

LLWYDCOED CREMATORIUM JOINT COMMITTEE

21st March 2017

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2016/17 AND DRAFT REVENUE ESTIMATES FOR 2017/18

1.0 PURPOSE OF THE REPORT

1.1 This report is intended to provide members with an update on the 2016/17 Budget Monitoring position and the Draft Revenue Estimates for 2017/18.

2.0 RECOMMENDATIONS

2.1 It is recommended that:-

- (a) Members note the 2016/17 Budget Monitoring position
- (b) Members approve the Draft Revenue Estimates for 2017/18

3.0. BUDGET MONITORING REPORT 2016/17

3.1 The Joint Committee on 22nd March 2016 approved a revenue budget for 2016/17, which projected a net contribution to reserves of £432,740.

3.2 Appendix 1 gives details of the approved budget, actual expenditure to 28th February 2017 and projected outturn figures for 2016/17.

3.3 **Expenditure for 2016/17 is projected to be £436,670 against a budget of £438,840 – an underspend of £2,170.**

3.4 The main expenditure variances are as follows: -

- **Employee costs £5,206 underspend.** This is due to underspends on the provision for overtime costs and grasscutting.
- **Premises £17,146 overspend.** This is mainly due to expenditure on Fixtures & Fittings following the cremator replacement project. This is mostly offset by underspends on Supplies and Services as detailed below.
- **Transport costs £2,890 underspend.** These budgets have not been required this financial year.

- **Supplies and Services £15,706 underspend.** This is because of reductions in expenditure on Plaques and Memorials, Caskets and Urns, Analyst's Fees and Audit Fees.
- **Support Costs £4,486 overspend.** This is based on the actual central recharges incurred in 2015/16

3.5 **Operating income for 2016/17 is projected to be £1,005,515 against a budget of £868,080, showing a surplus of income of £137,435.**

3.6 The reason for the surplus of income is a result of a marked increase in the number of cremations this year. Projections for cremation fees have been made on the basis of actuals to date and an estimated number of cremations for March.

3.7 Capital expenditure of £247,224 has been incurred to date mainly in relation to the cremator replacement project.

3.8 **Summary position for 2016-17**

	£
General reserves brought forward 1st April 2015	1,479,506
Net revenue contributions to reserves in 2015/16	<u>(669,728)</u>
General reserves carried forward 31 st March 2016	809,778
Projected Net Revenue contribution to reserves in 2016/17	<u>325,121</u>
Projected General Reserves 31st March 2017	<u>1,134,889</u>

4.0 **DRAFT REVENUE ESTIMATES 2017/18**

4.1 The Draft Revenue Estimates 2017/18 are also shown in Appendix 1.

4.2 **Proposed operational expenditure is £443,500 compared with an approved budget of £438,840 in 2016/17.**

- **Employees budget £173,670** - this provides for a full establishment for the full year. It also includes a budget to cover the grass cutting function.
- **Premises budget £133,740** - provides for a reallocation of Gas and Electricity budgets based upon 2016/17 expenditure, and a 2% increase NNDR and Water budgets.
- **Transport budget £3,000**
- **Supplies & Services budget £76,460** - budget has been reduced to reflect the ongoing savings on Analyst Fees and Audit Fees.
- **Central Support Budget £56,630** – includes management support costs.

4.3 Proposed operational income is £887,600 compared with an approved budget of £868,080 in 2016/17.

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

5.0 SUMMARY

5.1 The Budget Monitoring position will be dependent upon the final 2016/17 position and any further capital expenditure to be incurred to the year-end 31st March 2017. The final year end position will be reported at the June 2017 Joint Committee meeting.

5.2 The Draft Revenue Estimates 2017/18 propose an operating surplus of £444,100. With anticipated investment income of £3,500, the contribution to reserves in 2017/18 is estimated at £447,600.

5.3 Based on the 2016/17 Budget Monitoring Report and the Draft Revenue Estimates 2017/18 the estimated General Reserve Balance at the end of 2017/18 would be £1,582,499.

