

LLWYDCOED CREMATORIUM JOINT COMMITTEE

20th March 2014

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2013-14 AND DRAFT REVENUE ESTIMATES FOR 2014-15

1. INTRODUCTION

The purpose of this report is to provide details of the projected final outturn for 2013-14 and the draft revenue estimates for 2014-15. These are shown in the attached appendix 1.

2. BUDGET MONITORING 2013-14

The joint committee on 21st March 2013 approved a revenue budget for 2013-14, which projected a net contribution to reserves of £205,320.

Appendix 1 provides details of this budget, actuals to 2nd March 2014 and projected outturn figures for 2013-14.

2.1 Expenditure

Operating expenditure for 2013-14 is projected to be £531,156 against a budget of £517,210 – an overspend of £13,946.

The main expenditure variances are as follows: -

- **Employee costs £4,958 underspend.** This is mainly due to employers NI contributions.
- **Premises costs £22,652 underspend.** This is mainly due to the rebate received on NNDR following a decrease in the rateable value of the property.
- **Supplies & Services costs £41,527 overspend.** This is mainly due to one off IT costs associated with connecting Llwydcoed Crematorium to the RCT network and the costs of installing the BACAS electronic booking system.

2.2 Income

Operating income for 2013-14 is projected to be £771,344 against a budget of £720,200 showing a surplus of income of £51,144.

The main income variances are as follows: -

- **Cremation fees £44,132 surplus**

Projections for cremation fees have been made on the basis of actuals to date and an estimated number of cremations for March.

2.3 Capital expenditure

Capital expenditure of £7,191 has been incurred in relation to project management services undertaken for the replacement of the cremators.

2.4 Overall financial position

- The final position for 2012-13 is as follows: -

	£
General reserves brought forward 1 st April 2012	851,884
Net revenue contributions to reserves in 2012-13	<u>288,109</u>
General reserves carried forward 31 st March 2013	<u>1,139,993</u>

- During 2013-14 the balance brought forward of **£1,139,993** is anticipated to increase by **£242,518** from a surplus on revenue, offset by Capital expenditure incurred of **£7,191**, which will increase the total reserve available to **£1,375,320** to fund the replacement of the cremators. This position will be dependant upon the 2013-14 final position.

3. REVENUE ESTIMATES 2014-15

The draft revenue estimates are also shown in Appendix 1.

3.1 Proposed expenditure

Proposed operational expenditure is £506,820 compared with an approved budget of £517,210 in 2013-14.

- **Employees budget £222,080** - this provides for a full establishment for the full year based on the current structure and a national wage award. It also includes a budget to cover the grass cutting function.
- **Premises budget £134,400** - provides for a 7.3% increase in Gas and Electricity and a decrease of the NNDR budget to reflect the reduced charge as a result of the revaluation.
- **Transport budget £3,000**
- **Supplies & Services budget £124,340** - includes budgets for Medical Expenses (referee costs), Other Hired Services (music co-ordinators costs)

and the environmental surcharge. Provision has also been made for the ongoing licensing costs as a result of the new IT network.

- **Central Support Budget £23,000**

3.2 Proposed income

Proposed operational income is £776,810 compared with an approved budget of £720,200 in 2013-14.

This is based on estimated levels of activity and the proposed increase to fees and charges subject to approval by the Joint Committee.

3.3 Overall financial position

The draft estimates therefore propose an operating surplus of £269,990. With anticipated investment income of £2,330, the contribution to reserves in 2014-15 is estimated at £272,320.

This would result in an anticipated General Reserve of £1,647,640 available to the Joint Committee in 2014-15 to fund the replacement of the cremators.

RECOMMENDATIONS

It is recommended that :-

- (a) Members note the 2013-14 budget monitoring position
- (b) Members approve the draft revenue estimates for 2014-15

