

Mountsett Crematorium Joint Committee

28 January 2025

Financial Monitoring Report – Position at 31/12/24, with Projected Outturn at 31/03/25



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 Mountsett Crematorium Joint Committee with details of the projected 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 December 2024, together with a forecast 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 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 **£369,574** against a budgeted surplus of **£388,983**, which is **£19,409** less than the budgeted position.
- 5 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the Cremator Reserve to the

General Reserve of **£53,204** is required. This is partly offset by a contribution from the revenue surplus of **(£19,574)** and, combined with a transfer of **£15,000** to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of **£48,630**.

- 6 The retained reserves of the MCJC at 31 March 2025 are forecast to be **£462,236** along with a General Reserve of **£389,084**, giving a forecast total reserves and balances position of **£851,320** at the year end.

Recommendation(s)

- 7 It is recommended that Members note the April to December 2024 financial monitoring report and associated provisional outturn position at 31 March 2025, including the projected year position with regards to the reserves and balances of the Joint Committee.

Background

- 8 Scrutinising the financial performance of the Mountsett 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 Mountsett Crematorium

Financial Performance

- 9 Budgetary control reports, incorporating outturn projections, are considered by the 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 Mountsett 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 Mountsett Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2024/25 £	Year to Date Actual April – December £	Forecast Outturn 2024/25 £	Variance Over/ (Under) £
Employees	241,305	168,002	253,625	12,320
Premises	515,430	373,925	484,276	(31,154)
Transport	1,400	406	650	(750)
Supplies & Services	111,016	66,929	114,838	3,822
Agency & Contracted	5,361	3,742	5,442	81
Capital Charges	0	0	0	0
Central Support Costs	33,450	0	33,450	0
Gross Expenditure	907,962	613,004	892,281	(15,681)
Income	(1,296,945)	(773,315)	(1,261,855)	35,090
Net Income	(388,983)	(160,311)	(369,574)	19,409
Transfer to / (from) Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	(29,221)	0	(48,630)	(19,409)
- General Reserve	53,204	0	53,204	0
Distributable Surplus	(350,000)	0	(350,000)	0
65% Durham County Council	227,500	227,500	227,500	0
35% Gateshead Council	122,500	122,500	122,500	0

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2024 £	Transfers To Reserve £	Transfers From Reserve £	Balance @ 31 March 2025 £
Repairs Reserve	(129,370)	(15,000)	0	(144,370)
Cremator Reserve	(366,496)	(19,574)	68,204	(317,866)
General Reserve	(335,880)	(403,204)	350,000	(389,084)
Total	(831,746)	(437,778)	418,204	(851,320)

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 £369,574 against a budgeted surplus of £388,983, which is £19,409 less than the budgeted position.

12 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

12.1 *Employees*

The outturn shows an overspend of **£12,320**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to overspend by **£12,320** mainly due to due to levels of overtime being higher than anticipated in the budget and the national pay settlement for 2024/25.

12.2 *Premises*

The outturn shows a forecast underspend of **(£31,154)** in relation to premises costs. The reasons for this are identified below:

- One off SAMP works relating to replacing the main chapel doors were delayed in 2023/24 and carried over into the current year. Works are now complete and this project has an underspend of **(£330)** in 2024/25.
- One off SAMP works relating to the redecoration works and the installation of a memorial tree are now complete and the actuals have a slight variance to the budget, therefore forecast to underspend by **(£7,779)**.
- Major works are forecasted to overspend by **£2,000** due to increased emergency work that is required for repairs.
- Energy budgets are forecast to underspend by **(£38,664)**. The budgets for utilities were overestimated after the global increase in the cost of gas and electricity, however they have been adjusted downwards for 2025/26.
- Rates are forecasting an overspend of **£20,271**. The increased rates charges are due to the 2024 revaluation of non-domestic premises by the Valuation Office Agency.

- Other general premises costs such as equipment purchase and rental, fire alarm maintenance and cleaning are forecast to underspend by (**£6,652**).

12.3 *Supplies and Services*

The outturn shows a forecast overspend of **£3,822** in relation to supplies and services costs. The reasons for this are identified below:

- Supplies and services such as clothing, coffee machine and sundries are collectively expected to overspend by **£3,822**.

12.4 *Income*

A decrease in income of **£35,090** from the 2024/25 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn forecast includes a decrease of 63 cremations compared to the budget, totalling reduced income to budget of **£20,425**. The outturn allows for a total of 1,287 cremations against a budgeted 1,350 during 2024/25.
- Use of the chapel for additional service time is expected to overachieve by (**£5,500**) as it has become increasingly popular.
- Interest received is forecast to underachieve by **£16,665**. Rising interest rates in previous years had resulted in a large overachievement of income, however in the current year the rates have begun to drop. This has been taken into account for the 2025/26 budget setting.
- Other income is collectively forecast to underachieve by **£3,500**.

13 **Earmarked Reserves**

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£53,204** is required. This is partly offset by a contribution from the revenue surplus of (**£19,574**) and, combined with a transfer of **£15,000** to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of **£48,630**.

The retained reserves of the MCJC at 31 March 2025 are forecast to be **£462,236** along with a General Reserve of **£389,084**, giving a forecast total reserves and balances position of **£851,320** at the year end.

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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 Mountsett Crematorium are included within the body of the report.

Consultation

None. However, Officers of Gateshead 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 MCJC.

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.