

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 2025/26 revenue budgets for the Mountsett Crematorium.

Executive Summary

- 2 The 2025/26 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2024/25 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 2026 (also set out at Appendix 2).

Budget Proposals 2025/26

- 4 The 2025/26 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2024/25 forecast outturn position and known expenditure pressures in the coming year.
- 5 The proposed 2025/26 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium

at 31 March 2026. Members should note that the main changes from the 2024/25 budget are as follows:

Employees

- 6 The 2025/26 budget has been increased by **£13,850**. This takes into account the 2024/25 and 2025/26 pay awards.

Premises

- 7 The base budget has decreased by **(£105,487)** from 2024/25. The main reasons for this are as follows:

- The repairs and maintenance budgets include provision for the scheduled works in 2025/26 as per the Service Asset Management Plan. The net result of the removal of the 2024/25 works schedule and the inclusion of the 2025/26 requirements is a reduction in the base budget of **(£90,445)** year on year. Provision for the following works is included in 2025/26 budgets:
 - Carry out re-lining of 1 hearth **£5,400**
 - Installation of 3 small memorial towers **£4,500**
- Utility budgets have decreased by **(£38,313)** as the 2024/25 actuals to date for electricity and gas suggest that costs won't be as high as anticipated, therefore, budgets have been reduced to reflect this.
- The budget for grounds maintenance has increased by **£3,000** due to the actuals in 2023/24 and 2024/25 exceeding the base budget, resulting in overspends in those years.
- The increase in rates following the revaluation of the premises has resulted in the rates budget for 2025/26 being increased by **£20,271**.

Supplies and Services

- 8 These budgets have been decreased by **(£13,717)** in 2025/26. The main changes are as follows:

- The software licences budget has decreased by **(£15,375)**. This budget was increased in 2024/25 due to the initial set up costs plus the annual fee of the new Plotbox system. It has now been reduced in line with the annual fee for 2025/26.
- The medical referee fees have decreased by **(£1,325)** due to the reduction in projected numbers from 1,350 to 1,300.
- Other supplies and services budgets have decreased by **(£2,983)**.

Support Service Costs

- 9 The 2025/26 budget factors in the proposed increase of **£2,518** in the SLA for the provision of Support Services as detailed in the item 7 report.

Income

- 10 The income budget has been increased by **(£21,820)**. 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 2024 assumes an decrease of 63 cremations against the 2024/25 budgeted number of cremations 1,350. In preparing the 2025/26 budget the estimated number of cremations has been decreased from 1,350 to 1,300, but cremation charges have increased to £925 (inclusive of medical referee fees), leading to an increase in the cremation fee income budget.
 - A decrease in the budget for the sale of urns.
 - A reduction in the interest budget, reflecting the fall in interest rates compared to previous years.
 - Other income budgets such as plaques, webcasting and visual tributes have been increased.
- 11 Should cremation numbers be higher than estimated then there would be an additional surplus generated next year.

Surplus Redistribution

- 12 As detailed in the Budget Strategy Report to the Joint Committee in September 2024, the surplus redistribution to Durham County Council and Gateshead Council will remain the same as in 2024/25:
- Durham County Council - £227,500
 - Gateshead Council - £122,500

Earmarked Reserves

- 13 The transfer to the Repairs Reserve next year is budgeted in line with the 2024/25 level at **£15,000**.
- 14 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 **£6,546**. When combined with a forecast contribution to the Cremator Reserve of **£148,639** from the revenue surplus, the net transfer to the Cremator Reserve is therefore budgeted to be **£142,093** in 2025/26.

15 The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2026, taking into account the 2024/25 Quarter 3 budgetary control report, the 2025/26 budget and the proposed transfers to / from earmarked reserves are as follows:

- General reserve of **£395,630**, an increase of £6,546 (1.7%) from 2024/25
- Retained Reserves of **£619,329**, an increase of £157,093 (34%) from 2024/25

The estimated total reserves as shown in Appendix 2 at 31 March 2026 are **£1,014,959**.

16 Members should note that the 2025/26 budget proposal incorporates **£9,900** of one off expenditure requirements for SAMP works which will be removed in the 2025/26 budget setting round.

Background Papers

- 2024/2025 Budget and Financial Monitoring Reports
- 2025/2026 Budget Working Papers
- 2025/2026 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 2024/25 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 2025/26. 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.