

Central Durham Crematorium Joint Committee

23 April 2025

Financial Monitoring Report – Provisional Outturn as at 31 March 2025



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 March 2025, showing the provisional revenue and capital outturn position for 2024/25 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 2024 and provisional final position at 31 March 2025, taking into account the updated financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,151,779 against a budgeted surplus of £1,060,741, which is £91,038 more than the budgeted position.
- 5 Contributions to earmarked reserves are £91,038 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 from the Major Capital Works Reserve at year end. A contribution from the revenue surplus to the Major Capital Works Reserve of £188,529, results in a net transfer to the Major Capital Works Reserve of £117,169.
- 7 The retained reserves of the CDCJC at 31 March 2025 are forecast to be £1,922,358 along with a General Reserve of £652,760, giving a forecast total reserves and balances position of £2,575,118 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April 2024 to March 2025 financial monitoring report and associated provisional 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 Members should be aware that the 2024/25 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 2025.

Subjective Analysis (Type of Expenditure)	Base Budget 2024/25 £	Year to Date Actual April – March £	Provisional Outturn 2024/25 £	Variance Over/ (Under) £
Employees	368,044	354,674	354,674	(13,370)
Premises	520,012	471,045	477,222	(42,790)
Transport	2,800	1,584	1,584	(1,216)
Supplies & Services	167,088	175,943	197,303	30,215
Agency & Contracted	10,961	5,811	10,310	(651)
Capital Charges	0	0	0	0
Central Support Costs	46,220	46,220	46,220	0
Gross Expenditure	1,115,125	1,055,276	1,087,312	(27,813)
Income	(2,175,866)	(2,230,933)	(2,239,091)	(63,225)
Net Income	(1,060,741)	(1,175,657)	(1,151,779)	(91,038)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	97,491	0	188,529	91,038
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(931,250)	0	(931,250)	0
80% Durham County Council	745,000	745,000	745,000	0
20% Spennymoor Town Council	186,250	186,250	186,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2023 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2024 £
General Reserve	(581,400)	(1,002,610)	931,250	(652,760)
Masterplan Memorial Garden	(54,726)	(5,000)	18,570	(41,156)
Major Capital Works	(1,513,874)	(188,529)	71,360	(1,631,042)
Cremator Reline Reserve	(207,755)	(25,000)	0	(232,755)
Small Plant	(15,405)	(2,000)	0	(17,405)
Total	(2,373,159)	(1,223,139)	1,021,180	(2,575,118)

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 £1,151,779 against a budgeted surplus of £1,060,741, which is £91,038 more than the budgeted position.

14 This compares with the previously forecast position, based on income and expenditure to 31 December 2024, as reported to the Joint Committee on 31 January 2025, of a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,225,945 against a budgeted surplus of £1,060,741, which is £165,204 more than the budgeted position. The outturn position is therefore £74,166 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 £16,075 more than projected mainly due to an increase in overtime and staff training.
- Premises costs are (£79,345) less than previously projected mainly due to SAMP works which have been completed under the budget figure, or work that will be moved into the following year.
- Transport costs relating to mileage expenses are (£1,216) less than previously projected.
- Supplies and Services costs are £4,376 higher than previously projected due a slight increase in the utilities outturn figure.
- Income is £134,974 less than previously projected due to an overestimation of fee income.

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 2024/25 CAMEO scheme for mercury abatement credits
- Income from interest on investments
- Audit Fees for 2024/25

15.1 **Employees**

The outturn shows an underspend of **(£13,370)** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are underspent by **(£13,370)** mainly due to a member of staff leaving, which has resulted in reduced pay and pension costs.

15.2 **Premises**

The outturn shows a forecast underspend of **(£42,790)** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are underspent by **(£7,654)** due to an overestimation in the electricity budget.
- Rates have overspent by **£28,252** due to an increase in rates following the 2024 revaluation of non-domestic properties by the Valuation Office Agency.
- One-off SAMP re-decoration works are showing an overspend of **£585** due to the actuals being slightly higher than expected when setting the budget.
- One-off SAMP works for commissioning a study for roof and gutter repairs are showing an underspend of **(£50,000)** as this will not be completed in the current year, and will be carried forward into 2025/26.
- One-off SAMP works for improvements to increase the chapel capacity have been completed at a lower cost than estimated, therefore this budget is forecast to underspend by **(£16,889)**.
- One-off SAMP works for the replacement of carpets are complete and underspent by **(£14,052)**.
- One-off SAMP works for the removal of redundant radiators and the re-lining of hearth has underspent by **(£8,067)**.
- Major works are forecast to overspend by **£37,723**, mainly due to ventilation/air con work, and damp proof course failure which required investigation.
- Grounds maintenance is forecast to underspend by **(£4,000)** due to winter maintenance costs being lower than anticipated for the current year.

- The water fountain was condemned by Northumbrian Water due to not being compliant, therefore the SLA for the water fountain was not paid in 2024/25, leading to an underspend of **(£10,943)**
- Other premises costs such as general cleaning, plant and equipment replacement, and burglar alarm are overspent by **£2,255**.

15.3 **Supplies and Services**

The outturn shows a forecast overspend of **£30,215** 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 **£1,961**.
- Public BOR Visual Reference System is forecast to overspend by **£7,048** due to the delivery and installation of a new VRS display podium.
- Software licences are forecast to underspend by **(£5,233)** due to the costs of the Plotbox software system coming in lower than anticipated.
- Customer CDs DVDs and Web Casting, and purchase of urns are forecast to overspend by **£21,754** due to the increase in cremations, which increases costs associated with webcasts etc.
- Other general office costs such as sundries, postages and subscriptions are expected to overspend by **£4,685**.

15.4 **Income**

An increase in income of **(£63,225)** from the 2024/25 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn forecast includes increased cremation fee income of **(£15,591)** compared to budget. The number of cremations was 82 higher than the budgeted amount but there was a high level of unattended direct cremations (124), which generate a lower level of income than other cremations.
- Miscellaneous income is expected to overachieve by **(£4,888)** due to recycling of metal income and CAMEO.

- Visual tributes and charges for the use of the chapel for additional service time are overachieving by **(£26,287)** due to increased demand, as well as the increase in total cremations.
- Income from the Book of Remembrance, plaques, webcasting and seat income is expected to collectively overachieve by **(£865)**.
- Interest received is forecast to overachieve by **(£15,594)** due to rising interest rates, however, in the past few months these figures have begun to decline.

16 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 - Mar £	Forecast Outturn 2024/25 £	Variance to Revised Budget Over/ (Under) £
Re-development Works					
Installation of resin pathway around memorial garden	18,730	18,730	18,570	18,570	(160)
Total	18,370	18,730	18,570	18,570	(160)

The cost of the Re-development Work is being financed from the Masterplan Memorial Garden reserve. The outturn shows a forecast underspend of **(£160)** as the installation of resin pathway around memorial garden is now complete after being delayed due to weather conditions.

17 Earmarked Reserves

Contributions to earmarked reserves are £91,038 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 £71,360 is required from the Major Capital Works Reserve at year end. A contribution from the revenue surplus to the Major Capital Works Reserve of £188,529, results in a net transfer to the Major Capital Works Reserve of £117,169.

The retained reserves of the CDCJC at 31 March 2025 are forecast to be £1,922,358 along with a General Reserve of £652,760, giving a forecast total reserves and balances position of £2,575,118 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 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.