

Central Durham Crematorium Joint Committee



27 January 2010

2010/11 Revenue Budget



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out for members' consideration proposals with regards to the 2010/11 revenue budget for the Central Durham Crematorium.

Background Information

2. The 2010/11 budget has been developed with the Superintendent Registrar, taking into account the proposed Fees and Charges set out in the previous report, the 2009/10 estimated outturn position and known expenditure pressures in the coming year, together with the requirements set out in the financial business case for the cremator replacement, considered by members in November 2009.

Budget Proposals 2010/11

3. The proposed 2010/11 revenue budget is shown in Appendix 2. The main changes to the 2009/2010 budget are as follows:

Employees

The 2010/11 Budget has been reduced by £22,000. This takes into consideration a reduced pay award from 1.5% to 1% as per 2009/2010 and the projected outturn (net of incremental increases agreed within individual employees' contracts). The 2009/10 base budget also included sums for honoraria payments to the Treasurer, however, these payments are not now being made following LGR.

Premises

An additional £12,000 maintenance costs have been built into the budgets. This will cover the anticipated costs in repairing the driveways and footpaths following the effects of the severe winter weather this year. In addition, additional tree work and grounds maintenance costs have been included in order to meet the standards required for the Crematoria of the Year Award, an application for which is planned in the coming year.

Supplies and Services

The supplies and services budget builds in provision for an additional £15,205. The main requirements are:

- Replacement Organ – The cost of a new organ is £9,000. The budgets assume a part exchange of £1,000, resulting in a non-recurring net budget requirement of £8,000;
- Identity tokens - £1,200
- Service booklets – New replacement service booklet are required at an estimated cost of £1,000;
- 50 Years Service Celebrations – A £5,000 provision has been included to cover costs such as Marquee Hire etc. associated with this “one off” event;.

Agency and Contracted

An additional £16,500 has been included in the budget to cover the costs of a number of feasibility studies associated with the Cremator replacement proposals. Ecological Surveys are estimated to cost £1,500, along with other feasibility studies costing approximately £15,000 for the design of the new car park proposed in the Cremator Replacement / Mercury Abatement report considered at the 25 November meeting.

Capital Charges

No loan repayments or capital financing costs associated with the replacement cremator/ mercury abatement capital scheme have been factored into the budget at this stage. It is assumed that due to timing issues, the majority of spend on this capital scheme will take place during 2011/2012. As the capital scheme progresses, such payments/ charges will be reviewed and, in accordance with the business case considered in November, will replace the annual contributions to reserves and balances during the 10 year pay back period. .

Income

The budget factors in the budgetary impact of applying the increases in fees and charges proposed in the fees and charges report considered earlier. As members will be aware, the proposals are to increase the Adult Cremation fee by 4.4% to £400 next year – the gross fee (inclusive of medical referees and environmental surcharge) would therefore be £470 in 2010/11. However, the current fees levied for infants up to 1 month and children up 16 years would be removed. The proposals would harmonise both policy and fee levels with Mountsett. The net effect of these proposals is that forecast additional income of £36,190 will be received next year, in line with the financial business case required to finance the cremator replacement.

The increase in charges for the book of remembrance, increased from £34 to £36, will result in additional income of £1,400 being generated in 2010/11.

Offsetting this additional income however, is a reduction in forecast income from interest receivable. As members will recall, surplus funds are invested by the accountable body and any interest earned on cash investment balances is credited to the Central Durham Crematorium accounts. As a result of lower interest rates, interest receivable needs to

be reduced by £3750. This has been calculated based on an estimated interest rate of 0.48% next year (as per 2009/2010).

Earmarked Reserves

Transfers to the Masterplan Memorial Garden, Small Plant and Central Heating Renewals Reserves are budgeted in line with the 2009/10 levels.

Transfers to the Transfers to the Major Capital Works Reserve have been increased to offset the net effect of the above budget adjustments, whilst maintaining the distributed surplus at 2009/2010 levels next year. This results in an additional £11,860 contribution to the Major Capital Works Reserve. As noted above the budget with regards to transfer to reserves will need reviewing during the course of the year as capital financing costs / profiles become more certain.

The estimated total earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2011, taking into account the quarter 3 budgetary control report 2009/10 and the proposed transfers to earmarked reserves in the 2010/11 budget is £804,530.

Recommendations and reasons

4 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).

Background Papers

2009/10 Budget and Financial Monitoring Reports
Cremator Replacement / Mercury Abatement Options Appraisal Report
2010/11 Budget Working Papers
2010/11 Fees and Charges report
DCC fees and charges policy

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Appendix 1: Implications

Finance

A detailed schedule of the proposed budget for the Central Durham Crematorium is included at Appendix 2, with an explanation of proposed changes set out in the body of the report.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

The proposals set out in this report in terms of fees and charges policy are based on harmonisation with the Mountsett Crematorium and provide equity of treatment / access across County Durham.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Sustainability

The proposals set out in the report are in line with the financial business case developed for the planned cremator replacement, providing sufficient funding to sustain both the operating costs and asset management investment needs of the Central Durham Crematorium.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Health

There are no Health implications associated with this report.