

LLWYDCOED CREMATORIUM JOINT COMMITTEE

22nd March 2016

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2015-16 AND DRAFT REVENUE ESTIMATES FOR 2016-17

1. Introduction

The purpose of this report is to provide details of the projected final outturn for 2015-16 and the draft revenue estimates for 2016-17. These are shown in the attached Appendix 1.

2. Budget Monitoring Report 2015/16

2.1 The Joint Committee on 12th March 2015 approved a revenue budget for 2015/16, which projected a net contribution to reserves of £333,510.

Appendix 1 gives details of this budget, actual expenditure to 1st March 2016 and projected outturn figures for 2015-16.

2.2 Expenditure

Expenditure for 2015/16 is projected to be £412,438 against a budget of £488,710 – an underspend of £76,272.

The main expenditure variances are as follows: -

- **Employee costs £4,356 underspend.** This is due to underspends on the provision for overtime costs and grasscutting.
- **Premises costs £34,824 underspend.** This is due to estimated underspends on Repair and Maintenance costs and Gas costs.
- **Transport costs £2,980 underspend.** These budgets have not been required this financial year.
- **Supplies & Services £34,112 underspend.** This is mainly due to reductions in costs related to the temporary reduction in business during the temporary closure for the cremator replacement project.

2.3 Income

Operating income for 2015/16 is projected to be £771,630 against a budget of £818,720, showing a shortfall in income of £47,090.

The reason for the shortfall in income is the temporary reduction in business because of the temporary closure relating to the cremator replacement project. The average number of cremations undertaken during the period from November to February is 436 and the total for the same period in 2015/16 has been 259.

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

2.4 Capital Expenditure

Capital expenditure of £711,294 has been incurred to date in relation to the cremator replacement project.

2.5 Summary position for 2014-15

| | |
|--|-------------------------|
| | £ |
| General reserves brought forward 1 st April 2014 | 1,383,023 |
| Net revenue contributions to reserves in 2014-15 | <u>96,483</u> |
| General reserves carried forward 31 st March 2015 | <u>1,479,506</u> |

Appendix 1 shows that during 2015-16 the balance brought forward of **£1,479,506** is anticipated to increase by **£362,692** from a surplus on revenue, offset by Capital expenditure incurred to date of **£711,294**, taking the estimated reserves available as at 31st March 2016 to **£1,130,904**.

This position will be dependent upon the final 2015-16 position and any further capital expenditure to be incurred in relation to the cremator replacement project which will be monitored closely as part of the budget monitoring process and reported to the Joint Committee at appropriate intervals.

3. **REVENUE ESTIMATES 2016-17**

The draft revenue estimates are also shown in Appendix 1.

3.1 Proposed expenditure

Proposed operational expenditure is **£438,840** compared with an approved budget of **£488,710** in 2015-16.

- **Employees budget £168,880** - this provides for a full establishment for the full year. It also includes a budget to cover the grass cutting function.

- **Premises budget £126,970** - provides for a 22.57% reduction in Gas costs, a 4.8% reduction in Electricity costs, and a 2% increase NNDR and Water budgets.
- **Transport budget £3,000**
- **Supplies & Services budget £83,360** - budget for Other Hired Services (music co-ordinators costs) has been removed along with the budget for Mercury Abatement costs (Other Miscellaneous Expenses) due to the installation of Mercury Abatement equipment as part of the cremator replacement project.
- **Central Support Budget £56,630** – includes management support costs.

3.2 Proposed income

Proposed operational income is £868,080 compared with an approved budget of £818,720 in 2015-16.

This is based on estimated levels of activity and the proposed increase to fees and charges subject to approval by the Joint Committee and has been increased this year by income which will be received via the burden sharing scheme as a result of the mercury abatement equipment installed as part of the cremator replacement project.

3.3 Overall financial position

The draft estimates therefore propose an operating surplus of £429,239. With anticipated investment income of £3,500, the contribution to reserves in 2016-17 is estimated at £432,739.

This would result in an anticipated General Reserve of £1,563,644 available to the Joint Committee in 2016-17, although it should be noted that there will be further expenditure on the cremator replacement project which will reduce this balance.

RECOMMENDATIONS

It is recommended that:-

- (a) Members note the 2015-16 budget monitoring position
- (b) Members approve the draft revenue estimates for 2016-17

LOCAL GOVERNMENT ACT 1972

As amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LLWYDCOED CREMATORIUM JOINT COMMITTEE

22nd March 2016

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Contact Officer

Item 1 - Budget Monitoring Report 2015/16
& Draft Revenue Estimates 2016-17

Steve Preddy / Gareth Gates
(01443 680518)

Appendix 1

| | 2015-16 | | | | 2016-17 | Comments |
|---|----------------|-----------------------------|---------------------------|----------------------------|-------------------------|----------|
| | Budget £ | Actuals to 01.03.16 £ | Projected outturn £ | Projected variance £ | Proposed Budget £ | |
| <u>OPERATING EXPENDITURE</u> | | | | | | |
| <u>Employees</u> | | | | | | |
| Admin salaries | 75,110 | 67,622 | 73,574 | -1,536 | 77,640 | |
| Technicians wages | 79,050 | 70,396 | 76,453 | -2,597 | 83,160 | |
| Caretakers / Crematorium Asst / Gatekeepers wages | 0 | -130 | 1,577 | 1,577 | 0 | |
| Agency staff | 8,000 | 0 | 6,200 | -1,800 | 8,080 | |
| | 162,160 | 137,887 | 157,804 | -4,356 | 168,880 | |
| <u>Premises</u> | | | | | | |
| Repair and Maintenance | 60,000 | 26,629 | 31,202 | -28,798 | 60,000 | |
| Gas | 39,810 | 23,030 | 26,227 | -13,583 | 30,825 | |
| Electricity | 8,210 | 3,107 | 6,214 | -1,996 | 7,815 | |
| NNDR | 17,560 | 17,545 | 17,545 | -15 | 17,910 | |
| Council Tax | 0 | 338 | 338 | 338 | 0 | |
| Water Charges | 1,300 | 1,394 | 1,394 | 94 | 1,320 | |
| Fixtures and Fittings | 2,500 | 4,698 | 11,253 | 8,753 | 2,500 | |
| Cleaning Materials | 800 | 1,310 | 1,183 | 383 | 800 | |
| General Insurance | 5,800 | 5,800 | 5,800 | 0 | 5,800 | |
| | 135,980 | 83,850 | 101,156 | -34,824 | 126,970 | |
| <u>Transport</u> | | | | | | |
| Plant and Vehicles | 1,500 | 0 | 0 | -1,500 | 1,500 | |
| Car Allowances/Subsistence | 1,500 | 20 | 20 | -1,480 | 1,500 | |
| | 3,000 | 20 | 20 | -2,980 | 3,000 | |

