

Mountsett Crematorium Joint Committee

29 January 2024

2024/25 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 2024/25 revenue budgets for the Mountsett Crematorium.

Executive Summary

- 2 The 2024/25 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2023/24 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 2025 (also set out at Appendix 2).

Budget Proposals 2024/25

- 4 The 2024/25 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2023/24 forecast outturn position and known expenditure pressures in the coming year.
- 5 The proposed 2024/25 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium at 31 March 2025. Members should note that the main changes from the 2023/24 budget are as follows:

Employees

- 6 The 2024/25 budget has been increased by **£13,623**. This takes into account the 2023/24 and 2024/25 pay awards.

Premises

- 7 The base budget has decreased by **(£25,045)** from 2023/24. The main reasons for this are as follows:

- The repairs and maintenance budgets include provision for the scheduled works in 2024/25 as per the Service Asset Management Plan. The net result of the removal of the 2023/24 works schedule and the inclusion of the 2024/25 requirements is a reduction in the base budget of **(£40,991)** year on year. Provision for the following works is included in 2024/25 budgets:

➤ Re-decoration works	£25,000
➤ Installation of memorial tree	£3,240
➤ Carry out re-lining of 1 hearth	£5,400
➤ Replace carpets	£25,000
➤ Installation of three small memorial towers	£4,320
➤ Install resin pathway to chapel entrance	£22,140
➤ To replace remaining damaged yew hedging with bird's mouth	£8,245
- Utility budgets have decreased by **(£10,864)** as the 2023/24 actuals to date for electricity suggest that costs won't be as high as anticipated.
- The budget for grounds maintenance has increased by **£10,021** due to an increase in expected maintenance work for 2024/25. The actuals in 2022/23 and 2023/24 exceeded the base budget, resulting in overspends in those years.
- Cremator servicing budgets have increased by **£12,335** as the free servicing covered by the 24 month warranty is coming to an end.

- The ongoing increase in rates has resulted in the rates budget for 2024/25 being increased by **£10,090**.
- The equipment - purchase & rental/replacement budget has decreased by **(£5,636)** as it is not anticipated that there will be high expenditure in this area in 2024/25.

Supplies and Services

- 8 These budgets have been increased by **£18,554** in 2024/25, the main reasons are:
- The BACAS licence budget is increasing by **£20,783** due to the movement to a new system which will incur more costs for processes such as data transfer.
 - Other supplies and services budgets have decreased by **(£2,229)**.

Agency and Contracted

- 9 The Agency and Contracted Services budget has decreased by **(£1,756)**, mainly due to the EPA testing being included in the Cremator Abatement and Equipment Servicing budget under Premises for 2024/25.

Support Service Costs

- 10 The 2024/25 budget factors in the proposed increase of **£1,460** in the SLA for the provision of Support Services as detailed in previous reports.

Income

- 11 The income budget has been increased by **(£143,595)**. 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 2023 assumes an increase of 120 cremations against the 2023/24 budgeted number of cremations 1,300. In preparing the 2024/25 budget the estimated number of cremations has been increased from 1,300 to 1,350. Along with the proposal to increase the cremation charges to £825, the cremation fee income budget has increased by **(£80,250)**.
 - The interest budget has increased by **(£51,945)** reflecting rising interest rates.
 - Other income budgets such as plaques, webcasting and urns are overachieving so budgets have been increased by **(£11,400)**.

- 12 Should cremation numbers be maintained in line with those estimated in 2023/24 then there would be an additional surplus generated again next year.

Surplus Redistribution

- 13 The 2024/25 allocations remain the same as 2023/24 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 2023/24 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 **£2,767**. A contribution from the Cremator Reserve of **£43,079** is also required to fund the projected revenue deficit after the distribution of surpluses to the partner authorities. The forecast transfer from the Cremator Reserve is therefore budgeted to be **£45,846** in 2024/25.
- 16 The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2025, taking into account the 2023/24 Quarter 3 budgetary control report, the 2024/25 budget and the proposed transfers to / from earmarked reserves are as follows:
- General reserve of **£378,959**, an increase of £43,079 (12.8%) from 2023/24
 - Retained Reserves of **£284,822**, a decrease of £30,846 (13.0%) from 2023/24

The estimated total reserves as shown in Appendix 2 at 31 March 2025 are **£663,781**.

- 17 Members should note that the 2024/25 budget proposal incorporates **£93,345** of one off expenditure requirements for SAMP works which will be removed in the 2025/26 budget setting round.

Background Papers

- 2023/2024 Budget and Financial Monitoring Reports
- 2024/2025 Budget Working Papers
- 2024/2025 Fees and Charges report.

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Appendix 1: Implications

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 2023/24 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 2024/25. Knowledge of these requirements ensures that risk is minimised.

Pricing sensitivity is essential to assess the competitiveness and reputation of the Mountsett Crematorium in the current economic climate. There has been a prudent assumption in terms of the number of cremations undertaken next year, and 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.