

Central Durham Crematorium Joint Committee

24 April 2024

Financial Monitoring Report – Provisional Outturn as at 31 March 2024



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 March 2024, showing the provisional revenue and capital outturn position for 2023/24 and 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 the updated provisional financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,090,839 against a budgeted surplus of £1,018,062, which is £72,776 more than the budgeted position.
- 5 Contributions to earmarked reserves are £72,776 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 from the Major Capital Works Reserve at year end. This transfer, in addition to the transfer in of the revenue surplus, combined with the funding of the capital programme results in a net transfer to the Major Capital Works Reserve of £95,789.
- 7 The retained reserves of the CDCJC at 31 March 2024 are forecast to be £1,797,433 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,378,833 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April 2023 to March 2024 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 Members should be aware that the 2023/24 closedown process has only recently commenced and whilst no major variances are anticipated between the provisional and final outturn, the final information incorporated into the Annual Return may differ from that included within this report. Where this is the case, a full explanation will be provided in the June report.
- 12 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 as at 31 March 2024.

Subjective Analysis (Type of Expenditure)	Base Budget 2023/24 £	Year to Date Actual April – March £	Provisional Outturn 2023/24 £	Variance Over/ (Under) £
Employees	351,439	381,195	381,195	29,756
Premises	363,444	505,167	505,167	141,723
Transport	2,800	1,373	1,373	(1,427)
Supplies & Services	147,532	203,091	203,091	55,560
Agency & Contracted	10,563	10,101	10,101	(462)
Capital Charges	0	0	0	0
Central Support Costs	44,160	44,160	44,160	0
Gross Expenditure	919,938	1,145,087	1,145,087	225,149
Income	(1,938,000)	(2,235,926)	(2,235,926)	(297,926)
Net Income	(1,018,062)	(1,090,839)	(1,090,839)	(72,776)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	129,812	0	202,588	72,776
- 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)	31,524	(54,726)
Major Capital Works	(1,423,758)	(202,588)	106,799	(1,519,547)
Cremator Reline Reserve	(182,755)	(25,000)	0	(207,755)
Small Plant	(13,405)	(2,000)	0	(15,405)
Total	(2,249,343)	(1,124,063)	994,573	(2,378,833)

Explanation of Significant Variances between Base Budget and Provisional Outturn

13 As can be seen from the table above, the revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to

the partner authorities) of £1,090,839 against a budgeted surplus of £1,018,062, which is £72,776 more than the budgeted position.

- 14 This compares with the previously forecast position, based on income and expenditure to 31 December 2023, as reported to the Joint Committee on 31 January 2024, of 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 £162,805 more than the budgeted position. The outturn position is therefore £90,028 less than what was previously forecast. A reconciliation of the projections at quarter 3 compared to the provisional outturn figures is as follows:
- Employee costs are (£14,319) less than projected mainly due to a fluctuation in overtime costs which made the outturn difficult to predict.
 - Premises costs are £11,773 more than previously projected mainly due to the increase in gas expenditure towards the end of the financial year.
 - Transport costs relating to mileage expenses are £106 more than previously projected.
 - Supplies and Service costs are £33,329 higher than previously projected due to the new Plotbox software system.
 - Agency and Contracted Services are (£960) less than previously projected due to the cremator register not achieving budget.
 - Income is (£60,099) less than previously projected due to an overestimation of fee income as the cremation numbers weren't as high as projected.

- 15 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area. Members should note that some transactions are undertaken annually at the year end, in addition, in line with the accounting policies, sundry creditor and debtor provisions are required after the 31 March. This results in additional charges/income being reported between the actuals as at 31 March and the provisional outturn figures. The table overleaf includes (amongst others) the following provisions within the outturn:

- Medical referee fees for the final quarter of the year
- Income relating to the 2023/24 CAMEO scheme for mercury abatement credits
- Income from interest on investments
- Audit Fees 23/24

15.1 **Employees**

The outturn shows an overspend of **£29,756** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£29,756** mainly due to overtime being higher than anticipated in the budget and also the national pay settlement for 2023/24.