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						Appendix 1
	2013-14				2014-15	
	Budget	Actual to	Projected	Projected	Proposed	
	£	02.03.14	outturn	variance	Budget	Comments
<u>OPERATING EXPENDITURE</u>	£	£	£	£	£	
Employees						
Admin salaries	114,150	100,403	113,669	-481	115,140	
Technicians wages	75,620	66,045	75,339	-281	77,050	
Caretakers / Crematorium Asst / Gatekeepers wages	24,810	20,290	22,566	-2,244	23,890	
Agency staff	8,000	6,048	6,048	-1,952	6,000	
	222,580	192,786	217,622	-4,958	222,080	
Premises						
Repair and Maintenance	60,000	40,585	60,000	0	60,000	
Gas	36,370	29,363	36,500	130	39,030	
Electricity	5,960	5,918	7,556	1,596	8,050	
NNDR	41,060	16,890	16,890	-24,170	17,220	2013-14 Rebate received due to revaluation; 2014-15 Budget reduced to reflect reduced cost
Water Charges	1,100	1,549	1,324	224	1,300	
Fixtures and Fittings	2,500	2,117	2,117	-383	2,500	
Cleaning Materials	800	787	787	-13	800	
General Insurance	5,500	5,464	5,464	-36	5,500	
	153,290	102,673	130,638	-22,652	134,400	
Transport						
Plant and Vehicles	1,500	1,238	1,546	46	1,500	
Car Allowances/Subsistence	1,500	1,428	1,483	-17	1,500	
	3,000	2,666	3,029	29	3,000	

	2013-14				2014-15	Comments
	Budget	Actual to 02.03.14	Projected outturn	Projected variance	Proposed Budget	
Supplies and Services						
Plaques and Memorials	15,500	13,259	15,000	-500	15,500	
Caskets and Urns	3,500	5,477	6,000	2,500	5,000	
Books of Remembrance	2,000	1,551	1,551	-449	2,000	
Hire Of Equipment	6,500	6,397	6,397	-103	6,500	
Computer Costs	0	22,623	36,324	36,324	5,500	2013-14 One off IT costs connecting to RCT network 28k / BACAS electronic booking system 8k; 2014-15 Annual IT Licences
Protective Clothing	1,500	1,198	1,500	0	1,500	
Office expenses	5,500	4,312	5,000	-500	5,500	
Subscriptions	800	796	796	-4	800	
Analyst's Fees	5,000	2,383	5,882	882	5,000	
Medical Expenses	21,460	18,137	22,718	1,258	21,460	
Other Hired Services	17,400	17,270	18,420	1,020	17,400	
Consultants Fees	3,000	1,432	1,432	-1,568	3,000	
Audit Fees	2,000	-33	2,000	0	2,000	
Training	1,000	375	375	-625	1,000	
Other Miscellaneous Expenses	28,130	-9,142	31,650	3,520	30,180	2013-14 & 2014-15 Estimated environmental surcharge (burden sharing scheme)
Credit/Debit Card Transaction Charges	550	287	322	-228	500	
Employers liability insurance	1,500	0	1,500	0	1,500	
	115,340	86,322	156,867	41,527	124,340	
Support costs						
Central Support costs	23,000	0	23,000	0	23,000	
	23,000	0	23,000	0	23,000	
Total Operating Expenditure	517,210	384,447	531,156	13,946	506,820	

	2013-14				2014-15	Comments
	Budget	Actual to 02.03.14	Projected outturn	Projected variance	Proposed Budget	
OPERATING INCOME						
Caskets and Urns	-5,200	-6,883	-7,800	-2,600	-6,500	
Plaques and Memorials	-17,000	-17,540	-20,000	-3,000	-19,000	
Cremation Fees	-687,500	-634,429	-731,632	-44,132	-738,500	2013-14 Based on estimated number of cremations for March ; 2014-15 Based on estimated number of cremations
Books of Remembrance	-3,000	-1,666	-1,900	1,100	-2,000	
Exhumation Fees	-350	-362	-362	-12	-660	
Memorial permits	-7,000	-8,400	-9,500	-2,500	-10,000	
Vending Sales	-150	-107	-150	0	-150	
Total Operating Income	-720,200	-669,387	-771,344	-51,144	-776,810	
Operating Surplus	-202,990	-284,940	-240,188	-37,198	-269,990	
Interest on Investments/ Balances	-2,330	0	-2,330	0	-2,330	
Net contribution to/from reserves	-205,320	-284,940	-242,518	-37,198	-272,320	
General reserves B/F	1,139,993		1,139,993	0	1,375,320	
Contributions to/ from Revenue	205,320	0	242,518	37,198	272,320	
	1,345,313	0	1,382,511	37,198	1,647,640	
Capital expenditure charged to reserves	0	-7,191	-7,191	-7,191		Project Management services for the replacement of the Cremators
General reserves C/F	1,345,313	-7,191	1,375,320	30,007	1,647,640	

LOCAL GOVERNMENT ACT 1972

As amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LLWYDCOED CREMATORIUM JOINT COMMITTEE

20th March 2014

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Item 1 - Budget Monitoring Report 2013-14
& Draft Revenue Estimates 2014-15

Contact Officer

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