduction
3	Explanation of the Accounting Statements
4-11	Annual Report and Summary of Financial Performance
12	Statement of Responsibility for the Statement of Accounts
13-19	Statement of Accounting Policies
	<u>The Core Financial Statements</u>
21	Comprehensive Income and Expenditure Statement (CIES)
22	Balance Sheet
23-24	Movement in Reserves Statement (MiRS)
25	Cash Flow Statement
26-44	Notes to the core Financial Statements
	<u>Supplementary Financial Statements</u>
45-53	Annual Governance Statement
54-55	Glossary of Financial and Accounting Terms
56	Auditors Report

1. INTRODUCTION

Mansfield Crematorium was built in the late 1950's as a joint initiative by a group of local authorities who recognised the need for cremation facilities which were easily accessible to the people of the area.

The operation and management of the Crematorium is conducted through a Joint Committee comprising of Mansfield District Council, Ashfield District Council and Newark and Sherwood District Council. The joint use agreement has been revised as circumstances have changed, currently Mansfield and Ashfield District Council's each appoint three executive members to the Joint Committee and Newark and Sherwood District Council appoints three elected members in accordance with the rules on political balance.

Mansfield District Council is the lead authority for the Joint Committee; who holds the contracts of employment for the staff and the legal title to the Crematorium; its Head of Finance acts as Treasurer of the Committee.

The constituent authorities have given delegated authority to the Joint Committee to determine the capital programme, provided the costs can be met through revenue surpluses or the capital fund.

The operating surplus of the crematorium is distributed to the constituent authorities on the basis of throughput as would any capital expenditure that could not be financed from the Joint Committees own resources.

The Statement of Accounts for the year ended 31 March 2021 have been prepared in accordance with latest Code of Practice on Local Authority Accounting in order to provide the necessary detail for subsequent consolidation into the accounts of the constituent authorities. The format reflects the requirements of the Code of Practice in Local Authority Accounting in the United Kingdom 2020/2021 and the Service Accounting Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by the International Financial Reporting Standards (IFRS).

These accounts will present:

- An explanation of the Financial Statements
- The Annual Report and a summary of the financial performance
- The Accounting Policies which have been applied in preparing these accounts
- The Core Financial Statements
- Supplementary Financial Statements and Notes to support the accounts

Further Information

If you require any further information concerning the accounts of the Joint Crematorium Committee please contact the Head of Finance at Mansfield District Council, The Civic Centre, Chesterfield Road South, Mansfield, Nottinghamshire, NG19 7BH

Telephone 01623 463495 or by email: ASaccountancy@mansfield.gov.uk

2. EXPLANATION OF THE ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Committee's income and expenditure for the 2020/2021 financial year and its financial position at 31 March 2021. It comprises core and supplementary statements, together with disclosure notes.

The Core Financial Statements are:

Movement in Reserves Statement (MiRS) - This is a summary of the changes to the reserves during the course of the year. Reserves are divided into "usable" those which can be invested in capital projects or service improvements and "unusable" which must be set aside for specific purposes.

Comprehensive Income and Expenditure Statement (CIES) - This records all of the Committee's income and expenditure for the year. The top half of the statement provides analysis of income and expenditure. The bottom half of the statement deals with the corporate transactions and funding.

Balance Sheet - The Balance Sheet is a "snapshot" of the financial position of the Committee. It shows the assets, liabilities, cash balances and reserves at the year-end date.

Cash Flow Statement - This statement shows the reasons for the changes in the Committee's cash balances during the year and whether that change is due to operating activities, new investment or financing activities.

The Supplementary Financial Statements are:

Annual Governance Statement - This sets out the Committees' governance structures and its key internal controls.

Other Key Sections:

Statement of Responsibilities - This sets out the respective responsibilities of the Committee and the Treasurer.

Accounting Policies - These explain the treatment and basis of the figures in the accounts in accordance with proper accounting practices.

Notes to the Financial Statements – The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources in comparison with how those resources are consumed or earned. The other notes expand on important points shown in the core financial statements and provide additional information.

Glossary of Terms and Abbreviations - Key terms used throughout this document are explained further within these pages.

3. ANNUAL REPORT AND SUMMARY OF FINANCIAL PERFORMANCE

3.1 Summary of Financial Performance

The Committee approved the budget for 2020/2021 on 13 January 2020 and was revised during 2020/2021 to include approved budget carry forwards from 2019/2020, new budgets approved in year and budget realignments for 2020/2021.

The actual performance for the year compared to the budgeted controllable income and expenditure is shown in the table below:

Table 1 – Financial Performance 2020/2021

2019/2020		2020/2021			
Actual Outturn £	Income and Expenditure Summary	Original Budget £	Revised Budget £	Actual Outturn £	Variance to Revised Budget £
	Income				
-1,712,912	Cremation Fees	-1,758,150	-1,765,650	-2,030,545	-264,895
-30,182	Other Income	-35,246	-35,246	-53,072	-17,826
-1,743,094	Gross Income	-1,793,396	-1,800,896	-2,083,617	-282,721
	Expenditure				
415,750	Employee Costs	409,136	379,705	383,339	3,634
302,597	Premises Costs	404,487	381,723	331,454	-50,269
189,511	Supplies and Services	149,601	197,365	209,436	12,071
67,253	Support Services	61,382	61,382	67,393	6,011
2,897	Provisions	0	0	31,886	31,886
127,106	Depreciation and Impairment	126,271	126,271	297,768	171,497
1,105,114	Gross Expenditure	1,150,877	1,146,446	1,321,276	174,830
-637,980	Net Cost of Service	-642,519	-654,450	-762,341	-107,891
-8,655	Interest Received	-3000	-3,000	-688	2,312
-127,106	Reverse Depreciation and Impairment	-126271	-126,271	-297,768	-171,497
-11,003	Transfer from Usable Reserve Net Pension Interest and Liability	0	0	0	0
-58,043	Liability	0	0	-22,303	-22,303
0	Transformational Savings	0	9,431	0	-9,431
0	Transfer to Usable Reserve	46,200	46,200	65,816	19,616
-842,787	Surplus	-725,590	-728,090	-1,017,284	-289,194
0	Transfer Surplus in Excess of Budget to Usable Reserves	0	0	289,194	289,194
-842,787	Net Surplus for Distribution	-725,590	-728,090	-728,090	0

The main reasons for the variances between budgeted and actual income and expenditure is summarised below:

3.2 Income

The gross income received during 2020/2021 was £2,083,617 compared to a budget of £1,800,896, an increase of £282,721 (15.7%). This variance was due to:

- The estimated number of cremations for 2020/2021 was 2,100; the actual number of cremations undertaken was 2,734 which is an increase of 634 (30.2%). This is a result of the Covid 19 pandemic. There was an overall increase in cremation and medical fee income of £300,387 compared to budget.
- A new webcasting and visual tribute service was introduced this year. The demand for this service was high due to the pandemic restrictions. This service shows an overall increase in income of £20,626 compared to budget.
- During 2020/2021 an insurance receipt for £31,307 was received to offset repair works to a cremator as a result of a fire.
- As a result of the pandemic restrictions some income services were suspended, this has resulted in reduced income to budget for memorial £27,576, organist £21,000 and book of remembrance inscriptions £7,542.
- Other income net reductions totalling £13,481 include reduction in the cost of clerical works relating to cemetery administration due to staff vacancies and public health funeral fees due to fewer funerals being undertaken in year.

3.3 Expenditure

The gross expenditure incurred during 2020/2021 was £1,321,276 compared to the revised budget of £1,146,446, resulting in overspends totalling £174,830 (15.2%). The main reason for the differences are summarised below:

Employee costs - £3,634 higher than budgeted:

- Staff expenses including basic pay, overtime, national insurance and agency staff show a total under-spent compared to the revised budget of £9,319 this is mainly due to staff vacancies during the year.
- The crematorium's proportion of the apprenticeship levy was lower than budget by £336 for 2020/2021.
- Cost savings for other employee costs e.g. occupational health, training and transport were £913 under budget.
- Pension adjustment costs were £22,303, this is the variance between the employers' pension contributions and the pension scheme actuary report as at 31 March 2021. The costs are adjusted as below net cost of service cost for pension interest and liability and accounted for by a movement in the pension liability and pension reserve in the balance sheet.
- Staff superannuation costs were £2,437 lower than budget, pension lump sum was £5,907 lower than budget due to paying the triennial valuation in April 2020 for the next three years and the superannuation additional allowances were £244 higher.

Premises costs - £50,269 lower than budgeted:

- Utility costs were lower than estimated resulting in an under spend of £5,851.
- Grounds maintenance shows an underspend of £1,644.
- Building repair and maintenance costs were £30,594 lower than budget. A budget of £25,222 was set aside to contribute towards the capital roof repair works. The final cost of these works was lower than estimated so only £16,140 was required as a capital contribution resulting in a budget underspend of £9,082. The £16,140 revenue contributions to capital is shown in the below net cost of service costs transfer to usable reserves total. Underspends of £5,372 were due to a reduction in building repairs/maintenance costs compared to budget, this spend is demand led, some works were undertaken to meet covid restriction workplace requirements and less urgent works may have been delayed due to the additional demands on this service area due to the pandemic.
- The costs of cremator repairs and environmental testing were £13,461 lower than budget. The general cremator repair costs were £55,545 plus repair costs to one cremator due to a fire £31,307. The costs for the cremator fire have been recovered through an insurance claim and the receipt is within income as detailed in 3.2. The repairs for this service are demand led and will vary from year to year.
- Cleaning materials, Covid19 premises costs and insurance were overspent by £1,281.