15.2 **Premises**

The outturn shows a forecast overspend of **£141,723** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are overspent by **£7,327** due to an underestimation in the gas budget.
- Rates have overspent by **£23,872** due to an increase in rates following the 2023 revaluation of non-domestic properties by the Valuation Office Agency.
- One-off SAMP budget for the re-lining of a hearth will be included in the re-line of the cremator works, therefore the budget is no longer required and showing an underspend of **(£6,000)**.
- One-off SAMP works for the purchase of 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 carrying out improvements to walls has underspent by **(£1,210)** due to the actuals being lower than expected when setting the budget.
- Cremator repairs are forecast to overspend by **£90,139**, mainly due to the reline of a cremator which was £70,211, as well as other necessary removals/replacements within the crematorium.
- Grounds maintenance is forecast to overspend by **£21,111** due to increased winter maintenance costs, as well as maintenance work such as gutter cleaning and pond work.
- Other premises costs such as general cleaning, plant and equipment replacement, and building maintenance are overspent by **£6,283**.

15.3 **Supplies and Services**

The outturn shows a forecast overspend of **£55,560** 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 overspent by **£5,989**.
- The Wesley music system is forecast to overspend by **£2,829** as it required a replacement screen and installation.
- The BACAS License is forecast to overspend by **£20,052** due to the transition to the new Plotbox software system.
- Printing and stationery are overspent by **£3,712** due to £5,000 being charged for children's books which were distributed to schools across Durham.
- Customer CDs DVDs and Web Casting, and book of remembrance costs are overspent by **£10,086** due to the increase in cremations, which increases costs associated with webcasts and visual tributes.
- Identity tokens are showing an overspend of **£3,500**, as they have been re-introduced during the current financial year, therefore no budget was included for 2023/24.
- The cost of plaques is overspent by **£2,445** due to an increase in sales.
- Other general office costs such as purchase of urns, postages and subscriptions are expected to overspend by **£6,947**.

15.4 **Income**

An increase in income of **(£297,926)** from the 2023/24 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 233 cremations compared to the budget, totalling increased income to budget of **(£137,234)**. The outturn allows for a total of 2,433 cremations against a budgeted 2,200 during 2023/24.
- Miscellaneous income is expected to overachieve by **(£20,185)** due to recycling of metal income and CAMEO.
- Income from the Book of Remembrance, plaques, webcasting and use of the chapel is expected to collectively overachieve by **(£22,685)** due to the increase in the number of cremations.
- Interest received is forecast to overachieve by **(£117,821)** due to rising interest rates since the budget was set.

16 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 - Mar £	Forecast Outturn 2023/24 £	Variance to Revised Budget Over/ (Under) £
Re-development Works					
Installation of resin pathway around memorial garden	18,730	18,370	18,730	18,730	0
Carry out improvements to garden fountain	40,000	40,000	1,876	1,876	(38,124)
Creation of new memorial garden	12,000	12,000	10,918	10,918	(1,082)
Excess heat works	83,874	83,874	66,600	66,600	(17,274)
Resomation	0	0	6,974	6,974	6,974
Total	154,604	154,604	105,098	105,098	(49,506)

The cost of the Re-development Works is being financed from the Major Capital Works reserve and the Masterplan Memorial Garden reserve. The outturn shows a forecast underspend of **(£49,506)** and the main reasons for this are identified below:

- The creation of the new memorial garden was completed within budget, resulting in an underspend of (£1,082).
- The improvement works to the garden fountain were stopped, therefore showing an underspend of (£38,124).
- The excess heat works are expected to show an underspend of (£17,274).
- The resomation works are due to commence in 2024/25, however the feasibility study for this has already commenced in the current year, costing £6,974 to date.

17 Earmarked Reserves

Contributions to earmarked reserves are £72,776 more than originally budgeted.

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 at year end. This transfer, in addition to the transfer in of the revenue surplus,

combined with the funding of the capital programme results in a net transfer to the Major Capital Works Reserve of £95,789.

The retained reserves of the CDCJC at 31 March 2023 are forecast to be £1,797,433 along with a General Reserve of £581,400, giving a forecast total reserves and balances position of £2,378,833 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.

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.

Climate Change

None.