

# Mountsett Crematorium Joint Committee

31 January 2022

2022/23 Revenue Budget



## Joint Report of

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

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

## Electoral division(s) affected:

Countywide

## Purpose of the Report

- 1 To set out for Members' consideration proposals with regards to the 2022/23 revenue budgets for the Mountsett Crematorium.

## Executive Summary

- 2 The 2022/23 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2021/22 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 budget proposals contained within the report (as set out at Appendix 2) and that members note the forecast level of reserves and balances at 31 March 2023 (also set out at Appendix 2).

## Budget Proposals 2022/23

- 4 The 2022/23 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2021/22 forecast outturn position and known expenditure pressures in the coming year.
- 5 The proposed 2022/23 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium at 31 March 2023. Members should note that the main changes from the 2021/22 budget are as follows:

### **Employees**

- 6 The 2022/23 budget has been increased by **£15,014**. This takes into account the expected 21/22 and 22/23 pay awards and also a service restructure, which is to be considered later in a part B report.

### **Premises**

- 7 The base budget has decreased by **(£293,884)** from 2021/22. The main reasons for this are as follows:
  - The repairs and maintenance budgets include provision for the scheduled works in 2022/23 as per the Service Asset Management Plan. The net result of the removal of the 2021/22 works schedule and the inclusion of the 2022/23 requirements is an increase in the base budget of **£65,000** year on year. Provision for the following works are included in 2022/23 budgets:

➤ Installation of vehicle charging points	<b>£12,000</b>
➤ To replace part damaged fencing	<b>£7,000</b>
➤ To carry out remaining energy works	<b>£75,000</b>
  - Utility budgets have increased by **£24,380** to reflect the rising energy prices, which have been projected by the Council's procurement advisors to be a 40% increase in electric and a 59% increase in gas.
  - Equipment purchase and rental budgets have increased by **£4,116** for the annual rental of the temporary cremator unit and software.
  - The cleaning budget has increased by **£286** as referenced earlier in the Bereavement Manager's report.
  - Cremator servicing budgets have decreased by **(£7,200)** as the servicing is covered by IFZW for 2 years following completion of new cremators.
  - The one off contribution to fund the replacement cremators has been removed from the budget for 22/23 decreasing the budget by **(£380,466)**

## ***Supplies and Services***

- 8 These budgets have been increased by **£9,985** in 2022/23, the main reasons are:
- The Wesley webcast and tributes budget has increased by **£9,800** to reflect the increase in demand and the 2021/22 outturn.
  - Other supplies and services budgets have increased by **£185**.

## ***Agency and Contracted***

- 9 The Agency and Contracted Services budget has decreased by **£6,346** due to EPA testing on the new cremators being covered by IFZW.

## ***Support Service Costs***

- 10 The 2022/23 budget factors in the proposed increase of **£870** in the SLA for the provision of Support Services as detailed in a previous report.

## ***Income***

- 11 The income budget has been increased by **(£34,300)**. This is due to a combination of the following factors:
- An element of prudence has again been factored into the income budget proposal for next year. The projected outturn as at 31 December 2021 assumes an increase of 110 cremations against the 2021/22 budgeted number of cremations 1,300. In preparing the 2022/23 budget the estimated number of cremations has been kept at 1,300. Along with the proposal to increase the cremation charges to £765 the cremation fee income budget has increased by **(£32,500)**.
  - Memorial leaf budget has been reduced by **£6,500** to reflect demand.
  - The interest budget has decreased by **£1,500** reflecting lower interest rates.
  - Wesley webcasting and tribute budget has increased by **(£9,800)** to reflect an increase in use of the service.
- 12 Should cremation numbers be maintained in line with those estimated in 2021/22 or indeed return to levels experienced in previous years then there would be an additional surplus generated again next year.

## Surplus Redistribution

13 The 2022/23 allocations remain the same as 2021/22 and are as follows:

- Durham County Council - £227,500
- Gateshead Council - £122,500

## Earmarked Reserves

14 The transfer to the Repairs Reserve next year is budgeted in line with the 2021/22 level at **£15,000**.

15 In line with the Reserves Policy, the surplus created after all of the above factors have been taken into account necessitates a transfer from the Cremator Reserve. The Reserves Policy requires a General Reserve equal to 30% of the Joint Committees income budget. This results in a required transfer from the Cremator Reserve to the General Reserve of **£10,290**. The forecast net increase to the Cremator Reserve is therefore budgeted to be **£85,281** in 2022/23.

16 The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2023, taking into account the 2021/22 Quarter 3 budgetary control report, the 2022/23 budget and the proposed transfers to / from earmarked reserves are as follows:

- General reserve of **£318,976**, an increase of £10,290 (3.3%) from 2021/22
- Retained Reserves of **£199,651** an increase of £100,281 (100.9%) from 2021/22

The estimated total reserves as shown in Appendix 2 at 31 March 2023 are **£518,627**.

17 Members should note that the 2022/23 budget proposal incorporates £94,000 of one off expenditure requirements which will be removed in the 2023/24 budget setting round.

## Background Papers

- 2021/2022 Budget and Financial Monitoring Reports
- 2022/2023 Budget Working Papers
- 2022/2023 Fees and Charges report.

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## **Appendix 1: Implications**

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### **Legal Implications**

The Mountsett 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 Mountsett 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 Gateshead Council were provided with a copy of the report and given opportunity to comment/ raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

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

The income proposals set out in this report are based on a harmonised fees and charges policy with the Central Durham 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**

None.

### **Human Rights**

None.

### **Crime and Disorder**

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

### **Staffing**

The employee budget provides for 6 members of staff.

### **Accommodation**

There are no Accommodation implications associated with this report.

### **Risk**

The budgets take into account the 2021/22 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year. The budget also considers one off expenditure requirements for 2022/23. Knowledge of these requirements ensures that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Mountsett Crematorium in the current economic climate. The proposed standstill 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 Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets.

**Procurement**

None.