

Mountsett Crematorium Joint Committee

27 January 2012

2012/13 Revenue & Capital Budgets



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out for members' consideration proposals with regards to the 2012/13 revenue budget for the Mountsett Crematorium.

Background Information

2. The 2012/13 budget has been developed with the Superintendent & Registrar, taking into account the proposed Fees and Charges set out in the previous report, the 2011/12 forecast outturn position and known expenditure pressures in the coming year.

Budget Proposals 2012/13

3. The proposed 2012/13 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium. Members should note that the main changes from the 2011/12 budget are as follows:

Employees

4. The 2012/13 budget has reduced by **(£5,715)**. This takes into consideration the Coalition Government's decision to again freeze the pay award for Local Government staff during 2012/13 and the revised working patterns introduced during 2011/12 (reported via the Budgetary Control process during that year)

Premises

5. The base budget has increased by **£13,674** from 2011/12. This is due to a number of factors, detailed below:
 - The Cremator Relines will be carried out in 2012/13 at a total cost of **£12,000**. This budget had been removed for 2011/12 as no relines would be undertaken during that financial year.
 - Utility Budgets and the NNDR Budget have been increased to reflect the impact of inflation – This has resulted in an overall increase of **£1,674**.

Supplies and Services

6. The supplies and services budget has increased by **£9,143** from 2011/12. The main changes are as follows:

- Mercury Abatement payments (under the Cameo scheme) are due to commence during the 2012/13 financial year. From January 2013 the budget assumes that 50% of the Environmental Surcharge received on cremations will be paid over. On this basis, the budget provision is set at **£7,188**;
- Following the unbudgeted maintenance costs for the Wesley Music System during 2011/12, the budget has been increased by **£1,450** to allow for ongoing maintenance costs during the forthcoming year.
- Book of Remembrance costs have increased due to the increased costs of calligraphy and assumed additional entries by **£1,000**.
- To realign the Medical Referee costs, this budget has reduced slightly by **(£495)**.

Agency and Contracted

- The Agency and Contracted Services budget has reduced by a net **(£5,500)**.
- A reduction of (£7,000) has been made to reflect the revised working patterns within the Crematorium. This has resulted in a reduced Grounds Maintenance requirement
- Ongoing discussions with the Legal Department regarding the proposed issuing of prepayment bonds have identified the requirement for full registration to be undertaken with the FSA. Whilst this direction of travel for the Crematorium has yet to be fully approved and agreed by the Joint Committee, the 2012/13 has, for the purpose of prudence included a £1,500 budget.

Central Support Costs

7. The 2012/13 budget factors in the proposed SLA for the provision of Support Service. As members will be aware from the previous report, the proposals are to increase this charge by **£1,300**.

Income

8. The budget factors in the budgetary impact of applying the increases in fees and charges proposed in the fees and charges report considered earlier. As members will be aware, the proposals are to
 - Increase the Adult Cremation fee by 4.88% to £430 next year – the gross fee (inclusive of medical referees and environmental surcharge) would therefore be £500 in 2012/13;
 - Increase in charges for the book of remembrance from £38 to £50. The effect on budget being an increased income of **(£5,700)**
9. In setting the budget, an element of prudence has been factored into the income budget proposal for next year. Whilst the projected outturn as at 31st December 2011 assumes an increased number of cremations to budget (62), in consideration of the proposed increased cremation fee, the 2012/13 budgeted number of cremations have increased only slightly by 17. This has resulted in an increased cremation fee income of **(£30,160)**.

10. In addition, the miscellaneous income budget covering items such as urns, organ fees and vending machine income has been increased by **(£2,100)**.
11. Whilst initial steps have been undertaken in relation to the proposed Memorial Garden, it is the decision of the Superintendent & Registrar not to factor any potential sales from the memorials into the 2012/13 Income budget. It is considered that potential take up is difficult to forecast currently as a result of not having any facilities for such memorials previously.
12. The net effect of these changes/ considerations to budget is an increased income budget of **£37,960**. It should be noted however, should cremation numbers be maintained in line with those projected for the current year, and memorial sales be popular, then a reasonable surplus would again be generated in 2012/13.

Earmarked Reserves

13. Transfers to the Repairs Reserves next year are budgeted in line with the 2011/12 level at **£15,000**.
14. In line with the policy (i.e any surplus generated over and above the agreed distribution to partner authorities) transfers to the Cremator Reserve are proposed to increase by £26,558 to **£90,558** next year.
15. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2013, taking into account the 2011/12 Quarter 3 budgetary control report and the proposed transfers to / from earmarked reserves in 2012/13 is **£545,933** (shown in Appendix 2).

Recommendations and Reasons

16. 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).
 - Members note the forecast level of reserves and balances at 31 March 2013 (also set out at Appendix 2)

Background Papers

- 2011/2012 Budget and Financial Monitoring Reports
- 2012/13 Budget Working Papers
- 2012/2013 Fees and Charges report

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Appendix 1: Implications

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.

Staffing

The employee budget provides for 5 members of staff.

Risk

The budgets take into account the 2011/12 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Mountsett Crematoria in the current economic climate. The proposed increases 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.

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.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Human Rights

None

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.

Procurement

None

Disability Discrimination Act

None

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.