| | 2015-16 | | | | 2016-17 | Comments |
|---------------------------------------|----------------|---------------------|-------------------|--------------------|-----------------|----------|
| | Budget | Actuals to 01.03.16 | Projected outturn | Projected variance | Proposed Budget | |
| Supplies and Services | | | | | | |
| Plaques and Memorials | 14,000 | 8,404 | 9,000 | -5,000 | 14,000 | |
| Caskets and Urns | 5,000 | 2,909 | 3,100 | -1,900 | 5,000 | |
| Books of Remembrance | 2,000 | 854 | 1,000 | -1,000 | 2,000 | |
| Hire Of Equipment | 7,000 | 6,681 | 7,000 | 0 | 7,000 | |
| Computer Costs | 8,500 | 3,567 | 7,000 | -1,500 | 8,500 | |
| Protective Clothing | 1,500 | 1,248 | 1,500 | 0 | 1,500 | |
| Office expenses | 5,500 | 3,734 | 4,003 | -1,497 | 5,500 | |
| Subscriptions | 900 | 1,373 | 1,530 | 630 | 900 | |
| Analyst's Fees | 6,000 | 1,133 | 1,133 | -4,867 | 6,000 | |
| Medical Expenses | 21,460 | 17,185 | 18,963 | -2,497 | 21,460 | |
| Other Hired Services | 17,400 | 15,015 | 15,015 | -2,385 | 0 | |
| Consultants Fees | 2,000 | 1,013 | 1,013 | -987 | 2,000 | |
| Audit Fees | 7,000 | -43 | 7,000 | 0 | 7,000 | |
| Training | 500 | 0 | 500 | 0 | 500 | |
| Other Miscellaneous Expenses | 30,180 | -9,579 | 19,021 | -11,159 | 0 | |
| Credit/Debit Card Transaction Charges | 500 | 50 | 50 | -450 | 500 | |
| Employers liability insurance | 1,500 | 0 | 0 | -1,500 | 1,500 | |
| | 130,940 | 53,545 | 96,828 | -34,112 | 83,360 | |
| Support costs | | | | | | |
| Department Admin Recharge | 0 | 0 | 33,630 | 33,630 | 33,630 | |
| Central Support costs | 56,630 | 0 | 23,000 | -33,630 | 23,000 | |
| | 56,630 | 0 | 56,630 | 0 | 56,630 | |
| | | | | | | |
| Total Operating Expenditure | 488,710 | 275,302 | 412,438 | -76,272 | 438,840 | |

| | 2015-16 | | | | 2016-17 | Comments |
|--|------------------|------------------------|----------------------|-----------------------|--------------------|----------|
| | Budget | Actuals to 01.03.16 | Projected outturn | Projected variance | Proposed Budget | |
| <u>OPERATING INCOME</u> | | | | | | |
| Caskets and Urns | -7,500 | -4,388 | -5,266 | 2,234 | -7,815 | |
| Plaques and Memorials | -18,000 | -13,411 | -16,093 | 1,907 | -18,755 | |
| Cremation Fees | -726,160 | -595,003 | -697,059 | 29,101 | -756,660 | |
| Books of Remembrance | -2,000 | -2,477 | -2,972 | -972 | -2,085 | |
| Burial Fees | -56,250 | -31,286 | -34,324 | 21,926 | -58,615 | |
| Exhumation Fees | -660 | -700 | -840 | -180 | -690 | |
| Use of Chapel | 0 | -5,429 | -5,729 | -5,729 | -5,970 | |
| Memorial permits | -8,000 | -7,789 | -9,347 | -1,347 | -8,335 | |
| Mercury Abatement Income | 0 | 0 | 0 | 0 | -9,000 | |
| Vending Sales | -150 | 0 | 0 | 150 | -155 | |
| Total Operating Income | -818,720 | -660,482 | -771,630 | 47,090 | -868,080 | |
| Operating Surplus | -330,010 | -385,180 | -359,192 | -29,182 | -429,240 | |
| Interest on Investments/ Balances | -3,500 | 0 | -3,500 | 0 | -3,500 | |
| Net contribution to/from reserves | -333,510 | -385,180 | -362,692 | -29,182 | -432,740 | |
| General reserves B/F | 1,479,506 | | 1,479,506 | 0 | 1,130,904 | |
| Contributions to/ from Revenue | 330,010 | 0 | 362,692 | 32,682 | 432,740 | |
| | 1,809,516 | 0 | 1,842,198 | 32,682 | 1,563,645 | |
| Capital expenditure charged to reserves | 0 | -711,294 | -711,294 | -711,294 | | |
| General reserves C/F | 1,809,516 | -711,294 | 1,130,904 | -678,612 | 1,563,645 | |

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