

**Central Durham Crematorium Joint  
Committee**

**27 January 2021**

**2021/22 Revenue and Capital Budgets**



---

**Joint Report of**

**Alan Patrickson, Corporate Director of Neighbourhoods and Climate  
Change**

**Paul Darby, Interim Corporate Director of Resources and Treasurer to  
the Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 This report sets out for Members' consideration proposals with regards to the 2021/22 revenue and capital budgets for the Central Durham Crematorium.

**Executive Summary**

- 2 The 2021/22 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in an earlier report, the updated 2020/21 forecast outturn position and known expenditure pressures in the coming year.

**Recommendation(s)**

- 3 It is recommended that members of the Joint Committee note and approve the revenue and capital budget proposals contained within the report (as set out at Appendix 2).
- 4 It is also recommended that Members note the forecast level of reserves at 31 March 2022 (also set out at Appendix 2).

## Revenue Budget Proposals 2021/22

- 5 The proposed 2021/22 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Central Durham Crematorium at 31 March 2022. Members should note that the main changes from the 2020/21 budget are as follows:

### ***Employees***

- 6 The 2021/22 budget has been increased by **£9,721** to take into account the forecast impact of incremental progression and relief attendant cover.

### ***Premises***

- 7 The base budget has decreased by **(£6,633)** next year. The main reasons for this decrease are as follows:
- The repairs and maintenance budgets have adjusted to reflect the Service Asset Management Plan works scheduled for 2021/22 in line with the Service Asset Management Plan approved at the September meeting. The net result of the removal of the 2020/21 works schedule and the inclusion of the 2021/22 requirements is a net year on year decrease in the base budget of **(£7,370)**. Provision for the following works are included in the 2021/22 budgets:

➤ Re-decoration work	<b>£18,000</b>
➤ Replacement of floral tribute stand	<b>£2,500</b>
➤ Re-lining of 1 hearth	<b>£5,000</b>
  - The utility budgets have increased by **£1,000** in line with the 2020/21 projected outturn.
  - There has been an increase of **£345** in other premises budgets such as cleaning and general repairs.
  - Rates budgets have decreased by **(£608)** to reflect the 2020/21 charge as there will be no increase in 2021/22.

### ***Supplies and Services***

- 8 The supplies and services budget has been decreased by **(£4,700)** next year. The main changes are as follows:
- The masterplan budget has been reduced by **(£2,500)** to reflect lower supplier costs.
  - The purchase of urns budget has decreased by **(£2,200)** to cover the purchase of one for every cremation at a cost of £4 each.

### **Support Service Costs**

- 9 The 2021/22 budget factors in the proposed increase of **£675** in the SLA for the provision of Support Services as detailed in a previous report.

### **Income**

- 10 The income budget has been increased by **(£46,350)** the major changes are as follows:

- An element of prudence has again been factored into the income budget proposal for next year. The projected outturn as at 31 December 2020 assumes an increase of 525 cremations against the 2020/21 budgeted number of 2,200. In preparing the 2021/22 budget the estimated number of cremations has been kept at 2,200. Along with the proposal to increase the cremation charges to £740 the cremation fee income budget has increased by **(£44,000)**.
- A new charge for memorial leaves has been introduced resulting in an increase in income of **(£13,000)**.
- The interest budget has decreased by **£9,000** reflecting lower interest rates.
- The CAMEO budget has decreased by **£1,650** to reflect the decreasing Tradable Mercury Abatement Charge (TMAC) rate.

- 11 Should cremation numbers be maintained in line with those projected for the current year or indeed return to levels experienced in previous years then there would be an additional surplus generated again next year.

### **Capital Budget Proposals 2021/22**

- 12 The proposed 2021/22 capital budget, which will be financed through utilising reserves and is in line with investment requirements outlined in the Service Asset Management Plan agreed at the September meeting, is shown in the table below:

<b>Redevelopment Works</b>	<b>SAMP Cost £</b>
Replacement of ride on mower	25,000
Roadway widening & new gates	57,257
Install lighting to crematorium	10,000
Re-lining of 2 cremators	71,300
Replacement of cooler cassettes	88,000
<b>Total</b>	<b>251,557</b>

## Surplus Redistribution

- 13 The surplus redistribution to Durham County Council and Spennymoor Town Council has been increased in line with the Budget Strategy Report approved by Members at the September 2020 meeting:
- Durham County Council - £685,000 (£175,000 increase)
  - Spennymoor Town Council - £171,250 (£43,750 increase)
- 14 The £1.8m loan taken out in 2011/12 to part finance the redevelopment works, including the cremator replacements, will be fully repaid in 2020/21. As previously reported, this will allow additional surplus redistribution payments to be made in 2021/22 of £175,000 to Durham County Council and £43,750 to Spennymoor Town Council.

## Earmarked Reserves

- 15 The transfer to the Masterplan Memorial Garden Reserve next year is budgeted in line with the 2020/21 level at £5,000.
- 16 The transfer to the Small Plant Reserve next year is budgeted in line with the 2020/21 level at £2,000.
- 17 The revenue transfer to the Cremator Reline Reserve next year is budgeted at £25,000, although £71,300 will be drawn down from this reserve in year to fund the works included in the capital programme next year. The projected balance for the Cremator Reline reserve at the end of 2021/22 is £86,455, as shown in Appendix 2.
- 18 The £133,907 revenue surplus created after consideration of all the above factors is budgeted to transfer to the Major Capital Works reserve. In line with the CDCJC Reserve Policy however, a transfer to the General Reserve of £13,905 is required in order to maintain a general reserve of 30% of the Joint Committees income budget. £180,257 is required to fund the capital programme in 2020/21. This results in a budgeted net transfer from the Major Capital Works reserve of £60,255. The projected balance for the Major Capital Works reserve at the end of 2021/22 is £1,272,686, as shown in Appendix 2.
- 19 The estimated earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2022, taking into account the 2020/21 Quarter 3 budgetary control report and the proposed transfers to/from earmarked reserves in the 2021/22 budget is as follows:
- General reserve of £531,675 an increase of £13,905 (2.69%) from 2020/21
  - Retained reserves of £1,446,796 a net increase of £266,761 (22.5%) from 2020/21 after funding capital investments planned for 2021/22



---

## **Appendix 1 - Implications**

---

### **Legal Implications**

The Central Durham Crematorium Joint Committee is required to set a balanced budget and the budget proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

### **Finance**

The proposed budget for the Central Durham Crematorium is included at Appendix 2, with an explanation of year on year changes set out in the body of the report.

### **Consultation**

None. However, Officers of Spennymoor Town Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the CDCJC

### **Equality and Diversity/Public Sector Impact Duty**

The income proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett Crematorium and provide equity of treatment/access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

### **Climate Change**

There are no specific climate change impacts associated with this report.

### **Human Rights**

None specific to this report.

### **Crime and Disorder**

There are no Crime and Disorder implications associated with this report.

### **Staffing**

The employee budget provides for 9 members of staff.

### **Accommodation**

The 2021/22 capital programme includes investment in the .

## **Risk**

The budgets take into account the 2020/21 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year. The budget also takes into consideration one off expenditure requirements for 2021/22. Knowledge of these pressures and requirements such ensure that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Central Durham Crematorium in the current economic climate. The proposed £20 increase in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the CDCJC, should ensure risk is minimised with regards to the achievement of the income budgets.

## **Procurement**

None.