

Central Durham Crematorium Joint Committee

1 February 2022

2022/23 Revenue and Capital Budgets



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 This report sets out for Members' consideration proposals with regards to the 2022/23 revenue and capital budgets for the Central Durham 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 an earlier report, the updated 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 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 2023 (also set out at Appendix 2).

Revenue Budget Proposals 2022/23

- 5 The proposed 2022/23 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 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 **£31,379**. 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 increased by **£37,508** next year. The main reasons for this increase are as follows:
- The repairs and maintenance budgets have been adjusted to reflect the Service Asset Management Plan works scheduled for 2022/23 in line with the Service Asset Management Plan approved at the September meeting. The net result of the removal of the 2021/22 works schedule and the inclusion of the 2022/23 requirements is a net year on year decrease in the base budget of **(£2,503)**. Provision for the following works are included in the 2022/23 budgets:

➤ Carry out a replacement for pedestrian sweeper	£4,000
➤ Carry out repairs to boundary wall	£8,422
➤ Carry out improvements to cremator charging	£3,075
➤ Carry out improvements to shrub beds	£1,500
➤ Carry out Re-lining of hearths x 1	£6,000
 - The utility budgets have increased by **£18,610** 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.
 - There has been an increase of **£11,301** in cleaning due to the new SLA for the cleaning of the water fountain, as referred to in a previous report.
 - There has been an increase of **£5,100** in other premises budgets such as building maintenance and plant repairs.
 - Cremator servicing has increased by **£5,000** to reflect current costs.

Supplies and Services

- 8 The supplies and services budget has been increased by **£9,364** next year. The main changes are as follows:

- The Annual Wesley Music Service budget has been reduced by **(£1,536)** to reflect the new contract.
- The Wesley webcast and tributes budget has increased by **£10,000** to reflect the increase in demand and the 2021/22 outturn.
- Other supplies and services budgets such as BACAS licence and sundries have increased by **£900**.

Support Service Costs

- 9 The 2022/23 budget factors in the proposed increase of **£1,281** in the SLA for the provision of Support Services as detailed in a previous report.

Income

- 10 The income budget has been increased by **(£55,000)** 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 2021 assumes an increase of 99 cremations against the 2021/22 budgeted number of 2,200. In preparing the 2022/23 budget the estimated number of cremations has been kept at 2,200. Along with the proposal to increase the cremation charges to £765 the cremation fee income budget has increased by **(£55,000)**.
 - Memorials budget has been decreased by **£7,000** due to memorial leaf, columbaria and small plaque budgets being adjusted to reflect demand.
 - The interest budget has decreased by **£3,000** reflecting lower interest rates.
 - Wesley webcasting and tribute budget has increased by **(£10,000)** to reflect an increase in use of the service.
- 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 2022/23

- 12 The proposed 2022/23 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:

Redevelopment Works	SAMP Cost £
Carry out installation of charging points	24,000
Carry out feasibility into excess heat regeneration	50,000
Carry out enlargement of cremator no 2	67,650
Total	141,650

Surplus Redistribution

13 The surplus redistribution to Durham County Council and Spennymoor Town Council remains the same:

- Durham County Council - £685,000
- Spennymoor Town Council - £171,250

Earmarked Reserves

14 The transfer to the Masterplan Memorial Garden Reserve next year is budgeted in line with the 2021/22 level at £5,000.

15 The transfer to the Small Plant Reserve next year is budgeted in line with the 2021/22 level at £2,000.

16 The revenue transfer to the Cremator Reline Reserve next year is budgeted at £25,000.

17 After consideration of all the above factors, £108,175 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 £16,500 is required in order to maintain a general reserve of 30% of the Joint Committees income budget. £141,650 is required to fund the capital programme in 2021/22. This results in a budgeted net transfer from the Major Capital Works reserve of £33,475. The projected balance for the Major Capital Works reserve at the end of 2022/23 is £1,267,044, as shown in Appendix 2.

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

- General reserve of **£548,175** an increase of £16,500 (3.1%) from 2021/22
- Retained reserves of **£1,544,454** a net increase of £97,658 (6.75%) from 2020/21 after funding capital investments planned for 2021/22

- 19 The estimated total reserves as shown in Appendix 2 at 31 March 2023 are **£2,092,629**.
- 20 Members should note that the 2022/23 budget proposal incorporates £22,997 of one off revenue expenditure and £141,650 one off capital expenditure requirements which will provide scope in the 2023/24 budget setting round.

Background Papers

- 2021/22 Budget and Financial Monitoring reports
- 2022/23 Budget Working Papers
- 2022/23 Fees and Charges report

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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

None.

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 takes into consideration one off expenditure requirements for 2022/23. 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 £25 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.