

Central Durham Crematorium

Joint Committee

27 September 2023

Financial Monitoring Report – Position at 31/08/23, with Projected Revenue and Capital Outturn at 31/03/24



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 2023/24 and the projected level of reserves and balances at 31 March 2024.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2023 to 31 August 2023, together with a forecast revenue and capital outturn position for 2023/24, 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 2023 and forecast final position at 31 March 2024, taking into account actuals 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 £1,153,749 against a budgeted surplus of £1,018,062, which is £135,687 more than the budgeted position.

- 5 Contributions to earmarked reserves are forecast as £135,687 more 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 £33,225 is required. A contribution from the revenue surplus of (£265,499), offset by £126,579 funding of the capital programme results in a net transfer to the Major Capital Works Reserve of £138,920 in year.
- 7 The retained reserves of the CDCJC at 31 March 2024 are forecast to be £1,946,744 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,523,144 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to August 2023 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2024, 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 2023/24 £	Year to Date Actual April – August £	Projected Outturn 2023/24 £	Variance Over/ (Under) £
Employees	351,439	124,834	371,362	19,923
Premises	363,444	227,730	496,441	132,997
Transport	2,800	537	1,267	(1,533)
Supplies & Services	147,532	58,175	154,935	7,404
Agency & Contracted	10,563	3,417	10,961	398
Capital Charges	0	0	0	0
Central Support Costs	44,160	0	44,160	0
Gross Expenditure	919,938	414,692	1,079,127	159,189
Income	(1,938,000)	(667,411)	(2,232,876)	(294,876)
Net Income	(1,018,062)	(252,719)	(1,153,749)	(135,687)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	129,812	0	265,499	135,687
- 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	685,000	685,000	0
20% Spennymoor Town Council	171,250	171,250	171,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2023 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2024 £
General Reserve	(548,175)	(889,475)	856,250	(581,400)
Masterplan Memorial Garden	(81,250)	(5,000)	86,250	0
Major Capital Works	(1,652,475)	(265,499)	126,579	(1,791,396)
Cremator Reline Reserve	(109,943)	(25,000)	0	(134,943)
Small Plant	(13,405)	(2,000)	0	(15,405)
Total	(2,405,248)	(1,186,974)	1,069,079	(2,523,144)

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 £1,153,749 against a budgeted surplus of £1,018,062, which is £135,687 more 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 **£19,923**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to overspend by **£19,923** mainly due to an increase in overtime.

13.2 *Premises*

The outturn shows a forecast overspend of **£132,997** in relation to premises costs. The reasons for this are identified below:

- Utilities are forecast to underspend by **(£3,695)** due to an overestimation of the budgets since the increase in gas and electricity costs last year.
- One off SAMP works for the purchase on an additional memorial leaf tree is forecast to overspend by **£700**.
- One off SAMP works for the re-lining of a hearth will be included in the reline of the cremator therefore forecast to underspend by **(£6,000)**.
- Grounds Maintenance is forecast to overspend by **£20,120**, due to incoming costs expected to be high in relation to winter gritting of the crematorium. Several trees also required felling which wasn't budgeted for.
- Cremator repairs are forecast to overspend by **£98,000** due to the reline of a cremator which is expected to be £70,000 as well as other necessary removals/replacements within the crematorium.
- Rates are forecast to overspend by **£23,872** due to an increase in rates since 22/23, which are due to the 2023 revaluation of non-domestic properties by the Valuation Office Agency.

13.3 Supplies and Services

The outturn shows a forecast overspend of **£7,404** 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 **£8,083**.
- Other general office costs such as conferences, cremator additives and subscriptions are expected to underspend by **(£679)**.

13.4 Income

An increase in income of **(£294,876)** from the 2023/24 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 305 cremations compared to the budget, totalling increased income compared to budget of **(£242,475)**. The outturn is based on a projected total of 2,505 cremations against a budgeted 2,200 during 2023/24.
- Sales of Books of Remembrance, plaques and webcasts are expected to be lower than budget resulting in a reduction in income of **£11,116**.
- Interest received is forecast to overachieve by **(£67,517)** due to rising interest rates.

14 Capital Programme

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

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Year to Date Actual April - Aug £	Forecast Outturn 2023/24 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works					
Installation of resin pathway around memorial garden	18,730	18,730	0	18,730	0
Carry out improvements to garden fountain	40,000	40,000	1,348	60,000	20,000
Creation of new memorial garden	12,000	12,000	0	12,000	0
Excess heat works	83,874	83,874	288	83,874	0
Resomation	0	0	3,637	5,000	5,000
Total	154,604	154,604	5,272	179,604	25,000

- The improvements to the garden fountain are expected to overspend by £20,000 compared to the budget. A quote is awaited from building services which is expected to be higher than the budgeted figure.
- The resomation works are expected to be included in the SAMP for 2024/25, however a forecast of £5,000 has been introduced due to incoming feasibility costs in 2023/24.

All other work is expected to be completed within 2023/24.

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 £135,687 more than originally budgeted for.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the Major Capital Works Reserve to the General Reserve of **£33,225** is required. A contribution from the revenue surplus of **(£265,499)**, offset by **£126,579** funding of the capital programme results in a net transfer to the Major Capital Works Reserve of **£138,920**.

The retained reserves of the CDCJC at 31 March 2024 are forecast to be **£1,946,744** along with a General Reserve of **£581,400**, giving a forecast total reserves and balances position of **£2,523,144** at the year end.

Contact:	Philip Curran	Tel: 03000 261967
	Cathy Mallam	Tel: 03000 268580

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.