Supplies and Services £12,071 higher than budgeted:

- Due to problems with the abatement equipment, the 50% target for abated cremations was not met this financial year. During 2020/2021 revenue budgets totalling £66,825 were realigned to the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) fee budget. As a result of the abatement target not being met in 2020/2021, tradable mercury abated cremations (tmac's) had to be purchased from the CAMEO scheme to meet the 50% target. 1,255 tmac's have been purchased costing £69,025. At the year end this revised budget was overspent by £2,200.
- Due to the increase in the number of cremations the medical referee fees costs increased by £11,442.
- The new webcasting service budget was overspent by £17,327. This is due to the high take up of this service due to the pandemic funeral restrictions. This increase in expenditure is offset by excess income as detailed in 3.2.
- Telephone costs exceeded budget by £3,568 due to staff being issued with mobile phones and the increased use of data lines.
- Supplies and services specifically for Covid 19 were overspent by £1,842.
- Due to pandemic restrictions the following expenditure shows underspends to budget: - organist £2,940, memorials £9,202 and book of remembrance inscriptions £2,279.
- Office based services which were below budget include printing & stationery £1,267, postage £712, furniture/office equipment £1,584, advertising £908, subscriptions £730 and as there was no major capital expenditure incurred this

year the assets of the crematorium did not require revaluation saving £1,500 in valuer fees.

- Tools/equipment/first aid supplies were underspent by £2,042.
- Other running costs are showing an under spend of £1,144.

Support Services £6,011 higher than budgeted:

- £3,283 is due to increased demand for the services of Mansfield District Council's Design Services team, especially around work relating to future planned preventative maintenance requirements, roof repair and bat survey works. £2,728 is due to electrical works undertaken by MDC electricians.

Provisions £31,886 higher than budgeted:

- This is the increase in the bad debt provision required from 31 March 2020 to 31 March 2021 and is based on the value and age of the outstanding debtors invoices. This money is held in a provision and would only be used should any of the outstanding debtor accounts need to be written off.

Depreciation and Impairment £171,497 higher than budgeted:

- The original budgets for depreciation and impairment comprised of £126,271 for depreciation and £0 for impairment. The last revaluation of the crematorium assets was undertaken as at 1 April 2018 which resulted in a depreciation charge per annum of £126,271. A revaluation was not required for 2020/2021. The impairment relates to the capital expenditure incurred in the year for mercury abatement contract works £123,834 and roof repairs £47,662. The total depreciation and impairment costs are financed from unusable reserves and are shown within the reverse depreciation and impairment value, these charges do not impact on the net surplus for the crematorium.

Interest Received £2,312 lower than budgeted:

- This is mainly due to interest rates being very low during 2020/2021.

Reverse Depreciation and Impairment £171,497 higher than budgeted:

- This is the reversal of the depreciation and impairment costs which are financed from unusable reserves, these charges do not impact on the net surplus for the crematorium.

Pension Interest and Liability £22,303 higher than budgeted:

- This is the variance between the employers pension contributions and the pension scheme actuary report as at 31 March 2020 and the interest on the pension liability. This is accounted for by a movement in the pension liability and pension reserve in the balance sheet.

Transformational Savings £9,431 higher than budgeted:

- This relates to the budget savings made from the staffing restructure implemented in July 2020.

Transfer to Usable Reserves £19,616 higher than budgeted:

- The original budget of £46,200 was for the transfer of 3% cremation fee income generated from standard funerals which has been transferred to the

capital fund – usable reserves for future capital works. Due to the increased number of cremations the amount transferred was £49,676 which is £3,476 higher than budget. There is also a transfer to the capital fund – usable reserves of £16,140 which is the revenue contribution to capital for the roof repair works as noted in 3.3 Premises Costs.

3.4 Annual Surplus

The Committee approved in December 2017 to only allocate up to the budgeted surplus to the three constituent authorities on an annual throughput basis. The revised budgeted surplus for 2020/2021 is £728,090. The overall surplus for 2020/2021 was £1,017,284, after the revised budgeted surplus has been allocated to the three constituent authorities, £289,194 has been transferred to general reserve within usable reserves.

3.5 Number of Cremations

The following table shows the number of cremations conducted during the last five years by area of origin:

Table 2

Year	Ashfield	Mansfield	Newark & Sherwood	Out of Area	Total	% Change
2020/2021	1,037	1,145	132	420	2,734	20.0%
2019/2020	835	935	139	369	2,278	1.9%
2018/2019	826	859	130	420	2,235	-11.1%
2017/2018	888	1,012	169	445	2,514	-4.2%
2016/2017	823	964	232	604	2,623	5.2%

Table 2 above shows that in 2020/2021 there have been;

- An increase in Ashfield's area of 202 (24.2%)
- An increase in Mansfield's area of 210 (22.4%)
- An decrease in Newark & Sherwood's area of 7 (5.0%) and
- An increase in other areas of 51 (13.8%)

Two recently opened crematoria on the Newark & Sherwood border at Retford, could potentially be impacting on the number of Cremations for the Newark and Sherwood District held at the Mansfield Crematorium. The increases in the number of cremations in general is due to the Covid 19 pandemic.

3.6 Surplus Distribution

The annual surplus to be distributed to the three constituent authorities is calculated based on the number of cremations conducted within each area during the year (2020/2021), as shown in the table below:

Table 3

District	Number of Cremations	%	Surplus
Mansfield	1,145	49.48%	£360,259
Ashfield	1,037	44.81%	£326,257
Newark & Sherwood	132	5.71%	£41,574
TOTAL	2,314	100%	£728,090

3.7 Balance Sheet Review

The Balance Sheet shows the value of assets and liabilities recognised by the Committee as at the Balance Sheet date. It indicates how much is owed to the Committee and how much the Committee owes to others, together with summarised information on the assets held and the financing of those assets. The net assets of the Committee (assets less liabilities) are matched by the reserves held. During 2020/2021 the net assets of the Committee have reduced by £455,088. The significant points are summarised below and further details are provided in the notes to the accounts.

3.7.1 Long Term Assets - Property, Plant and Equipment

Revaluation

Valuations are required every 5 years or in the year of any major capital works. There have been no major capital works undertaken during the 2020/2021 financial year. The Crematorium land, buildings and equipment were re-valued during the course of 2018/2019 (1 April 2018) by the District Valuation Office at £2,403,319. During 2020/2021 a new tractor was purchased costing £18,469. After deductions are made for 3 years cumulative depreciation totalling £378,813 and adding the new tractor costs, the closing net book value of the assets at 31 March 2021 was £2,042,975.

Depreciation

The comprehensive income and expenditure statement has an annual capital charge (depreciation) of £126,271 for assets used in the provision of the service. The value of the assets is reduced by the depreciation charge, further details are provided in the Notes to the accounts. The charge for depreciation does not affect the amounts available for distribution under the current policy.

Capital Expenditure

There is a capital budget of £627,000 in the 2020/2021 financial year for works to remove and update the cremator abatement equipment. It was estimated that £121,000 would be spent in the 2020/2021 financial year, however this increased to £123,834 due to MDC Design Service fees being incurred. At the JCC meeting held on 22 February 2021, the committee approved to carry-forward £506,000 of this budget into 2021/2022 financial year. A recommendation will be taken to the JCC to reduce this carry-forward down to £503,166.

A budget for car park lighting for £8,000 was unused and a recommendation will be taken to the JCC to carry-forward this budget into 2021/2022.

A new tractor was purchased in 2020/2021 costing £18,469. However these costs are offset by £2,450 income received for the trade-in of the old tractor.

Roof work repairs were undertaken this year following on from copper theft in November 2018. The original damage was covered by the Crematorium insurers and during 2020/2021 the claim was settled with an insurance receipt for £31,522. The cost of the works to repair the whole roof of £47,662 included parts undamaged by the original theft and MDC Design Service fees. The balance of £16,140 was financed by a revenue contribution to capital reserves. A retention payment for the contractor works will be due in 2021/2022 for £1,148.

Table 4

2019/2020		2020/2021		
Actual Outturn £	Capital Budget Summary	Revised Budget £	Actual Outturn £	Variance to Budget £
835	Land Purchase External Legal Fees	0	0	0
0	Mercury Abatement Contracted Services	627,000	123,834	-503,166
0	New Tractor	16,500	16,019	-481
0	Car Park Lighting	8,000	0	-8,000
0	Roof Repairs Insurance - financed by revenue contribution	25,322	16,141	-9,181
835		676,822	155,994	-520,828

3.7.2 Current Assets

Cash and Investments - The Committee's investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown on the balance sheet. Interest is earned on the cash balance and is credited to the comprehensive income and expenditure statement. The cash balance has reduced by £25,714 during the year to £1,650,505.

Short Term Debtors have increased by £276,356, this is mainly due to the increased number of cremations undertaken between December 2020-March 2021 and the restrictions imposed due to lockdown 3. Further details are included in the notes to the accounts.

