

**Central Durham Crematorium Joint
Committee**

25 January 2023

2023/24 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 2023/24 revenue and capital budgets for the Central Durham Crematorium.

Executive Summary

- 2 The 2023/24 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 2022/23 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 2024 (also set out at Appendix 2).

Revenue Budget Proposals 2023/24

- 5 The proposed 2023/24 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 2024. Members should note that the main changes from the 2022/23 budget are as follows:

Employees

- 6 The 2023/24 budget has been increased by **£24,909**. This takes into account the 22/23 and 23/24 pay awards and also increased pension contributions because of two employees joining the scheme.

Premises

- 7 The base budget has increased by **£55,314** 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 2023/24 in line with the Service Asset Management Plan approved at the September meeting. The net result of the removal of the 2022/23 works schedule and the inclusion of the 2023/24 requirements is a net year on year decrease in the base budget of **(£678)**. Provision for the following works are included in the 2023/24 budgets:

➤ Carry out re-lining of hearth x1	£6,000
➤ Carry out improvements to entrance area	£9,079
➤ Carry out removal of shrub beds	£1,540
➤ Purchase of additional memorial leaf tree	£2,500
➤ Carry out improvements to walls	£3,200
 - The utility budgets have increased by **£63,498** to reflect the rising energy prices.
 - There has been an increase of **£2,194** in contract cleaning due to increased staffing costs.
 - There has been an increase of **£300** on plant replacement.
 - Cremator servicing has decreased by **(£10,000)** to reflect current costs.

Supplies and Services

- 8 The supplies and services budget has been increased by **£6,817** next year. The main changes are as follows:
- Plaque budgets have increased by **£1,500** to reflect the current cost and demand.

- The Wesley webcast and tributes budget has increased by **£2,000** to reflect current demand.
- Purchase of urns budget has increased by **£1,200** to cover the increased cost of purchasing.
- Other supplies and services budgets such as BACAS licence and conferences have increased by **£2,117**.

Support Service Costs

- 9 The 2023/24 budget factors in the proposed increase of **£1,975** in the SLA for the provision of Support Services as detailed in previous reports.

Income

- 10 The income budget has been increased by **(£110,750)** 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 2022 assumes an increase of 234 cremations against the 2022/23 budgeted number of 2,200. In preparing the 2023/24 budget the estimated number of cremations has been kept at 2,200. Along with the proposal to increase the cremation charges to £795 the cremation fee income budget has increased by **(£66,000)**.
 - Memorials budget has been increased by **(£2,000)** due to vase blocks and columbaria budgets being adjusted to reflect demand.
 - Sale of urns budget has increased by **(£11,000)** due to the increase in the fee by £5.
 - The interest budget has increased by **(£20,000)** reflecting rising interest rates.
 - Wesley webcasting, visual tributes and the use of chapel budgets have increased by **(£11,750)** 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 2023/24

- 12 The proposed 2023/24 capital budget, shown in the table below, will be financed through utilising reserves and is in line with investment requirements

outlined in the Service Asset Management Plan and also the Bereavement Manager's report as agreed by the Committee at the September 2022 meeting.

Redevelopment Works	SAMP Cost £
Installation of resin pathway around memorial garden	18,730
Carry out improvements to garden fountain	40,000
Creation of new memorial garden	12,000
Excess heat works	83,874
Total	154,604

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 from the Masterplan Memorial Garden Reserve next year is budgeted to be £65,730 to cover the capital works mentioned earlier in the report.

15 The transfer to the Small Plant Reserve next year is budgeted in line with the 2022/23 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, £12,713 is budgeted to transfer to the Major Capital Works reserve. In line with the CDCJC Reserve Policy a transfer to the General Reserve of (£33,225) is required in order to maintain a general reserve of 30% of the Joint Committees income budget. (£83,874) is also required to part fund the capital programme in 2023/24. These are offset by a contribution from the revenue surplus of £129,812 which results in a budgeted net transfer to the Major Capital Works reserve of £12,713. The projected balance for the Major Capital Works reserve at the end of 2023/24 is £1,371,604, as shown in Appendix 2.

18 The estimated earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2024, taking into account the 2022/23 Quarter 3 budgetary control report and the proposed transfers to/from earmarked reserves in the 2023/24 budget is as follows:

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 2022/23 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 2023/24. 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 £30 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.