



Report to: Cabinet Meeting - 1 April 2025

Portfolio Holder(s): Cllr Paul Peacock, Strategy, Performance & Finance
Cllr Susan Crosby, Health, Wellbeing & Leisure

Director Lead(s): Sanjiv Kohli, Deputy Chief Executive and Director - Resources

Lead Officer(s): Sue Bearman, Assistant Director - Legal & Democratic Services, Ext. 5935

Report Summary	
Type of Report	<p>Open Report with exempt appendix / Key Decision</p> <p>The appendix contains exempt information as defined under Schedule 12A of the Local Government Act 1972, Paragraph 3 under which the Committee has the power to exclude the press and public if it so wishes.</p> <p>It is considered that the need to treat the information in the report appendices as exempt outweighs the public interest in disclosure because it contains information which is commercially sensitive financial details.</p>
Report Title	Mansfield Crematorium Redevelopment
Purpose of Report	To seek Cabinet's endorsement of the resolution by Mansfield and District Joint Crematorium Committee (of which the Council is a constituent member) to redevelop Mansfield Crematorium; and to approve the financial arrangements for the Council's contribution to the cost of redevelopment.
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none"> a) approve the Option C high level refurbishment of Mansfield Crematorium as detailed in Exempt Appendix A and commencement of the refurbishment project; b) approve allocation of the Usable Reserves to partially cover the VAT liability on the development, limiting the financial impact on each authority area for the refurbishment programme, as set out in Annex A within Exempt Appendix A; c) approve the remaining total contribution by the Council, to pay the remaining VAT liability and year one deficit, as set out in point 2.45, 2.46 and Annex A within Exempt Appendix A; and

	d) approve an increase to the capital programme by £211,900, funded by the Change Management Reserve, to fund the Council's contribution towards the high-level refurbishment works as suggested in Option C.
Alternative Options Considered	The Mansfield and District Joint Crematorium Committee has considered alternatives including new build, sale, closure and a lower-level refurbishment. These are all explored in detail in the exempt appendix.
Reason for Recommendations	To ensure ongoing performance, viability and reputation of the Mansfield Crematorium.

1.0 Background

- 1.1 Since 1955 Newark & Sherwood District Council (NSDC), Mansfield District Council (MDC) and Ashfield District Council (ADC) have operated joint management arrangements for the Mansfield & District Crematorium (the Crematorium). Oversight is via the Mansfield and District Crematorium Joint Committee (the Joint Committee); each Authority appoints three executive members to the Committee.
- 1.2 MDC holds the Crematorium site on behalf of the constituent authorities. It employs the Crematorium staff and provides all finance services. NSDC provides the internal audit service and the clerking service for the Joint Committee.
- 1.3 If the Joint Committee wishes to incur capital expenditure for the acquisition of land or construction works then the express approval of each of the Authorities is needed. The Authorities are required to contribute on a pro-rata basis using a formula calculated according to the throughput of cremations for each Authority. All expenses of a revenue nature are calculated in accordance with the same formula.
- 1.4 The Crematorium facility requires either significant refurbishment or replacement, as set out in detail in **Exempt Appendix A**. The Joint Committee has carefully considered the options available, and on 24 February 2025 unanimously resolved to proceed with refurbishment, subject to approval by each constituent Authority, following consideration of the report included as **Exempt Appendix B** to this report.
- 1.5 MDC and ADC held meetings on 17 March 2025; both resolved to endorse refurbishment and approve the applicable capital expenditure arrangements.

2.0 Proposal/Details of Options Considered

- 2.1 It is proposed to proceed with Option C refurbishment as set out in Exempt Appendix A. Subject to each Authority's approval, procurement of a project management team will be progressed immediately to progress the project without delay.
- 2.2 Cabinet is asked to approve NSDC's financial contribution to refurbishment, which is significantly lower for NSDC than for ADC and MDC, at approximately 6.2% of the cost, due to the formula referenced in paragraph 1.3 above.

3.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Financial Implications (FIN24-25/7112)

The table below shows the surplus distribution from the Crematorium for each of the constituent authorities over the last four years:

	2020/21	2021/22	2022/23	2023/24
Mansfield	£360,259	£410,942	£423,615	£399,165
Ashfield	£326,257	£349,903	£390,995	£420,224
Newark and Sherwood	£41,574	£51,937	£60,390	£55,998

As can be seen from the table, the Council receives circa £52,000 per annum from the crematorium.

The preferred option is for a refurbishment of the facility which will require the Crematorium to invest £7.37m, which will be covered in part by a specific loan and Joint Crematorium reserves. The Joint Committee requested contributions from the constituent Council's, of which Newark and Sherwood's share would be £237,018 based on our share of throughput. This was considered preferable to borrowing the full amount jointly. It gave each Council the option of whether to fund the contribution from reserves or borrowing.

The £237,018 is split into a capital contribution to the build and revenue cost to fund the forecasted deficit in the first year.

Revenue Contribution

The option C table at paragraph 2.38 of the appendix shows a forecasted deficit in the first year (whilst the refurbishment works are carried out) of £1,556,306. This includes a forecasted VAT liability that currently is not recoverable (fully by Mansfield District Council on their own) of £1,410,446 (appendix 10). The report suggests that the Joint Crematorium uses £1,151,476 of its own reserves to fund the VAT liability, hence leaving a revenue shortfall in year one of £404,830 (paragraph 2.44). Newark and Sherwood's share of this being **£25,140** based on throughput.

Capital Contribution

In addition to the contribution to the first-year shortfall, there is a requirement for Newark and Sherwood to contribute towards the capital build. The total contribution the Joint Crematorium has requested is £3,411,878, of which Newark and Sherwood's contribution is **£211,878** (paragraph 2.46). This will need to be added into the Council's capital programme in order to pass to the Crematorium for them to complete the refurbishment work.

The total of £237,018 can be funded from the Council's Change Management Reserve.

The Council is working with colleagues at Mansfield and Ashfield regarding reviewing the VAT position. Should Newark and Sherwood be able to charge its share of VAT to its accounts, there is a potential to recover £87,589 (appendix 10) from HMRC. This is yet to be confirmed with HMRC as yet, and hence should the three Council's be successful with this, the £87,589 would be transferred back to the Change Management Reserve meaning a net cost to Newark and Sherwood District Council of £149,429.

Once the refurbishment work has been completed it is anticipated, as contributions have been made to the capital works, and borrowing has been minimised, that surplus' should accrue back to previous levels quite quickly. Paragraph 2.38 shows that in the second year of operation (being the first year after the refurbishment) Newark and Sherwood's projected surplus would be £49,467. The payback would be during year 6 based on the £237,018, and during year 3 should the total cost be £149,429.

3.2 Legal Implications (LEG2425/4627)

Cabinet is the appropriate body to consider the content of this report. Under Paragraph 14 of the Agreement relating to Joint Management Arrangements for Mansfield & District Crematorium, if the Joint Committee requires to incur capital expenditure for the construction of works, the express approval of each of the Authorities is required.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Mansfield District Council report of 17 March 2025 is [published](#)

Ashfield District Council report of 17 March 2025 is [published](#)