

# Mountsett Crematorium Joint Committee

30 January 2023

2023/24 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 2023/24 revenue budgets for the Mountsett 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 the previous report, the 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 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 2024 (also set out at Appendix 2).

## Budget Proposals 2023/24

- 4 The 2023/24 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2022/23 forecast outturn position and known expenditure pressures in the coming year.
- 5 The proposed 2023/24 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett 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 **£26,484**. This takes into account the 22/23 and 23/24 pay awards and also the new structure which was approved by the Committee in 2022/23.

### **Premises**

- 7 The base budget has increased by **£132,805** from 2022/22. The main reasons for this are as follows:

- The repairs and maintenance budgets include provision for the scheduled works in 2023/24 as per the Service Asset Management Plan. The net result of the removal of the 2022/23 works schedule and the inclusion of the 2023/24 requirements is an increase in the base budget of **£40,336** year on year. Provision for the following works are included in 2023/24 budgets:

➤ Replace chapel curtains	<b>£4,000</b>
➤ Replace machinery container	<b>£5,336</b>
➤ Replace main chapel doors	<b>£7,000</b>
➤ Installation of second memorial tower	<b>£5,000</b>
➤ Installation of three small memorial towers	<b>£4,000</b>
➤ To replace remaining damaged fencing	<b>£9,000</b>
➤ Office improvements	<b>£100,000</b>

- Utility budgets have increased by **£65,947** to reflect the rising energy prices.
- Other premises budgets such as grounds maintenance, tree works and cremator repairs have increased by **£5,586**.
- The cleaning budget has increased by **1,736** due to increased staffing costs.

- Cremator servicing budgets have increased by **£19,200** as the free servicing covered by IFZW for 2 years following completion of new cremators is coming to an end.

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

- 8 These budgets have been increased by **£2,932** in 2023/24, the main reasons are:
- BACAS licence budget is increasing by **£3,467** due to ICT no longer supporting the programme.
  - Other supplies and services budgets have decreased by **(£535)**.

### ***Agency and Contracted***

- 9 The Agency and Contracted Services budget has increased by **£78**.

### ***Support Service Costs***

- 10 The 2023/24 budget factors in the proposed increase of **£1,400** in the SLA for the provision of Support Services as detailed in previous reports.

### ***Income***

- 11 The income budget has been increased by **(£56,350)**. 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 2022 assumes an increase of 153 cremations against the 2022/23 budgeted number of cremations 1,300. In preparing the 2023/24 budget the estimated number of cremations has been kept at 1,300. Along with the proposal to increase the cremation charges to £795 the cremation fee income budget has increased by **(£39,000)**.
  - The interest budget has increased by **(£15,000)** reflecting rising interest rates.
  - Plaques, webcasting and urns are overachieving by **(£2,350)**.
- 12 Should cremation numbers be maintained in line with those estimated in 2022/23 then there would be an additional surplus generated again next year.

### ***Surplus Redistribution***

- 13 The 2023/24 allocations remain the same as 2022/23 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 2022/23 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 **£16,905**. A contribution from the Cremator Reserve of **£139,526** is also required to fund the projected revenue deficit. The forecast transfer from the Cremator Reserve is therefore budgeted to be **£156,431** in 2023/24.
- 16 The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2024, taking into account the 2022/23 Quarter 3 budgetary control report, the 2023/24 budget and the proposed transfers to / from earmarked reserves are as follows:
- General reserve of **£335,880**, an increase of £16,904 (5.3%) from 2022/23
  - Retained Reserves of **£179,245** a decrease of £141,431 (44.1%) from 2022/23
- The estimated total reserves as shown in Appendix 2 at 31 March 2024 are **£515,125**.
- 17 Members should note that the 2023/24 budget proposal incorporates £134,336 of one off expenditure requirements which will be removed in the 2024/25 budget setting round.

## Background Papers

- 2022/2023 Budget and Financial Monitoring Reports
- 2023/2024 Budget Working Papers
- 2023/2024 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 2022/23 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 2023/24. 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.