3.7.3 Current Liabilities

Short term creditors – The amounts the Committee owes to others at 31 March 2021 has increased by £83,928 to £950,597. This is mainly due to the value of invoices due from creditors for works up to 31 March 2021 that remain outstanding.

3.7.4 Long Term Liabilities

Pension Liability -The Committee is a Member of the Nottinghamshire County Council Pension Fund and the assets and liabilities of the fund attributable to the Committee are evaluated on an annual basis by an independent actuary. As assessed by the actuary the Committee's overall position during 2020/2021 shows an increase in the liability from £1,141,000 to £1,655,000. A statutory accounting adjustment for £514,000 is therefore reflected in the accounts and has no impact on the overall surplus. Further information is provided in note 9 to the accounts.

3.7.5 Reserves

Reserves are split between those that are usable and those that are accounting reserves and not available to support expenditure. The general reserve has increased by £289,194 to £526,557, this increase relates to the transfer of the excess surplus for 2020/2021. The capital fund has decreased by £90,177 to £709,686, this decrease relates to £139,853 used to finance the mercury abatement contract payment and the purchase of a new tractor as shown in table 4, offset by an increase of £49,676 for the transfer of the additional 3% cremation fee income noted in 3.3 Transfer to usable reserves. Further details of the movement and balances held in reserves are provided in the core statements.

THE STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

1. TREASURERS RESPONSIBILITIES

The Treasurer of the Committee is responsible for the preparation of the Committee's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 (the CODE).

In preparing this Statement of Accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Treasurer has also throughout the year:

- Maintained proper accounting records which were kept up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE

I certify that the Statement of Accounts 2020/2021 presents a true and fair view of the financial position of Mansfield and District Joint Crematorium Committee and its income and expenditure for the year ended 31 March 2021.

Signed..........

D Edwards CPFA

Treasurer of the Mansfield and District Joint Crematorium Committee

Date: *24/05/21*.....

2. JOINT COMMITTEE'S RESPONSIBILITIES

The Joint Committee is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. The Joint Committee has appointed a Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

CERTIFICATE

The Statement of Accounts for the year 1 April 2020 to 31 March 2021 has been prepared and I confirm that these accounts were approved by Mansfield and District Joint Crematorium Committee by the delegated decision taken by Members from all constituent authorities on 24 May 2021.

Signed..........

Chair of Mansfield and District Joint Crematorium Committee

Date: *24/05/21*.....

STATEMENT OF ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Committees transactions for the 2020/2021 financial year and its position at the year end of 31 March 2021.

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021, based on International Financial Reporting Standards (IFRS) and the Service Reporting Code of Practice for Local Authorities 2020/2021.

2. Accrual of Income and Expenditure

The accounts of the Joint Committee have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place, not when cash payments are made or received.

Creditors - Payments to creditors are included in the accounts where the payments relate to goods or services received prior to 1 April 2021. Any payments in advance (before 1 April 2021), which relate to the 2021/2022 financial year are shown as prepayments.

One exception to this relates to electricity and similar periodic payments. These are included as at the date of meter readings rather than apportioned between two financial years. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

Debtors - Income from debtors is included for amounts where the income relates to goods and services provided by the Crematorium prior to 31 March 2021. Any income received before 1 April 2021, which relates to the 2021/2022 financial year is shown as receipts in advance. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

3. Cash and Cash Equivalents

Balances classified as 'Cash and Cash Equivalents' fit the definition of being short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. Property, Plant and Equipment

Assets that have a physical substance and are held for use in the provision of services on a continuing basis and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Acquisitions of assets which are less than £10,000 (the Committee's de minimus level) are charged straight to the Comprehensive Income and Expenditure Statement.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis.

Assets included in the Balance Sheet at fair value are revalued on a regular basis to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

5. Depreciation and Impairment

In accordance with International Accounting Standard IAS16 depreciation has been provided for on all non-current assets with a finite useful life. Land is not depreciated as this is deemed as having an infinite life.

Where assets, such as buildings have land attached, the values are separated and depreciated accordingly. Where an item of Property, Plant and Equipment has major components, whose cost is significant in relation to the total cost of the item, the components are depreciated separately

Assets are depreciated from the year of acquisition using the straight-line method.

Impairment

The values of each category of assets are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against this balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

6. Charges to Revenue for Non-Current Assets

The Service has been charged with the following amounts to record the cost of holding non-current assets during the year;

- Depreciation attributable to the assets used by the service

- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve into the Capital Adjustment Account.

The Committee is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation and are therefore removed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

7. Administration and Management Costs

A charge is made by Mansfield District Council to reflect the appropriate percentage of time spent by employees on Crematorium affairs.

8. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for the service in the year in which employees render service to the Committee.

Post-Employment Benefits

Employees of the Mansfield and District Crematorium are Members of The Local Government Pensions Scheme, administered by Nottinghamshire County Council. The scheme provides defined benefits to Members (retirement lump sums and pensions) earned as employees worked for the Committee.

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Nottinghamshire County Council pension fund attributable to the Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, that is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of the Nottinghamshire County Council Pension Fund attributable to the Committee are included in the Balance Sheet at their fair value.

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current Service Cost - The increase in liabilities as a result of years of service earned this year; included in the Comprehensive Income and Expenditure Statement.
- Past Service Cost - The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years; debited the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability/asset - for example net interest expense for the Committee, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement; this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurement comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset); charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions; charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Nottinghamshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, the General Reserve is charged with the amount payable by the Committee to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the Committee of being required to account for retirement benefits on the basis of cash flows rather than as the benefits are earned by employees. The Pension Reserve is currently showing a higher balance than the Pension Liability in the balance sheet due to the prepayment of the three year pension lump sum in April 2020. The variance equates to the amount prepaid for the contributions relating to 2021/22 and 2022/2023.

Discretionary Benefits

The Committee may also make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to

any Member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

9. Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset in one entity and a financial liability in another. These are accounted for in accordance with International Accounting Standards dealing with disclosure, presentation, recognition and measurement.

Financial assets include debtors, payments in advance, investments and cash (either in hand or at the bank). The Committee's investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown in the balance sheet at 31 March as cash and cash equivalents, but adjusted for any interest earned but not received before the end of the financial year. Interest earned on investments is credited to Financing and Investment Activity in the Comprehensive Income and Expenditure Statement.

Financial liabilities comprise of long term borrowing and creditors.

10. Reserves

Reserves are reported in two categories;

- Usable Reserves – These are reserves which the Joint Committee may use to provide services, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.
- Unusable Reserves – The Joint Committee is not able to use these reserves to provide services. This category of reserves hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

In accordance with the latest Code of Practice on Local Authority Accounting, two capital reserve accounts are to be maintained in the Balance Sheet; both of these accounts are regarded as unusable reserves:

- **Revaluation Reserve** – This principally represents the balance of the surpluses or deficits arising from the periodic revaluation of non-current assets.
- **Capital Adjustment Account** – This represents amounts set aside to finance expenditure on non-current assets.

There is a further unusable reserve account;

The Pension Reserve – This represents the value of the pension fund assets and liabilities. The Pension Reserve is currently showing a higher balance than the Pension Liability in the balance sheet due to the prepayment of the three year pension lump sum in April 2020. The variance equates to the amount prepaid for the contributions relating to 2021/2022 and 2022/2023.

There are two usable reserves in operation:

- **Capital Fund** – This reserve represents amounts set aside to finance expenditure on non-current assets.
- **General Reserve** – This represents the balance of the undistributed surpluses.

The Committee sets aside specific amounts as reserves for future purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserve Statement so that there is no net charge for the expenditure.

11. Value Added Tax

The activities of the Joint Crematorium Committee fall within Mansfield District Councils VAT registration under lead body partnership. VAT is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC).

With Mansfield District Council being the financial lead authority, during 2018/2019 concerns were raised when the capital budget to replace the abatement equipment was approved for 2019/2020 as the expenditure and accounting for VAT as the lead body would result in the breach of its test of insignificance for partial exemption. Proposals were submitted to HMRC to allow each authority to share the Crematorium income and expenditure in each of the authorities partial exemption calculation based in the annual throughput. As all 3 constituent authorities are VAT registered as well as being section 33 bodies, HMRC have approved this method of accounting for VAT based on a management board or committee approach.

12. Fundamental Accounting Concepts

This Statement of Accounts has been prepared according with the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (the IASB Framework) as interpreted by the Code.

Relevance - The objective of the Statement of Accounts is to provide information about the Committee's financial performance and position that is useful for assessing the stewardship of public funds and for making economic decisions.

Reliability - The key requirement of this statement is that users are able to rely on the information contained within the Statement of Accounts. A number of fundamental accounting concepts are applied in order to ensure this reliability – The Statement of Accounts:

- Has been prepared to reflect the reality or substance of each transaction rather than their formal legal character.

- Is free from deliberate or systematic bias. The financial analyses contained within the accounts are based on fact and do not support any particular view point.
- Is free from material error, containing no misstatement that would influence the conclusions of any user.
- Has been produced within the bounds of materiality, meaning that nothing has been omitted that may have assisted users in gaining an understanding of the Committee's activities.

Where uncertainty exists, the statements have been prepared prudently and caution has been applied with exercising judgement and making necessary estimates.

Understandability - The accounting principles of the Code includes accounting concepts, treatments and terminology which require reasonable knowledge of accounting and local government and reasonable diligence in reading the Statement of Accounts if they are to be properly understood. However all reasonable efforts have been taken in the preparation of the Statement of Accounts to ensure they are as easy to understand as possible.

