

# Central Durham Crematorium

## Joint Committee

26 September 2024



## Financial Monitoring Report – Position at 31/08/24, with Projected Revenue and Capital Outturn at 31/03/25

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### 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 2024/25 and the projected level of reserves and balances at 31 March 2025.

### Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2024 to 31 August 2024, together with a forecast revenue and capital outturn position for 2024/25, 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 2024 and forecast final position at 31 March 2025, 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 £1,248,438 against a budgeted surplus of £1,060,741, which is £187,697 more than the budgeted position.

- 5 Contributions to earmarked reserves are forecast as £187,697 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 **£71,360** is required. This is offset by a contribution from the revenue surplus of **(£285,188)**, resulting in a net transfer to the Major Capital Works Reserve of **(£213,828)**.
- 7 The retained reserves of the CDCJC at 31 March 2025 are forecast to be £2,018,858 along with a General Reserve of £652,760, giving a forecast total reserves and balances position of £2,671,618 at the year end.

### **Recommendation(s)**

- 8 It is recommended that Members note the April to August 2024 financial monitoring report and associated forecast revenue and capital outturn positions at 31 March 2025, including the projected year end 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.

<b>Subjective Analysis (Type of Expenditure)</b>	<b>Base Budget 2024/25 £</b>	<b>Year to Date Actual April – August £</b>	<b>Projected Outturn 2024/25 £</b>	<b>Variance Over/ (Under) £</b>
Employees	368,044	116,385	348,966	(19,078)
Premises	520,012	198,358	527,630	7,618
Transport	2,800	551	2,800	0
Supplies & Services	167,088	58,347	184,208	17,120
Agency & Contracted	10,961	3,355	11,122	161
Capital Charges	0	0	0	0
Central Support Costs	46,220	0	46,220	0
<b>Gross Expenditure</b>	<b>1,115,125</b>	<b>376,997</b>	<b>1,120,947</b>	<b>5,822</b>
<b>Income</b>	<b>(2,175,866)</b>	<b>(727,565)</b>	<b>(2,369,385)</b>	<b>(193,519)</b>
<b>Net Income</b>	<b>(1,060,741)</b>	<b>(350,568)</b>	<b>(1,248,438)</b>	<b>(187,697)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	97,491	0	285,188	187,697
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
<b>Distributable Surplus</b>	<b>(931,250)</b>	<b>0</b>	<b>(931,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>745,000</b>	<b>745,000</b>	<b>745,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>186,250</b>	<b>186,250</b>	<b>186,250</b>	<b>0</b>

<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2024 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2025 £</b>
General Reserve	(581,400)	(1,002,610)	931,250	(652,760)
Masterplan Memorial Garden	(54,726)	(5,000)	18,730	(40,996)
Major Capital Works	(1,513,874)	(285,188)	71,360	(1,727,702)
Cremator Reline Reserve	(207,755)	(25,000)	0	(232,755)
Small Plant	(15,405)	(2,000)	0	(17,405)
<b>Total</b>	<b>(2,373,159)</b>	<b>(1,319,798)</b>	<b>1,021,340</b>	<b>(2,671,618)</b>

## 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 £1,248,438 against a budgeted surplus of £1,060,741, which is £187,697 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 underspend of **(£19,078)**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to underspend by **(£19,078)** mainly due to the projected outturn for pay being lower than anticipated.

### 13.2 *Premises*

The outturn shows a forecast overspend of **£7,618** in relation to premises costs. The reasons for this are identified below:

- Utilities are forecast to underspend by **(£30,634)** due to an overestimation of the budgets after an increase in costs in 2022/23.
- Maintenance of the buildings is forecast to overspend by **£9,000** due to increased cost on works such as ventilation and air con works.
- Rates are forecast to overspend by **£28,252** due to an increase in rates since 2023/24, which is due to the revaluation of non-domestic properties by the Valuation Office Agency.
- Other general costs are forecast to overspend by **£1,000**

### 13.3 *Supplies and Services*

The outturn shows a forecast overspend of **£17,120** 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 **£5,671**.
- The book of remembrance visual reference system is forecast to overspend by **£7,341** due to repairs to the display podium.

- Other general office costs such as postage and computer maintenance contracts are expected to overspend by **£4,108**.

#### 13.4 Agency & Contracted

The outturn shows a forecast overspend of **£161** in relation to agency and contracted services costs. The reasons for this are identified below:

- Trade refuse charges for the year are expected to overspend by **£161**.

#### 13.5 Income

An increase in income of **(£193,519)** from the 2024/25 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 214 cremations compared to the budget, totalling increased income compared to budget of **(£186,000)**. The outturn is based on a projected total of 2,414 cremations against a budgeted 2,200 during 2024/25.
- The sales of urns is forecast to underachieve by **£8,860**.
- Sales of seats, plaques and organ fees are expected to be **(£200)** higher than budget.
- Interest received is forecast to overachieve by **(£16,179)** due to high interest rates.

## 14 Capital Programme

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

	Base Budget 2024/25 £	Revised Budget 2024/25 £	Year to Date Actual April - Aug £	Forecast Outturn 2024/25 £	Variance to Revised Budget Over/ (Under) £
<b>Redevelopment Works</b>					
Installation of resin pathway around memorial garden	18,730	18,730	0	18,730	0
<b>Total</b>	<b>18,730</b>	<b>18,730</b>	<b>0</b>	<b>18,730</b>	<b>0</b>

- The Installation of resin pathways around the memorial garden works have been carried forward from 2023/24 and are expected to be completed in the current year. The cost of the redevelopment works for

the installation of resin pathways will be funded from the Masterplan Memorial Garden Reserve.

- Works to purchase and install a Resomation system and building extension have been re-profiled from the 2024/25 capital programme to 2026/27 due to delays in the Resomation process being approved for use in the UK.

## 15 Earmarked Reserves

Contributions to earmarked reserves are forecast as £187,697 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 **£71,360** is required. This is offset by a contribution from the revenue surplus of **(£285,188)**, resulting in a net transfer to the Major Capital Works Reserve of **(£213,828)**.

The retained reserves of the CDCJC at 31 March 2024 are forecast to be **£2,018,858** along with a General Reserve of **£652,760**, giving a forecast total reserves and balances position of **£2,671,618** 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.