

## **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 presents Members of Mountsett Crematorium Joint Committee (MCJC) 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, together with the provisional outturn position for 2024/25, highlighting areas of over / underspend against the revenue 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 projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £370,589 against a budgeted surplus of £388,983, which is £18,394 less than than the budgeted position.
- 5 Contributions to the earmarked reserves are forecast as £18,394 less than originally budgeted.
- 6 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 (£20,589) and, combined with a transfer of £15,000

to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of £47,615.

- 7 The retained reserves of the MCJC at 31 March 2025 are forecast to be £463,251 along with a General Reserve of £389,084, giving total reserves and balances position of **£852,335** 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 outturn position at 31 March 2025, including the projected year position with regards to the reserves and balances of the Joint Committee.

## **Background**

- 9 Scrutinising the financial performance of 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**

- 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 Mountsett 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 Mountsett Crematorium as at 31 March 2025.

Subjective Analysis	Base Budget 2024/25 £	Year to Date Actual April – March £	Provisional Outturn 2024/25 £	Variance Over/ (Under) £
Employees	241,305	251,449	251,449	10,144
Premises	515,430	470,120	479,264	(36,166)
Transport	1,400	938	938	(462)
Supplies & Services	111,016	107,371	112,076	1,060
Agency & Contracted	5,361	3,742	5,442	81
Capital Charges	0	0	0	0
Central Support Costs	33,450	33,450	33,450	0
<b>Gross Expenditure</b>	<b>907,962</b>	<b>867,069</b>	<b>882,618</b>	<b>(25,344)</b>
<b>Income</b>	<b>(1,296,945)</b>	<b>(1,246,718)</b>	<b>(1,253,208)</b>	<b>43,737</b>
<b>Net Income</b>	<b>(388,983)</b>	<b>(379,648)</b>	<b>(370,589)</b>	<b>18,394</b>
<b>Transfer to / (from) Reserves</b>				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	(29,221)	0	(47,615)	(18,394)
- General Reserve	53,204	0	53,204	0
<b>Distributable Surplus</b>	<b>(350,000)</b>	<b>0</b>	<b>(350,000)</b>	<b>0</b>
<b>65% Durham County Council</b>	<b>227,500</b>	<b>227,500</b>	<b>227,500</b>	<b>0</b>
<b>35% Gateshead Council</b>	<b>122,500</b>	<b>122,500</b>	<b>122,500</b>	<b>0</b>

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2024 £	Transfers (to) / from Reserve £	Transfers (to) / from Reserve £	Balance @ 31 March 2025 £
Repairs Reserve	(129,370)	(15,000)	0	(144,370)
Cremator Reserve	(366,496)	(20,589)	68,204	(318,881)
General Reserve	(335,880)	(403,204)	350,000	(389,084)
<b>Total</b>	<b>(831,746)</b>	<b>(438,793)</b>	<b>418,204</b>	<b>(852,335)</b>

### Explanation of Significant Variances between Original Budget and Forecast Outturn

- 13 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 £370,589 against a budgeted surplus of £388,983, which is £18,394 less than 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 29 January 2025, of 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 more than the budgeted position. The provisional outturn surplus position is therefore £1,015 more than was previously forecast. A reconciliation of the projections at quarter 3 compared to the provisional outturn figures is as follows:

- Employee costs are **(£2,176)** lower than projected at quarter 3 due to overtime being lower than estimated previously.
- Premises costs are **(£5,012)** lower than previously projected due to the SAMP works for the replacement of carpets, which will be completed in the next financial year instead of the current year.
- Transport costs relating to mileage expenses are **£288** more than previously projected.
- Supplies and Service costs are **(£2,762)** less than previously projected, mainly due to the actuals for software (Plotbox) being lower than originally budgeted for.
- Income is **£8,647** lower than previously projected mainly due to an overestimation in crematorium fees income.

15 The following section outlines the reasons for any significant budget variances by subjective analysis area. Members should note that some transactions are undertaken annually at the year end and 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

### 15.1 **Employees**

The outturn is overspent by **£10,144**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£10,144** mainly due to an increase in staff overtime.

## 15.2 Premises

The outturn shows a forecast underspend of **(£36,166)** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budget relating to the replacement of the main chapel doors has underspent by **(£330)**. This work was budgeted to take place in 2023/24 but was delayed.
- One off SAMP works relating to the replacement of carpets have been delayed until the next year due to the project not being complete in the current year. It is therefore underspent by **(£24,107)** in 2024/25.
- One off SAMP works relating to the replacement of chapel doors, the re-lining of the hearth, the installation of the memorial tree and the installation of memorial towers are now completed and the actuals have a minor variance to the budget, therefore forecast to underspend by **(£6,189)**.
- One off SAMP re-decoration works have come in significantly lower than budget due to the costing of the work being overestimated when setting the budget, leading to an underspend of **(£7,320)**.
- Major works have overspent by **£7,342** due to new aluminium doors and increased unexpected repairs such as boiler leaks.
- Cremator repairs have overspent by **£11,264** due to the replacement of a cremator charger.
- Energy budgets are underspent by **(£20,011)**. The budgets for utilities have been overestimated after the global increase in the cost of gas and electricity in previous years.
- Rates have overspent by **£20,271** due to an increase in rates following the 2024 revaluation of non-domestic properties by the Valuation Office Agency.
- Grounds maintenance costs are forecast to underspend by **(£4,021)** mainly due to winter maintenance costs being lower than in previous years.
- Other premises costs such as equipment purchase/replacement and burglar alarms are forecast to underspend by **(£13,395)**.

## 15.3 Supplies and Services

The outturn shows a forecast overspend of **£1,060** in relation to supplies and services costs. The reasons for this are identified below:

- Software licences is forecast to underspend by **(£6,737)** due to the costs for the Plotbox system being lower than anticipated.
- The Wesley Music System has overspent by **£3,854** due to the replacement of a digital service display board.
- Other supplies and services such as the cost of plaques and sundries are forecast to overspend by **£3,943**.

#### 15.4 **Income**

An decrease in income of **£43,737** from the 2024/25 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The outturn forecast shows reduced income of **£38,540** compared to budget, which is mainly due to the high number of unattended direct cremations (82) which generate a lower level of income than other cremations.
- Other income streams such as plaques, webcasting and use of the chapel are forecast to overachieve by **(£9,127)**.
- Interest received has underachieved by **£14,324** due to the current year interest rates beginning to decrease after rising interest rates in previous years.

#### 16 **Earmarked Reserves**

Contributions to the earmarked reserves are forecast as £18,394 less than originally budgeted.

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 (£20,589) and, combined with a transfer of £15,000 to the Repairs Reserve, this results in a net transfer from the Cremator Replacement Reserve of £47,615.

The retained reserves of the MCJC at 31 March 2025 are forecast to be £463,251 along with a General Reserve of £389,084, giving total reserves and balances position of £852,335 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 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 Joint Committee.

### **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 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.