Going Concern - This statement has been prepared on a '**going concern**' basis, under the assumption that the Committee will continue to exist and operate on its current basis for the foreseeable future.

Primacy of Legislative Requirements - Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

THE CORE FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

Comprehensive Income and Expenditure Statement (CIES)			
2019/2020		Note	2020/2021
£			£
	Income		
-1,712,913	Fees and Charges		-2,030,545
-30,182	Other Income		-53,072
-1,743,095	Gross Income	3	-2,083,617
	Expenditure		
415,750	Employee Expenses	4	383,339
302,597	Premises Related Expenses	5	331,454
189,509	Supplies and Services	6	209,436
2,897	Allowance for Bad Debts	8	31,886
67,253	Central Support Services	10	67,392
127,106	Depreciation and Impairment	11	297,767
1,105,112	Gross Expenditure		1,321,275
-637,983	Net Cost of Services		-762,342
0	Other Operating Expenditure	12	-33,972
20,345	Financing and Investment Income and Expenditure	13	24,312
0	Taxation and Non-Specific Grant Income		0
-617,638	Surplus / Deficit on Provision of Services		-772,002
0	Surplus or Deficit on revaluation of Property, Plant and Equipment Assets		0
0	Impairment Losses on non-current assets charged to the Revaluation Reserve		0
-191,000	Remeasurement of the net defined benefit liability/(asset)	14	499,000
-191,000	Other Comprehensive Income and Expenditure		499,000
-808,638	Total Comprehensive Income and Expenditure (Prior to Surplus Distribution)	18	-273,002
412,797	Mansfield District Council		360,259
368,635	Ashfield District Council		326,257
61,355	Newark & Sherwood District Council		41,574
842,787	Distribution of Surplus	18	728,090
34,149	Total Comprehensive Income and Expenditure Statement (After Surplus Distribution)		455,088

Balance Sheet as at 31 March 2021

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Committee. The net assets of the Committee (assets less liabilities) are matched by the reserves held by the Committee. Reserves are reported in two categories:

Usable reserves: Those reserves that the Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

Unusable reserves: Those that the Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the revaluation reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Balance Sheet as at 31 March 2021 is presented below:

Balance Sheet			
2019/2020 £		Note	2020/2021 £
2,150,777	Property, Plant and Equipment	11	2,042,975
2,150,777	Long Term Assets		2,042,975
227,676	Short Term Debtors	7	504,032
1,676,219	Cash and Cash Equivalents	17	1,650,505
1,903,895	Current Assets		2,154,537
-866,669	Short Term Creditors	9	-950,597
-866,669	Current Liabilities		-950,597
-1,141,000	Net Pension Liability	14	-1,655,000
-1,141,000	Long Term Liabilities		-1,655,000
2,047,003	Net Assets		1,591,915
799,863	Financed by: Capital Fund		709,686
237,363	General Reserve		526,557
1,037,226	Usable Reserves	15	1,236,243
442,841	Revaluation Reserve		424,285
1,707,936	Capital Adjustment Account		1,618,690
-1,141,000	Pension Reserve		-1,687,303
1,009,777	Unusable Reserves	16	355,672
2,047,003	Total Reserves		1,591,915

Movement in Reserves Statement (MiRS)

This statement shows how the movement in the year on the Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the adjustments necessary to calculate the amounts available for distribution to constituent authorities.

Movement in Reserves Statement (MiRS)								
2020/2021	General Reserve £	Capital Fund £	Total Usable Reserves £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment £	Unusable Reserves £	Total Reserves £
Balance as at 31 March 2020	237,363	799,863	1,037,226	-1,141,000	442,841	1,707,936	1,009,777	2,047,003
Movement in reserves during 2020/2021								
Surplus/ (-) Deficit on the Provision of Service	772,002	0	772,002	-499,000	0	0	-499,000	273,002
Less Surplus Distribution	-728,090	0	-728,090	0	0	0	0	-728,090
Total Comprehensive Income and Expenditure	43,912	0	43,912	-499,000	0	0	-499,000	-455,088
Adjustment between Accounting basis and funding basis under regulations (Note 1.)	245,282	-90,177	155,105	-47,303	-18,556	-89,246	-155,105	0
Transfers to/(-)from Reserves (see Notes 15 & 16)	289,194	-90,177	199,017	-546,303	-18,556	-89,246	-654,105	-455,088
Balance at 31 March 2021 carried forward	526,557	709,686	1,236,243	-1,687,303	424,285	1,618,690	355,672	1,591,915

Movement in Reserves Statement (MiRS)								
2019/2020	General Reserve £	Capital Fund £	Total Usable Reserves £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment £	Unusable Reserves £	Total Reserves £
Balance as at 31 March 2019	248,366	800,698	1,049,064	-1,244,960	461,397	1,815,651	1,032,088	2,081,152
Movement in reserves during 2019/2020								
Surplus/ (-) Deficit on the Provision of Service	617,638	0	617,638	191,000	0	0	191,000	808,638
Less Surplus Distribution	-842,787	0	-842,787	0	0	0	0	-842,787
Total Comprehensive Income and Expenditure	-225,149	0	-225,149	191,000	0	0	191,000	-34,149
Adjustment between Accounting basis and funding basis under regulations (Note 1.)	214,146	-835	213,311	-87,040	-18,556	-107,715	-213,311	0
Transfers to/(-)from Reserves (see Notes 15 & Note 16)	-11,003	-835	-11,838	103,960	-18,556	-107,715	-22,311	-34,149
Balance at 31 March 2020 carried forward	237,363	799,863	1,037,226	-1,141,000	442,841	1,707,936	1,009,777	2,047,003

Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the Committee during the reporting period. The statement shows how the Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Committee are funded by way of charges to the recipients of services provided by the Committee.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Committee's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Committee.

Cash Flow Statement		
2019/2020		2020/2021
£		£
34,149	Net surplus (-) / deficit on the provision of services	455,088
	Adjustment to net surplus / deficit on the provision of services:	
-126,271	Depreciation & Impairment	-107,802
7,801	Creditors	-83,928
15,440	Debtors	276,356
84,001	Pension Liability	-514,000
8,655	Adjustments for items in the net surplus / (-) deficit on the provision of services that are investing and financing activities	688
23,775	Net Cash flows from operating activities	26,402
0	Investing Activities	0
-8,655	Financing Activities	-688
15,120	Net increase (-)/ decrease in cash and cash equivalents	25,714
1,691,339	Cash and Cash equivalents at the beginning of the reporting period	1,676,219
1,676,219	Cash and Cash equivalents at the end of the reporting period	1,650,505
15,120	Movement in Cash and Cash Equivalents increase(-) / decrease	25,714

NOTES TO THE ACCOUNTS

1. MOVEMENT IN RESERVES ACCOUNT - Adjustments between accounting basis and funding basis under regulations

This table details the adjustments that are made to the comprehensive income and expenditure statement (CIES) in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Committee to meet future capital and revenue expenditure.

2020/2021	General Fund Balance £	Capital Fund £	Movement in Usable Reserve £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment Account £	Movement in Unusable Reserve £
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:							
Charges for depreciation and impairment of non-current assets	-297,767	0	-297,767	0	0	126,271	126,271
Revaluation on Property, Plant and Equipment	0	0	0	0	18,556	-18,556	0
Financing Capital Expenditure	0	139,853	139,853	0	0	-18,469	-18,469
Capital grants and contributions applied	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	0	0	0	0	0	0	0
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	49,676	-49,676	0	0	0	0	0
Voluntary provision for the repayment of debt	0	0	0	0	0	0	0
Capital expenditure charged against the General balances	50,112	0	50,112	0	0	0	0
Adjustments primarily involving the Pension Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-112,000	0	-112,000	112,000	0	0	112,000
Employer's pensions contributions and direct payments to pensioners payable in the year	97,000	0	97,000	-97,000	0	0	-97,000
Pension Lump Sum Year 3	-32,303	0	-32,303	32,303	0	0	32,303
Total Adjustments	-245,282	90,177	-155,105	47,303	18,556	89,246	155,105

Mansfield and District Joint Crematorium Committee
Annual Statement of Accounts 2020/2021

2019/2020	General Fund Balance £	Capital Fund £	Movement in Usable Reserve £	Pension Reserve £	Revaluation Reserve £	Capital Adjustment Account £	Movement in Unusable Reserve £
Adjustments primarily involving the Capital Adjustment Account:							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:							
Charges for depreciation and impairment of non-current assets	-127,106	0	-127,106	0	0	126,271	126,271
Revaluation on Property, Plant and Equipment	0	0	0	0	18,556	-18,556	0
Financing Capital Expenditure	0	835	835	0	0	0	0
Capital grants and contributions applied	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	0	0	0	0	0	0	0
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:							
Statutory provision for the financing of capital investment	0	0	0	0	0	0	0
Voluntary provision for the repayment of debt	0	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	0	0	0	0	0	0	0
Adjustments primarily involving the Pension Reserve:							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	0	0	0	0	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	-87,040	0	-87,040	87,040	0	0	87,040
Pension Lump Sum Year 3	0	0	0	0	0	0	0
Total Adjustments	-214,146	835	-213,311	87,040	18,556	107,715	213,311

2. EXPENDITURE AND FUNDING ANALYSIS (EFA)

The expenditure and funding analysis shows how the annual expenditure is used and funded from the income obtained from charges in comparison with those resources consumed or earned by the Committee in accordance with generally accepted accounting policies.

