

**Central Durham Crematorium Joint  
Committee**

**31 January 2024**

**Financial Monitoring Report – Position  
at 31/12/23, 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 December 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 expenditure 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 £1,180,867 against a budgeted surplus of £1,018,062, which is £162,804 more than the budgeted position.
- 5 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 from the Major Capital Works Reserve. A

contribution from the revenue surplus of (£292,617), offset by £90,874 funding of the capital programme results in a net transfer to the Major Capital Works Reserve of £168,518.

- 6 The retained reserves of the CDCJC at 31 March 2024 are forecast to be £1,860,956 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,442,356 at the year end.

### **Recommendation(s)**

- 7 It is recommended that Members note the April to December 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**

- 8 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**

- 9 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.
- 10 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.

<b>Subjective Analysis (Type of Expenditure)</b>	<b>Base Budget 2023/24 £</b>	<b>Year to Date Actual April – December £</b>	<b>Forecast Outturn 2023/24 £</b>	<b>Variance Over/ (Under) £</b>
Employees	351,439	261,943	395,514	44,075
Premises	363,444	383,123	493,394	129,950
Transport	2,800	1,001	1,267	(1,533)
Supplies & Services	147,532	114,861	169,763	22,231
Agency & Contracted	10,563	5,477	11,061	498
Capital Charges	0	0	0	0
Central Support Costs	44,160	37,110	44,160	0
<b>Gross Expenditure</b>	<b>919,938</b>	<b>803,514</b>	<b>1,115,158</b>	<b>195,221</b>
<b>Income</b>	<b>(1,938,000)</b>	<b>(1,408,866)</b>	<b>(2,296,025)</b>	<b>(358,025)</b>
<b>Net Income</b>	<b>(1,018,062)</b>	<b>(605,352)</b>	<b>(1,180,867)</b>	<b>(162,804)</b>
<b>Transfer to / (from) Reserves</b>				
- General Reserve	33,225	0	33,225	0
- Masterplan Memorial Garden	5,000	0	(35,730)	(40,730)
- Major Capital Works	129,812	0	168,518	38,706
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
<b>Distributable Surplus</b>	<b>(856,250)</b>	<b>0</b>	<b>(856,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>685,000</b>	<b>685,000</b>	<b>685,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>171,250</b>	<b>171,250</b>	<b>171,250</b>	<b>0</b>

<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2023 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2024 £</b>
General Reserve	(548,175)	(889,475)	856,250	(581,400)
Masterplan Memorial Garden	(81,250)	(5,000)	40,730	(45,520)
Major Capital Works	(1,423,758)	(292,617)	124,099	(1,592,276)
Cremator Reline Reserve	(182,755)	(25,000)	0	(207,755)
Small Plant	(13,405)	(2,000)	0	(15,405)
<b>Total</b>	<b>(2,249,343)</b>	<b>(1,214,092)</b>	<b>1,021,079</b>	<b>(2,442,356)</b>

## Explanation of Significant Variances between Original Budget and Forecast Outturn

11 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 **£1,180,867** against a budgeted surplus of **£1,018,062**, which is **£162,804** more than the budgeted position.

12 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 **£44,075**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to overspend by **£44,075** mainly due to levels of overtime being higher than those anticipated in the budget and also the national pay settlement for 2023/24.

### 13.2 *Premises*

The outturn shows a forecast overspend of **£129,950** in relation to premises costs. The reasons for this are identified below:

- Utilities are forecast to underspend by **(£9,682)** 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 showing an overspend of **£200** due to the actuals being higher than expected when setting the budget.
- 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)**.
- 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.

- Grounds maintenance is forecast to overspend by **£20,370** due to increased work such as pond work, tree work and winter maintenance.
- Other premises costs such as burglar alarm, cleaning and plant and equipment replacement are forecast to overspend by **£3,190**.

### 13.3 *Supplies and Services*

The outturn shows a forecast overspend of **£22,231** 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**.
- The Wesley music system is forecast to overspend by **£2,829** as it required a replacement screen and installation.
- Printing and stationary, and postage are forecast to overspend by **£2,950** due to the distribution of childrens books across Durham.
- Other general office costs such as purchase of urns, subscriptions and BACAS (Burial and Cremation Administration System) license are expected to overspend by **£8,369**.

### 13.4 *Income*

An increase in income of **(£358,025)** from the 2023/24 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 386 cremations compared to the budget, totalling increased income to budget of **(£242,475)**. The outturn allows for a total of 2,586 cremations against a budgeted 2,200 during 2023/24.
- Book of Remembrance, plaques, webcasting and use of chapel are expected to collectively overachieve by **(£12,184)**.
- Interest received is forecast to overachieve by **(£103,366)** due to rising interest rates.

## 13 **Capital Programme**

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

	<b>Base Budget 2023/24</b> £	<b>Revised Budget 2023/24</b> £	<b>Year to Date Actual April - Dec</b> £	<b>Forecast Outturn 2023/24</b> £	<b>Variance to Revised Budget Over/ (Under)</b> £
<b>Re-development Works</b>					
Installation of resin pathway around memorial garden	18,730	18,370	0	18,730	0
Carry out improvements to garden fountain	40,000	40,000	1,834	10,000	(30,000)
Creation of new memorial garden	12,000	12,000	0	12,000	0
Excess heat works	83,874	83,874	1,268	83,874	0
Resomation	0	0	6,861	7,000	7,000
<b>Total</b>	<b>154,604</b>	<b>154,604</b>	<b>9,963</b>	<b>131,604</b>	<b>(23,000)</b>

- The improvements to the garden fountain are not expected to cost as much as originally budgeted for.
- The Resomation works are included in the SAMP for 2024/25, however the feasibility study for this has already commenced in the current year.
- All other work is expected to be completed within 2023/24.

The cost of the re-development works is being financed from the Major Capital Works reserve and the Masterplan Memorial Garden reserve.

## 14 Earmarked Reserves

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 (£292,617), offset by £90,874 funding of the capital programme results in a net transfer from the Major Capital Works Reserve of £168,518.

The retained reserves of the CDCJC at 31 March 2024 are forecast to be £1,860,956 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,442,356 at the year end.

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## **Appendix 1: Implications**

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### **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.