

Central Durham Crematorium Joint Committee

25 January 2023

Financial Monitoring Report – Position at 31/12/22, with Projected Revenue and Capital Outturn at 31/03/23



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 provides members of the Central Durham Crematorium Joint Committee with details of the provisional outturn position for 2022/23 and the projected level of reserves and balances at 31 March 2023.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2022 to 31 December 2022, together with a forecast revenue and capital outturn position for 2022/23, highlighting areas of over / underspends against the approved budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2022 and forecast final position at 31 March 2023, taking into account expenditure to date and forecasts to the year end.
- 4 The projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,006,823 against a budgeted surplus of £996,425, £10,398 more than the budgeted position.
- 5 Contributions to earmarked reserves are forecast to be £88,515 less than originally budgeted.

- 6 In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £16,500 is required. A contribution from the revenue surplus of (£118,573), offset by £240,563 funding of the capital programme results in a net transfer from the Major Capital Works Reserve of £121,990.
- 7 The retained reserves of the CDCJC at 31 March 2023 are forecast to be £1,636,301 along with a General Reserve of £548,175, giving a forecast total reserves and balances position of £2,184,476 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to December 2022 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2023, including the projected year position with regards to the reserves and balances of the Joint Committee.

Background

- 9 Scrutinising the financial performance of the Central Durham Crematorium is a key role of the Joint Committee. Regular (quarterly) budgetary control reports are prepared by the Treasurer and aim to present, in a user friendly format, the financial performance in the year to date together with a forward projection to the year end. Routine reporting and consideration of financial performance is a key component of the Governance Arrangements of the Central Durham Crematorium

Financial Performance

- 10 Budgetary control reports, incorporating outturn projections, are considered by Neighbourhoods and Climate Change Management Team on a quarterly basis. The County Council's Corporate Management Team also considers regular budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Central Durham Crematorium are included within this report.
- 11 The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the provisional revenue outturn financial performance of the Central Durham Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2022/23 £	Year to Date Actual April – December £	Forecast Outturn 2022/23 £	Variance Over/ (Under) £
Employees	326,530	259,411	399,865	73,335
Premises	308,130	261,268	368,033	59,903
Transport	2,800	1,811	2,497	(303)
Supplies & Services	140,715	103,380	155,179	14,464
Agency & Contracted	10,465	4,952	10,403	(62)
Capital Charges	0	0	0	0
Central Support Costs	42,185	42,185	42,185	0
Gross Expenditure	830,825	673,006	978,162	147,337
Income	(1,827,250)	(1,452,571)	(1,984,985)	(157,735)
Net Income	(996,425)	(779,566)	(1,006,823)	(10,398)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	108,175	0	118,573	10,398
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(856,250)	0	(856,250)	0
80% Durham County Council	685,000	342,500	685,000	0
20% Spennymoor Town Council	171,250	85,625	171,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2022 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2023 £
General Reserve	(531,675)	(872,750)	856,250	(548,175)
Masterplan Memorial Garden	(76,250)	(5,000)	0	(81,250)
Major Capital Works	(1,480,881)	(118,573)	240,563	(1,358,891)
Cremator Reline Reserve	(157,755)	(25,000)	0	(182,755)
Small Plant	(11,405)	(2,000)	0	(13,405)
Total	(2,257,966)	(1,023,323)	1,096,813	(2,184,476)

Explanation of Significant Variances between Original Budget and Forecast Outturn

- 12 As can be seen from the table above, the projected revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,006,823 against a budgeted surplus of £996,425, £10,398 than the budgeted position.
- 13 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

13.1 *Employees*

The outturn shows a forecast overspend of **£73,335**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to overspend by **£26,201** mainly due to the national pay settlement for 2022/23.
- The staffing restructure approved in January 2022 has resulted in a one off overspend of **£47,135** due to ERVR costs as mentioned in the September 2022 report.

13.2 *Premises*

The outturn shows a forecast overspend of **£59,903** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are forecast to overspend by **£46,958** due to the global increase in the cost of gas and electric.
- One off SAMP budgets relating to redecoration works in 2021/22 were delayed until the current year and it is therefore forecast to overspend by **£16,599**.
- One off SAMP budget for the improvements to cremator charging operations is no longer required therefore forecast to underspend by **(£3,075)**.
- One off SAMP budgets for the replacement sweeper, improvements to shrub beds and re-linign of a hearth are forecast to underspend by **(£5,134)**.
- Other premises costs such as general grounds maintenance, cleaning and building maintenance are forecast to overspend by **£4,555**.

13.3 *Supplies and Services*

The outturn shows a forecast overspend of **£14,464** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£6,201**.
- The Wesley music system is forecast to overspend by **£7,581** as it required a total re-wire along with the purchase of a new rack and speaker.
- Other general office costs such as purchase of urns, cremator additives and sundries are expected to overspend by **£682**.

13.4 Income

An increase in income of **(£157,735)** from the 2022/23 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 234 cremations compared to the budget, totalling increased income to budget of **(£149,802)**. The outturn allows for a total of 2,434 cremations against a budgeted 2,200 during 2022/23.
- Book of Remembrance, plaques, webcasting and use of chapel are expected to overachieve by **(£8,711)**.
- Interest received is forecast to overachieve by **(£16,644)** due to rising interest rates.

14 Capital Programme

The following table highlights the capital outturn of the Central Durham Crematorium:

	Base Budget 2022/23 £	Revised Budget 2022/23 £	Year to Date Actual April - Dec £	Forecast Outturn 2022/23 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works					
Carry out installation of charging	24,000	24,000	17,834	17,834	(6,166)
Carry out feasibility into excess heat	50,000	50,000	2,981	2,981	(47,019)
Carry out enlargement of cremator 2	67,650	67,650	3,912	67,650	0
Repairs to Chapel Dome	0	20,000	3,148	3,148	(16,852)
Replacement of Cooler Cassettes	0	132,000	0	132,000	0
Feasibility Fountain works - 23/24	0	0	450	450	450
Total	141,650	293,650	28,324	224,063	(69,587)

- The feasibility into excess heat was reported to the Committee in September 2022 and has resulted in an underspend of £47,019.
- The chapel dome repairs were originally planned for 20/21 but the works were delayed and carried forward to 22/23.
- The replacement of the 3 cooler cassettes is forecast to overspend by £132,000 compared to the base budget. This overspend was approved in 20/21 but the work was not carried out and will now to be replaced in the current year.
- The fountain works are due to be completed in 23/24, however the feasibility study for this has already commenced in the current year.

All other work is expected to be completed within 22/23.

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve.

15 Earmarked Reserves

Contributions to earmarked reserves are forecast as £88,515 less than originally budgeted, due mainly to additional capital works.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £16,500 is required. A contribution from the revenue surplus of (£118,573), offset by £240,563 funding of the capital programme results in a net transfer from the Major Capital Works Reserve of £121,990.

The retained reserves of the CDCJC at 31 March 2023 are forecast to be £1,636,301 along with a General Reserve of £548,175, giving a forecast total reserves and balances position of £2,184,476 at the year end.

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Appendix 1: Implications

Legal Implications

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

Finance

Full details of the year to date and projected outturn financial performance of the Central Durham Crematorium are included within 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 Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The projected outturn has been produced taking into consideration the spend to date, trend data and market intelligence, and includes an element of prudence. This, together with

the information supplied by the Bereavement Services Manager, should mitigate the risks associated with achievement of the forecast outturn position.

Procurement

None.