Expenditure and Funding Analysis (EFA)						
2019/2020				2020/2021		
Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting basis (Table A)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting basis (Table A)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£	£	£		£	£	£
-1,743,095	0	-1,743,095	Gross Income	-2,083,617	0	-2,083,617
911,311	214,146	1,125,457	Gross Expenditure	1,000,517	345,070	1,345,587
-831,784	214,146	-617,638	Net Cost of Service	-1,083,100	345,070	-738,030
0	0	0	Other Income and Expenditure	0	0	0
-831,784	214,146	-617,638	(-) Surplus or Deficit	-1,083,100	345,070	-738,030
842,787	0	842,787	Distribution of Surplus	728,090	0	728,090
11,003	214,146	225,149	Net (-) Surplus or Deficit	-355,010	345,070	-9,940
-248,366			Opening General Fund Balance	-237,363		
11,003			(-) Surplus or Deficit in Year	-355,010		
0			Transferred to Capital Reserve	65,816		
-237,363			Closing General Fund Balance	-526,557		

3. GROSS INCOME

The total income received during 2020/2021 was (£2,083,617) compared to (£1,743,094) in 2019/2020. This represents an increase of (£340,523) (19.5%).

- The main increase is due to the number of cremations increasing by 401 (17.6%) from 2,278 in 2019/2020 to 2,734 in 2020/2021. The cremation fee has increased from 5% to 8%, with the income from the extra 3% being transferred to the usable reserves for future planned capital works. When setting the budget for 2020/2021 the number of cremations was estimated at 2,100.
- A new webcasting and visual tributes service has generated a new income stream in 2020/2021.
- Organist, memorial and book of remembrance income has reduced due to restriction placed on these services during the pandemic.

2019/2020 £	Gross Income	2020/2021 £
-1,592,893	Cremation Fees	-1,925,251
-41,662	Medical Fees	-47,786
-20	Webcasting	-28,126
-42,355	Memorials	-13,424
-15,345	Organist	0
-20,657	Book of Remembrance Inscriptions	-15,958
-1,712,932	Fees and Charges	-2,030,545
-27,467	Recharge to Cemeteries MDC	-19,045
-2,340	S46 Burial of the Destitute Admin Fees	-2,520
0	Insurance Claim Receipt	-31,307
-355	Containers	-200
0	CAMEO	0
-30,162	Other Income	-53,072
-1,743,094	Gross Income	-2,083,617

4. EMPLOYEE COSTS

Employee expenses are lower than 2019/2020 by £32,411, this is mainly due:-

- Basic pay, overtime, national insurance costs and Covid 19 employee costs are lower due to vacant posts during 2020/2021 resulting from staff turnover and a restructure implemented from July 2020.
- Agency staff costs increased to cover vacant posts during the pandemic.
- The pension adjustment reflects the cost of service in the actuary report. The pension payments for 2020/2021 have been accounted for below the net cost of service and within the balance sheet so as not to affect the annual surplus calculations. This is £35,930 lower in 2020/2021.
- Other employee costs have increased due to advertising for vacancies.

2019/2020 £	Employee Expenses	2020/2021 £
235,331	Basic Pay	229,470
28,749	Overtime	11,971
22,045	National Insurance	20,354
125,311	IAS19 Pension Adjustments	89,381
0	Covid 19 Basic Pay	3,264
0	Covid 19 Overtime	8,802
0	Covid 19 Agency Staff	3,607
2,661	Agency Staff	12,713
1,011	Apprenticeship Levy	990
642	Other Employee Costs	2,787
415,750	Total	383,339

5. PREMISES COSTS

Premises costs are higher than 2019/2020 by £28,857, this is mainly due to:

- Increased cremator repair and maintenance costs due to a cremator fire, the costs for which were fully recovered through insurance.
- Inflationary increases for business rates and insurance.
- Building repairs and maintenance costs vary from year to year depending on planned and adhoc works required, this year some specific Covid 19 works were required to ensure safe working within the building.
- Grounds maintenance works this year included additional tree and drainage/paving works.

2019/2020 £	Premises Related Expenditure	2020/2021 £
89,863	NDR - Business Rates	91,290
159	Rent	159
18,961	Insurance	19,822
43,527	Electricity	46,980
40,264	Gas	36,551
4,517	Water	6,118
5,003	Cleaning Materials	4,157
57,496	Cremator Repairs and Maintenance	88,039
30,234	Building Repairs and Maintenance	13,376
0	Covid 19 Premises	6,166
12,573	Grounds Maintenance	18,796
302,597	Total	331,454

6. SUPPLIES AND SERVICES

Supplies and service are higher than 2019/2020 by £19,926 this is mainly due to:

- Increased medical referee fees due to increased number of cremations.
- Webcasting service introduced and costs incurred from the service supplier, all the costs are recovered through income.

- Non abatement fees due to CAMEO for 2020/2021 were higher due to an increase in the number of tradable mercury abated cremations that were purchased from this scheme.
- Furniture and Office equipment these costs vary year to year depending on service requirements.
- Covid 19 costs include webcasting facility for the second chapel and customer barriers.
- Organist, memorial plaques and containers have reduced in 2020/2021 as these services were affected by the restrictions in place for the pandemic.
- Tools, equipment and first aid supply spend was higher in 2019/2020 due to the installation of the webcasting equipment in the main chapel.

2019/2020	Supplies and Services	2020/2021
£		£
43,371	Fees - Medical referees	50,292
9,510	Fees - Organist	60
10,260	Memorial plaques	2,763
5,255	Book of Remembrance - inscriptions	6,749
5,187	Caskets / Containers	4,392
0	Webcasting	22,327
0	Covid 19 Supplies and Services	8,450
6,727	Audit, Clerk/Committee Fees to Newark & Sherwood DC	6,939
60,005	CAMEO Contributions	69,025
9,299	Computer Maintenance, Software and support	10,140
5,323	Printing & Stationery	5,733
9,491	Telephones	10,768
11,576	Tools, Equipment & First Aid supplies	2,025
3,614	Furniture / Office Equipment	166
1,695	Uniforms	2,041
2,301	Postages	2,302
2,179	Subscriptions	1,710
740	Skips and Waste Collections	1,320
1,974	Advertising	1,092
335	Contributions	40
0	Hired and Contracted Services	999
668	Hire of Vending Machines	103
189,510	Total	209,436

7. DEBTORS

Debtors outstanding is higher than 2019/2020 by £276,356, this is mainly due to;

- The increase in the level of cremation invoices raised, particularly during lockdown 3 than have not yet been paid by funeral directors.
- There has been an increase in the bad debt provision due to the value of older debtor invoices that remain unpaid.

SUMMARY OF THE DEBTORS OUTSTANDING

2019/2020 £	Short Term Debtors	2020/2021 £
242,970	Funeral Directors - Integra Debtor System	553,380
1,440	Other Local Authorities	0
3,161	Funeral Directors - Manual Debtors	2,433
-19,895	Bad Debt Provision	-51,781
227,676	Total Debtors at 31 March	504,032

AGEING OF DEBTS OUTSTANDING

2019/2020 £	Debtors Summary	2020/2021 £	Change £
31,181	Ageing: Over 85 days	105,646	74,465
76,493	29 to 84 days	193,433	116,940
135,296	1 to 28 days	254,301	119,005
242,970		553,380	310,410

8. PROVISION FOR BAD DEBTS

The provision for potential bad debts has increased by £31,886 to £51,781. The provision for bad debts is based on the age of the debts; the older the debt is the higher percentage provision is required.

2019/2020 £	Provision for Bad Debts	2020/2021 £
242,970	Debtors Outstanding at 31 March	553,380
19,895	Provision required:	51,781
16,998	Provision b/fwd at 1 April	19,895
2,897	Change in Provision	31,886

9. SHORT TERM CREDITORS

Short term creditors has increased by £83,929, this is mainly due to:

- Increased value of short term creditors to other bodies, these are invoices to third parties that relate to expenditure incurred by the crematorium up to 31 March at the end of each financial year, but remain unpaid mainly due to invoices not yet received from the supplier. The main variance being in 2020/2021 the invoices for the capital mercury abatement works, capital roof works and some cremator repair invoices were not received and/or paid.
- Reduced value of short term creditors to constituent authorities mainly due to the level of budgeted surplus approved for 2020/2021.

2019/2020 £	Short Term Creditors	2020/2021 £
842,787	Constituent Authorities	728,090
23,881	Other Bodies	222,507
866,668	Balance at 31st March	950,597

10. CENTRAL SUPPORT SERVICES AND RECHARGES

Central support services and recharges have increased by £139.

