

Mountsett Crematorium Joint Committee

31 January 2013

2013/14 Revenue Budget



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and 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 2013/14 revenue budget for the Mountsett Crematorium.

Background Information

2. The 2013/14 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2012/13 forecast outturn position and known expenditure pressures in the coming year.

Budget Proposals 2013/14

3. The proposed 2013/14 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium. Members should note that the main changes from the 2012/13 budget are as follows:

Employees

4. The 2013/14 budget has reduced slightly by **(£849)**. As a result of the Single Status exercise undertaken at Durham County Council, the grades, terms and conditions have increased the salary of the Crematorium Superintendent and Registrar post. This is however offset charges to the Part III terms and conditions of other crematorium staff. A 1% pay award has also been factored into the 2013/14 budget.
5. The budget considers the current vacancy of the Superintendent and Registrar. Options are currently being considered regarding this post (as reported in the Bereavement Services Manager's report considered earlier in the agenda). Following consideration at the future meeting, any budget revisions will be considered and reported.

Premises

6. The base budget has increased by **£108,871** from 2012/13. This is due to a number of factors, detailed below:-
 - The Repairs and maintenance budgets have increased by **£96,000** in consideration of the works required and highlighted in the Service Asset

Management Plan presented and approved by members at the September 2012 meeting. These requirements will be one – off items for the 2013/14 budget.

- The Cremator Reline budget has been increased by £4,000 in line with the requirements of the Service Asset Management Plan.
- Utility Budgets and the NNDR Budget have been increased to reflect the impact of inflation and the 2012/13 provisional outturn – This has resulted in an overall increase of **£8,871**.

Supplies and Services

7. Provision has been made within the Supplies and Services budget for the Cremation Abatement of Mercury Emissions Organisation (CAMEO) Scheme – Mercury Abatement charges. Whilst an exact charge has not been communicated by CAMEO, the budget has been set on the basis of a £50 charge against 50% of budgeted cremations. This has resulted in an overall increase of **£24,000** from the 2012/13 budget base

Agency and Contracted

The Agency and Contracted Services budget has reduced by a net (**£1,000**).

- The Independent Testing of Cremators budget has increased by **£500** in line with actual charges received in 2012/13
- The budget for the registration with the FSA in 2012/13 is no required in 2013/14 resulting in a saving of (**£1500**).

Central Support Costs

8. The 2013/14 budget factors in the proposed SLA for the provision of Support Service. As members will be aware from the previous report, the proposals are to increase this charge by **£1,800**.

Income

9. The 2013/14 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 11.6% to £480 next year – the gross fee (inclusive of medical referees and environmental surcharge) would therefore be £550 in 2013/14;
10. In setting the budget, an element of prudence has been factored into the income budget proposal for next year. Whilst the projected outturn as at 31st December 2012 assumes an increased number of cremations to budget (170), in consideration of the proposed increased cremation fee, the 2013/14 budgeted number of cremations have increased only by 100. The net effect of these considerations results in an increased cremation fee income of (**£112,500**).

- Following the introduction of the memorial garden and in consideration sales undertaken during 2012/13, a Plaques income budget has been included for 2013/14 of **(£10,000)**
 - The miscellaneous income budget covering items such as urns, organ fees and vending machine income has reduced by **£500**
 - In consideration of the 2012/13 provisional outturn, the Book of Remembrance income budget has been reduced for 2013/14 by **£5,000**.
11. The net effect of these changes/ considerations to budget is an increased income budget of **£117,000**. It should be noted however, should cremation numbers be maintained in line with those projected for the current year, and memorial sales become more popular than 2012/13 levels, then a reasonable surplus would again be generated in 2013/14.

Earmarked Reserves

12. Transfers to the Repairs Reserves next year are budgeted in line with the 2012/13 level at **£15,000**.
13. In line with the policy (i.e any surplus generated over and above the agreed distribution to partner authorities) transfers to the Cremator Reserve are proposed to decrease from last year by £15,922 to **£74,636** next year.
14. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2014, taking into account the 2012/13 Quarter 3 budgetary control report and the proposed transfers to / from earmarked reserves in 2013/14 is **£679, 454** (shown in Appendix 2). Members should note that the 2013/14 budget proposal incorporates £96,000 of one off expenditure requirements which will provide further scope in the 2014/15 budget setting round.

Recommendations and Reasons

15. 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)
 - Members note the forecast level of reserves and balances at 31 March 2014 (also set out at Appendix 2).

Background Papers

- 2012/2013 Budget and Financial Monitoring Reports
- 2013/2014 Budget Working Papers
- 2013/2014 Fees and Charges report.

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Appendix 1: Implications

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.

Staffing

The employee budget provides for 5 members of staff.

Risk

The budgets take into account the 2011/12 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 2013/14. Knowledge of these requirements ensure that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Mountsett Crematoria in the current economic climate. The proposed increases in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets.

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.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Human Rights

None

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.

Procurement

None

Disability Discrimination Act

None

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.