2019/2020 £	Central Support Services	2020/2021 £
7,349	Trade Waste Service	7,349
12,433	Design Services & Building Control	8,924
28	Postal / Electricians/ Copiers / Telephones	2,728
47,443	Central Corporate Overhead	48,392
67,253	Total	67,392

11. PROPERTY, PLANT AND EQUIPMENT

Movements in Year	2019/2020 £	2020/2021 £
Cost or Valuation at 1 April:	2,296,709	2,296,709
Additions	0	189,965
Revaluation increases/ (-) decreases recognised in the Revaluation Reserve	0	0
Revaluation increases/ (-) decreases recognised in the Comprehensive Income and Expenditure Statement	0	0
Disposals	0	0
Impairment	0	-171,496
At 31st March	2,296,709	2,315,178
Accumulated Impairment and Depreciation		
At 1 April	-19,661	-145,932
Depreciation Charge recognised in the Comprehensive Income and Expenditure Statement	-126,271	-126,271
Depreciation written out to the Revaluation Reserve	0	0
Impairment Losses/ (-) reversals recognised in the Revaluation Reserve	0	0
Disposals	0	0
At 31st March	-145,932	-272,203
Net Book Value at 31st March	2,150,777	2,042,975

12. OTHER OPERATING EXPENDITURE

The following table contains corporate items of income and expenditure:

2019/2020 £	Financing and Investment Income and Expenditure	2020/2021 £
0	(-) Gains/losses on the disposal of non-current assets – Tractor	-31,522
0	(-) Gains/losses on the disposal of non-current assets – Roof Replacement	-2,450
0	Total	-33,972

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The following table contains corporate items of income and expenditure arising from the Committee's involvement in financial instruments and similar transactions involving interest:

2019/2020 £	Financing and Investment Income and Expenditure	2020/2021 £
0	Interest payable and similar charges	0
29,000	Net interest on the net defined benefit liability / (-) asset	25,000
-8,655	Interest receivable and similar income	-688
20,345	Total	24,312

14. RETIREMENT BENEFITS – DEFINED BENEFIT SCHEMES

a. Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Committee has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Committee participates in the Local Government Pension Scheme (LGPS), administered locally by Nottinghamshire County Council in accordance with the Local Government Pension Scheme Regulations 2013. This is a defined benefit statutory scheme and currently provides benefits based on career average revalued earnings. This means that the Committee and the employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

In April 2020, the opportunity to pay for three years Nottinghamshire County Council lump sum pension payments in advance for the period 2020/2021, 2021/2022 and 2022/2023 was accepted by the Treasurer in relation to the employees of the Mansfield and District Crematorium. The accounts for 2020/2021 show only one year lump sum pension payments for £16,151 with accounting adjustments for the £32,303 paid in

advance for the years 2021/2022 and 2022/2023. Due to the three year pension invoice being paid in 2020/2021 the pension reserve and pension liability within the balance sheet will vary by the amount paid in advance in the 2020/2021 accounts by £32,303 and 2021/2022 accounts by £16,151 but will realign in the 2022/2023 accounts.

The Actuary, Barnett Waddingham is instructed by Nottinghamshire County Council to undertake pension expense calculations and have prepared their figures in accordance with their understanding of the International Accounting Standard IAS19.

In General, participating in a defined benefit pension scheme means the employer is exposed to a number of risks.

- Investment risk - The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk - The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk - All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Nottinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the employer for example higher than expected investment returns or employers leaving the fund with excess assets which eventually get inherited by the remaining employers.

The latest available membership data is shown in the table below:

	Number	Salaries / Pensions £000s	Average Age
Active members	13	263	44
Deferred pensioners	9	19	46
Pensioners	7	25	61
Unfunded pensioners	2	0	73

Scheduled Contributions

The table below summarises the minimum employer contributions due from Mansfield and District Joint Crematorium to the fund over this inter-valuation period. The calculated cost of accrual of future benefits is 20.2% of payroll per annum.

Minimum employer contributions:	01-Apr-20	01-Apr-21	01-Apr-22
Percentage of payroll	20.2%	20.2%	20.2%
Plus monetary amount (£000)	17	17	18

However, Mansfield and District Joint Crematorium have agreed with the administrating authority to prepay their monetary contributions for the three years to 31 March 2023 by making a single lump sum payment of £48,454 in 30 April 2020. This lump sum payment has received an actuarially equivalent discount to the monetary rates above of £3,571.

Assets

The return on the fund (on a bid value to bid value basis) for the year to 31 March 2021 is estimated to be 21.78%. The actual return on fund assets over the year may be different.

The estimated asset allocation for Mansfield and District Joint Crematorium as at 31 March 2021 is as follows:

31 March 2020		Asset Share	31 March 2021	
£	%		£	%
788,000	64	Equities	889,000	64
40,000	3	Gilts	49,000	4
107,000	9	Other Bonds	104,000	7
156,000	13	Property	148,000	11
30,000	2	Cash	75,000	5
45,000	4	Inflation - Linked Pooled Fund	54,000	4
65,000	5	Infrastructure	76,000	5
1,231,000	100		1,395,000	100

b. Transactions Relating to Post-Employment Benefits

The costs of retirement benefits are recognised in the net cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the Committee is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the general reserve via the movement in reserves statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement via the movement in reserves statement during the year:

Comprehensive Income and Expenditure Statement		
2019/2020		2020/2021
£		£
	Cost of Services:	
98,000	Current Service cost	86,000
25,000	Past Service cost	0
1,000	Administration expenses	1,000
	Financing and Investment Income and Expenditure:	
29,000	Net interest on the defined liability / (-) asset	25,000
	Total Post Employment Benefit	
153,000	Charged to the Surplus / Deficit on the Provision of Services	112,000
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
191,000	Actuarial gains and (-) losses	-499,000
344,000	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	-387,000
	Movement in Reserves Statement	
-153,000	Reversal of net charges made to the Surplus / Deficit for the Provision of Services for post-benefits in accordance with the Code	-112,000
	Actual amount charged against the General Fund Balance for pensions in the year:	
46,000	Employers' contribution payable to the Scheme	97,000

c. Assets and Liabilities in Relation to Post-Employment Benefits

The following table provides a reconciliation of present values of the schemes liabilities for the JCC during the 2019/2020 and 2020/2021 financial years:

At 31 March 2020		At 31 March 2021
£		£
2,681,000	Opening Defined Benefit Obligation	2,372,000
98,000	Current service cost	86,000
65,000	Interest cost	53,000
-37,000	Change in demographic assumptions	0
-282,000	Change in financial assumptions	759,000
-145,000	Experience loss / (-) gain on defined benefit obligation	-27,000
-49,000	Estimated benefits paid (net of transfer in)	-208,000
25,000	Past service costs, including curtailments	0
16,000	Contribution by scheme participants	15,000
0	Unfunded pension payments	0
2,372,000	Closing Defined Benefit Obligation	3,050,000

The following table provides a reconciliation of fair values of the schemes assets of the Committee during the 2019/2020 and 2020/2021 financial years:

At 31 March 2020		At 31 March 2021
£		£
1,456,000	Opening fair value of scheme assets	1,231,000
	Expected return on scheme assets	
36,000	Interest on assets	28,000
-169,000	Return on assets less interest	233,000
-104,000	Other actuarial gains / (-) losses	0
-1,000	Administration expenses	-1,000
46,000	Contribution by employer including unfunded benefits	97,000
16,000	Contribution by scheme participants	15,000
-49,000	Estimated benefits paid including unfunded benefits	-208,000
0	Settlement prices received / (-) paid	0
1,231,000	Closing fair value of scheme assets	1,395,000

The total return on the fund for the year to 31 March 2021 was £261,000.

d. Scheme History

	2018/2019	2019/2020	2020/2021
	£	£	£
Present value of liabilities	2,681,000	2,372,000	3,050,000
Fair Value of assets	-1,456,000	-1,231,000	-1,395,000
Rounding Adjustment	1	0	0
Surplus/ (-) Deficit	1,225,001	1,141,000	1,655,000

The liabilities show the underlying commitments that the Committee has in the long run to pay for post-employment (retirement) benefits. The total liability of £1,655,000 has a substantial impact on the net worth of the Committee as recorded in the balance sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Committee remains healthy; the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

e. Projected Pension Expenditure

The projected pension expenses for the year to 31 March 2022 are:

	£000s
Service Cost	120
Interest Cost	33
Administration Expenses	1
Total	154
Employer Contributions	49

These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021. These projections are based on the assumptions as at 31 March 2021, as described in the actuary's report.

f. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates and salary levels. The Nottinghamshire County Council Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme at 31 March 2019.

Under the projected unit method, the current service cost will increase as the Members of the scheme approach retirement.

The main assumptions used by the actuary in their calculations have been:

2019/2020 %		2020/2021 %
	Assumed life expectations from age 65 are:	
	Retiring today:	
21.8	Males	21.9
24.4	Females	24.5
	Retiring in 20 years	
23.2	Males	23.3
25.8	Females	25.9
	Financial Assumptions:	
2.4	Discount Rate	2.0
1.9	Pension Increases	2.8
2.9	Salary Increases	3.8

Additional Assumptions:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Increase in Assumption £	Decrease in Assumption £
Adjustment to discount rate (increase or decrease by 0.1%)	2,980,000	3,122,000
Adjustment to long term salary increase (increase or decrease by 0.1%)	3,054,000	3,045,000
Adjustment to pension increases and deferred revaluation (increase or decrease by 0.1%)	3,117,000	2,985,000
Adjustment to life expectancy assumptions (increase or decrease in 1 year)	3,175,000	2,930,000

The results in the actuary report include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension Schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results as at 31 March 2020. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 March 2021.

15. USABLE RESERVES

This note sets out the amounts set aside to provide financing for future expenditure plans, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.

The table below shows the usable reserves held by the Committee:

2019/2020 £	Usable Reserves	2020/2021 £
799,863	Capital Fund	709,686
237,363	General Reserve	526,557
1,037,226	Balance at 31st March	1,236,243

Capital Fund

This reserve represents amounts set aside to finance capital expenditure:

2019/2020 £	Usable Reserves - Capital Fund	2020/2021 £
800,698	Balance at 1st April	799,863
-835	Financing of Capital Expenditure	-139,853
0	Contributions	49,676
799,863	Balance at 31st March	709,686

General Reserve

This reserve represents the balance of the undistributed surpluses:

2019/2020 £	Usable Reserves - General Reserves	2020/2021 £
248,366	Balance at 1st April	237,363
-11,003	Movement in Year	289,194
237,363	Balance at 31st March	526,557

16. UNUSABLE RESERVES

This note sets out those reserves which hold unrealised gains and losses which the Committee is not able to use.

The table below shows the unusable reserves held by the Committee:

2019/2020 £	Unusable Reserves	2020/2021 £
442,841	Revaluation Reserve	424,285
1,707,936	Capital Adjustment Account	1,618,690
-1,141,000	Pension Reserve	-1,687,303
1,009,777	Balance at 31st March	355,672

Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the value of property, plant and equipment and intangible assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The last revaluation of the Crematorium assets was undertaken on 1 April 2018.

2019/2020 £	Unusable Reserves - Revaluation Reserve	2020/2021 £
461,397	Balance at 1st April	442,841
0	Upwards Revaluation of Assets	0
-18,556	Historic Cost Depreciation	-18,556
0	Downward revaluation of assets and impairment losses not charged to the Comprehensive Income and Expenditure Statement	0
442,841	Balance at 31st March	424,285

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 Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement. Depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Committee as finance for the costs of acquisition, construction and enhancement.

2019/2020 £	Unusable Reserves - Capital Adjustment Account	2020/2021 £
1,815,651	Balance at 1st April	1,707,936
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
-126,271	Charges for Depreciation and impairment of non current assets	-297,767
18,556	Historic Cost Depreciation	18,556
0	Revaluation losses on Property Plant and Equipment	0
	Capital Financing in the Year	
0	Use of Capital Fund to finance capital expenditure	189,965
1,707,936	Balance at 31st March	1,618,690

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed when the Committee makes employer's contributions to the pension funds, or eventually pay any pensions for which it is directly responsible. Therefore, the debit balance on the Pension Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019/2020 £	Pension Reserve - Pension Reserve	2020/2021 £
-1,244,960	Balance at 1st April	-1,141,000
191,000	Re-measurement of the net defined benefit liability/(asset)	-499,000
-153,000	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-112,000
46,000	Employers Pension contributions and direct payments to pensioners in the year	97,000
19,960	Pension Lump Sum Prepayments	-32,303
-1,141,000	Balance at 31st March	-1,687,303

The pension reserve will show the amount of the prepaid pension lump sum payment, for 2020/2021 this is £32,303. In 2021/2022 this will reduce to £16,151 and will be zero in 2022/2023, which is the end of the three year period.

17. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are shown in the below:

2019/2020 £	Cash and Cash Equivalents	2020/2021
150	Petty Cash	150
1,676,069	Cash held by Mansfield District Council	1,650,355
1,676,219	Balance at 31st March	1,650,505

18. SURPLUS FOR DISTRIBUTION

The table below shows the values from the Movement in Reserves Statement and Comprehensive Income and Expenditure Statement that comprise the total surplus for distribution:

2019/2020 £		2020/2021 £
-808,638	CIES - Total Comprehensive Income and Expenditure (Prior to Surplus Distribution)	-273,002
-34,149	MIRS - Transfers to/(-)from Reserves	-455,088
-842,787	Total Surplus for Distribution	-728,090

19. MEMBERS ALLOWANCES

No recharges in respect of members' allowances have been made to the Joint Committee by the constituent authorities in 2020/2021 or in 2019/2020.

20. EXTERNAL AUDIT COSTS

The Committee incurred external audit fees (Audit Lincolnshire) in 2020/2021 of £1,622 (£1,410 in 2019/2020).

21. RELATED PARTIES

The transactions with related parties are disclosed in the statement of accounts as follows:

- Transactions with local authorities within the Comprehensive Income and Expenditure Statement as central support services and the distribution of the surplus

The three constituent local authorities maintain a register of members' interests and a record of interests declared at Cabinet and Committee meetings. There were no material transactions with organisations identified in these records.

22. AUTHORISATION OF THE ACCOUNTS FOR APPROVAL

The statement of accounts for Mansfield Joint Crematorium Committee was signed by the responsible financial officer on the 24 May 2021.

Mansfield Crematorium

ANNUAL GOVERNANCE STATEMENT

2020/2021

It is a requirement that a separate Governance Statement is produced for any joint committees for approval by their relevant management body. Mansfield Crematorium has adopted Mansfield District Council's governance arrangements as detailed below.

1. Scope of Responsibility

- 1.1 Mansfield District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Mansfield District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Mansfield District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 Mansfield District Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government 2016 Edition*. A copy of the code is on the Council's website or can be obtained from the Civic Centre, Chesterfield Road South, Mansfield, NG19 7BH. This statement explains how Mansfield District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1) which requires all relevant bodies to prepare an annual governance statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure

to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Mansfield District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

- 2.3 The governance framework has been in place at Mansfield District Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.
- 2.4 Due to the Covid-19 pandemic, the May 2020 meeting of the Joint Crematorium Committee (JCC) was cancelled. However, as urgent decisions were required during this period, it was agreed that these decisions would be confirmed under the three constituent local authorities own urgency procedures. A report was presented to the JCC meeting on 7 September 2020 detailing these decisions and providing evidence of confirmation.
- 2.5 In addition, update reports were circulated to JCC members in May and July 2020.
- 2.6 Operational updates and financial management review reports have been presented to JCC meetings during 2020/2021 detailing the impact of the pandemic both on the day to day operations of the Crematorium and also its financial position.
- 2.7 Additional assurance was also received from senior management that the pandemic had not adversely affected the robustness of either the overarching governance framework or supporting risk management and internal control arrangements.

3. **Statement of Overall Opinion**

- 3.1 It is our opinion, based upon the content of the AGS that the Mansfield Crematorium's governance framework is robust and that the governance arrangements have proved to be highly effective during 2020/2021.

Chairman of Joint Committee



Date

24/05/21

Treasurer



Date

24/05/21

4. The Governance Framework

Vision and Priorities

- 4.1 The Council's vision and priorities are contained in its "Making Mansfield: Towards 2030" strategy for transforming the Mansfield district. The strategy sets out its vision and ambitions for the future. It builds on the strong foundations of past successes and reflects Mansfield's resilience and innate desire to improve and move forward.

The vision for the district is to:

"Grow an ambitious, vibrant and confident place"

The vision for Mansfield is ambitious. It is designed to underpin everything the council does over the next decade. To ensure delivery of the vision the council will focus on the following four cross cutting themes and their priorities:

Place: "Our ambition for place is to create a place to be proud of, a place of choice"

Priorities:

- Create and communicate a positive image of the Mansfield district.
- Preserve, enhance and promote our natural environment and physical assets across the district.
- Improve the town centre experience for residents, visitors and businesses.
- Create a positive cultural and leisure experience for residents and visitors in the area.
- Create a clean, green infrastructure that supports and enhances the quality of life for residents.

Wellbeing: "Our ambition for wellbeing is to create a flourishing place where people are healthy and happy"

Priorities:

- Create an environment where people lead safe, healthy lifestyles and have the opportunities to be physically active.
- Support and encourage people to make healthy choices.
- Support a good quality of life for those that live and work here.
- Understand and respond to the needs of communities and be advocates for support and intervention.

Growth: “Our ambition for growth is to create a thriving place for investment and opportunity”

Priorities:

- Develop the district’s infrastructure to embrace technology and technological advances.
- Create employment opportunities that are aligned to meet future requirements.
- Develop a better and wider mix of housing across the district to meet the needs and aspirations of existing and new residents.
- Develop and sustain local businesses and encourage national and regional businesses to invest in the area.

Aspiration: “Our ambition for aspiration is to create a place where people can achieve and succeed”

Priorities:

- Encourage people of all abilities to achieve their true potential.
- Build confidence within communities so that they have more control and influence in what happens in their area.
- Create opportunities for learning, development and achievement for all.
- Ensure local people have clear aspirational pathways into local employment.

4.2 The Council’s Corporate Values of Excellence, Integrity, Teamwork, Empower and Involve, and Passion and Pride summarise its way of thinking to deliver positive outcomes for its customers.

Underpinning the Corporate Values is its commitment to equality as it aims to treat everyone fairly and strives to achieve equality for its diverse communities.

4.3 The Council’s Medium Term Financial Strategy (MTFS) for 2020/2021 to 2022/2023 supports the “Making Mansfield: Towards 2030” strategy and identifies its financial implications. It shows the approach the council will take in order to deliver its services and priorities within its financial constraints and in doing so how it will look to provide value for money

4.4 The Council is currently delivering its Transformation Strategy which sets out how the Council will become an innovative, efficient, customer focussed, high performing 21st Century Authority

Quality of Services

4.5 The Council has an ongoing commitment to community engagement and empowerment and has a Community Involvement Strategy and toolkit to accompany the Customer Insight and Journey Mapping toolkits.

- 4.6 The Council has a performance management software package which brings together all the Council's performance data in one place and enables effective monitoring of key performance indicators.
- 4.7 The Council in accordance with its new Procurement Strategy, Contract Procedure Rules and partnership arrangements with Nottingham City's Procurement Service aims to deliver effective procurement practices across the whole organisation.
- 4.8 The Council has in place a corporate complaints system which ensures effective monitoring and action is taken where appropriate.

Constitutional Matters

- 4.9 The Mansfield Crematorium's Joint Committee has adopted a constitution, which details how the Crematorium operates and its decision making policies and procedures.
- 4.10 It has been agreed with HMRC that Mansfield Crematorium's Joint Committee will be classed as an arms-length body for VAT purposes.

Codes of Conduct

- 4.11 The Council has adopted codes of conduct for both members and employees and also has a protocol for member/employee/partner relations. The codes include reference to the need to declare any interest which may conflict with the individual's role at the Council, with registers maintained for any such interest to be recorded and monitored.
- 4.12 Compliance with the member and employee codes of conduct is currently monitored by the Council's Governance and Standards and Personnel Committees respectively.
- 4.13 The Council has in place a whistle-blowing code which ensures that any referrals under the code are fully investigated, with findings reported to the Statutory Officers, senior managers and the Governance and Standards Committee as appropriate.

Policies, Procedures, Laws and Regulations

- 4.14 The Head of Law and Governance is designated as the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations.
- 4.15 The financial management of the authority is conducted in accordance with the relevant provisions of the Constitution and the Council's Financial Regulations. The Council has designated the Head of Finance as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.

- 4.16 The Council's Local Code of Corporate Governance fully conforms with the governance requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government*.
- 4.17 The Council maintains an Internal Audit Service, which operates in accordance with the Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards (PSIAS) and CIPFA's Local Government Application Note (2019).
- 4.18 The Council has robust policies and procedures relating to the use of resources and the corporate governance framework, including revised Corporate Risk and Opportunity Management Strategy, Financial Regulations and Contract Procedure Rules, Scheme of Delegation and Anti-Fraud and Corruption Strategy.

Risk and Opportunity Management

- 4.19 The Council recognises that it has a responsibility to identify, evaluate and manage risks whilst still creating a fertile climate for innovation. It therefore supports a structured approach through the implementation of its risk and opportunity management strategy with an annual report on its effectiveness.
- 4.20 The Council's Heads of Service – Performance Clinic oversees the effective delivery of the Corporate Risk and Opportunity Management Strategy across the authority. In addition the Council's Governance and Standards Committee is responsible for monitoring the effective development and operation of risk and opportunity management.
- 4.21 The significant operational risks identified for the Crematorium are fully mitigated by its Business Continuity Plan which is approved by the Mansfield Crematorium's Joint Committee.

Governance and Standards Committee

- 4.22 The Council has a Governance and Standards Committee which is fully compliant with the guidance provided in CIPFA's *Audit Committees – Practical Guidance for Local Authorities 2018 edition*.

Development and Training Needs

- 4.23 There is an induction programme in place for newly appointed officers and members, with their ongoing training needs being determined by means of one to one discussions with members and annual interviews of employees in accordance with the Council's personal development scheme.
- 4.24 There are opportunities for members and officers to update their knowledge on a regular basis by using the Council's training and development programme, which includes training on corporate governance.

4.25 The Council also has a peer coaching and mentoring programme for members and has a management development programme for officers based upon the Council's competency framework.

4.26 In accordance with the Member Development Charter for the East Midlands, the Council has a comprehensive member development programme in place.

5. **Review of Effectiveness**

5.1 Mansfield District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Corporate Assurance Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

5.2 The process that has been applied in reviewing the effectiveness of the Council's governance framework includes:

- The Council has carried out a self-assessment of its compliance with the CIPFA Statement on the *Role of the Head of Internal Audit in Public Service Organisations (2019 edition)* and is fully compliant
- The Corporate Assurance Manager's review of the Council's level of compliance with its adopted Local Code of Corporate Governance, which is to be reported to the Governance and Standards Committee in June 2021, identified no significant governance issues relating to Mansfield Crematorium
- The Corporate Assurance Manager has completed a review of the Council's ethical governance arrangements using good practice guidance as a benchmark, with an overall excellent assurance level being achieved
- The Governance and Standards Committee monitors members' compliance with the Code of Conduct and considers any action required from this monitoring. No significant issues have been identified
- The Council's counter fraud and corruption strategy has been revised during 2020/2021 to ensure full compliance with the new Fighting Fraud and Corruption Locally (FFCL) 2020 strategy and CIPFA's Code of Practice on "managing the risk of fraud and corruption".
- The Council's Fraud & Corruption Register was revised in September 2020 to reflect the effect of the Covid-19 pandemic upon potential areas of fraud
- A review of the Council's Strategic Risks and Opportunities Register has been undertaken and reported to the Governance and Standards Committee.

- The Council has a number of Overview and Scrutiny Committees which provide an overview and scrutiny role. They can “call in” a decision which has been made by the Executive or an officer (where the decision is a key decision) but not yet implemented, to enable them to consider whether they consider the decision is appropriate. They also enquire into issues which are of local concern
- The Governance and Standards Committee received a variety of reports during 2020/2021 both from internal assurance providers and from external audit in accordance with its terms of reference as detailed in the Council’s constitution.
- The audit of the Crematorium’s accounts carried out by Assurance Lincolnshire gave an unqualified opinion
- No systems review of the Crematorium was carried out by Internal Audit during 2020/2021 as it is now classed as a medium risk area and therefore is only subject to a review every three years
- The Corporate Assurance Manager’s Annual Report for 2020/2021 concluded that the Council’s risk management, control and governance processes were effective and therefore an unqualified opinion was given.

Glossary of Financial and Accounting Terms

PLEASE NOTE: *This glossary provides an explanation of terms, not precise definitions. It should not be used as a substitute for the more detailed and specific definitions given in statute, codes of practice and technical guidance. It should be used in conjunction with explanations provided within and supporting the accounting statements.*

ACCOUNTING PERIOD – the period of time covered by the accounts, which is normally 12 months commencing on 1 April and finishing on 31 March the following year. The end of the accounting period is the Balance Sheet date.

ACCRUAL – an amount included in the accounts to cover income or expenditure relating to an accounting period but for which payment has not been received or made. This means that income and expenditure is recognised in the accounts when they are earned or incurred, not when money is exchanged.

BALANCE SHEET – a statement of the recorded assets, liabilities and other balances as they stand in monetary terms, at the end of an accounting period.

BUDGET – a statement defining the Committee's financial plans over a specified period of time (usually an accounting period 1 April to 31 March).

CAPITAL ADJUSTMENT ACCOUNT - this 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.

CAPITAL FUND – this fund receives contributions from the Comprehensive Income and Expenditure to accumulate funds for capital expenditure.

CAPITAL EXPENDITURE – this includes expenditure on the acquisition of, or major enhancement of fixed assets such as land, property and other structures.

CREDITORS – an amount owed by the Committee for work done, goods received or services rendered relating to the accounting period, but for which payment has not yet been made.

CURRENT ASSETS – an asset held at the balance sheet date, which will be used within the following accounting period; for example, stock, cash and debtors.

CURRENT LIABILITY – an amount owing at the balance sheet date, which will be paid in the next accounting period; for example, creditors, cash and loan repayments.

DEBTORS – an amount owing to the Committee relating to the accounting period, but for which money has not yet been received.

DEPRECIATION – the measure of the reduction in value of a non-current asset due to age, consumption or other reduction in useful life during the accounting period.

GENERAL RESERVE – amounts put aside, but not allocated to meet, any future spending commitments.

IMPAIRMENT – this reflects a REDUCTION in the market value of a non-current asset due to significant changes in the market (i.e. introduction of new technology), obsolescence, or damage, etc.

NET BOOK VALUE – the amount at which non-current assets are included (valued) in the balance sheet, i.e. their historic value or current valuation less depreciation.

NET REALISABLE VALUE – the open market value of an asset in its existing use.

PENSION RESERVE - this absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

PROVISIONS – pre-determined amounts put aside in the accounts for liabilities or losses which are certain or very likely to occur, but the amounts involved or the date when they need to be settled are uncertain.

REVENUE EXPENDITURE – running costs of services, which include employees, premises, transport, interest, supplies and services.

Independent auditor's report.



AUDIT OF MANSFIELD CREMATORIUM FINAL ACCOUNTS 2020/2021

Remit

An audit of the Mansfield and District Crematorium Joint Committee accounts 2020/21 has recently been undertaken by Assurance Lincolnshire.

Opinion

In our opinion, the statement of accounts presents fairly the Crematorium's Comprehensive Income and Expenditure Statement (CIES) for the year ended 31st March 2021 and the Balance sheet as at that date. The statements are fully supported with the underlying financial records and we did not identify any material errors which are unresolved.

Auditors: Assurance Lincolnshire

Signed:

A handwritten signature in black ink, appearing to read "McJoy Nkhoma".

Date: 06/05/2021

McJoy Nkhoma (Acting Principal Auditor)