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						Appendix 1
2016-17					2017-18	
	Budget	Actual to 28th February 2017	Projected outturn	Projected variance	Draft Revenue Estimate	Comments
	£	£	£	£	£	
OPERATING EXPENDITURE						
Employees						
Admin salaries	77,640	67,439	76,070	-1,570	79,950	
Technicians wages	83,160	69,026	80,113	-3,047	85,560	
Agency staff	8,080	0	7,491	-589	8,160	
	168,880	136,465	163,674	-5,206	173,670	
Premises						
Repair and Maintenance	60,000	30,072	53,000	-7,000	60,000	
Gas	30,825	14,428	19,839	-10,986	24,070	
Electricity	7,815	17,390	23,187	15,372	20,270	
NNDR	17,910	17,690	17,690	-220	18,250	
Council Tax	0	684	684	684	700	
Water Charges	1,320	482	1,320	0	1,350	
Fixtures and Fittings	2,500	420	21,528	19,028	2,500	
Cleaning Materials	800	979	1,068	268	800	
General Insurance	5,800	5,800	5,800	0	5,800	
	126,970	87,945	144,116	17,146	133,740	
Transport						
Plant and Vehicles	1,500	110	110	-1,390	1,500	
Car Allowances/Subsistence	1,500	0	0	-1,500	1,500	
	3,000	110	110	-2,890	3,000	
Supplies and Services						
Plaques and Memorials	14,000	7,858	8,572	-5,428	14,000	
Caskets and Urns	5,000	575	627	-4,373	5,000	
Books of Remembrance	2,000	1,990	2,171	171	2,000	
Hire Of Equipment	7,000	6,781	6,781	-219	7,000	
Computer Costs	8,500	7	8,500	0	8,500	
Protective Clothing	1,500	1,400	1,500	0	1,500	
Office expenses	5,500	8,717	7,410	1,910	5,500	
Subscriptions	900	1,549	1,414	514	1,500	
Analyst's Fees	6,000	1,145	1,145	-4,855	1,500	
Medical Expenses	21,460	20,869	24,864	3,404	23,960	
Consultants Fees	2,000	0	1,100	-900	2,000	
Audit Fees	7,000	-1,500	1,500	-5,500	1,500	
Training	500	0	500	0	500	
Other Miscellaneous Expenses	0	-7,592	0	0	0	
Credit/Debit Card Transaction Charges	500	0	50	-450	500	
Employers liability insurance	1,500	0	1,520	20	1,500	
	83,360	41,799	67,654	-15,706	76,460	
Support Costs						
Central Support costs	56,630	0	61,116	4,486	56,630	
	56,630	0	61,116	4,486	56,630	
Total Operating Expenditure	438,840	266,319	436,670	-2,170	443,500	
OPERATING INCOME						
Caskets and Urns	-7,815	-4,836	-6,408	1,407	-7,990	
Plaques and Memorials	-18,755	-17,457	-19,539	-784	-19,180	
Cremation Fees	-756,660	-759,838	-880,320	-123,660	-773,680	
Books of Remembrance	-2,085	-3,202	-3,525	-1,440	-2,130	
Burial Fees	-58,615	-38,876	-58,698	-83	-59,930	
Exhumation Fees	-690	-913	-1,094	-404	-710	
Chapel Use	-5,970	-4,480	-7,418	-1,448	-6,100	
Memorial permits	-8,335	-14,297	-18,371	-10,036	-8,520	
Mercury Abatement Income	-9,000	0	-9,834	-834	-9,200	
Energy Savings	0	0	-308	-308	0	
Vending Sales	-155	0	0	155	-160	
Total Operating Income	-868,080	-843,898	-1,005,515	-137,435	-887,600	
Operating Surplus	-429,240	-577,579	-568,845	-139,605	-444,100	
Interest on Investments/ Balances	-3,500	0	-3,500	0	-3,500	
Net contribution to/from Reserves	-432,740	-577,579	-572,345	-139,605	-447,600	
General reserves B/F	809,778		809,778	0	0	
Contributions to/ from Revenue	432,740	0	572,345	139,605	447,600	
Capital expenditure charged to reserves	0	-247,224	-247,224	-247,224	0	Cremator Replacement Expenditure
General reserves C/F	1,242,518		1,134,899	-107,619	447,600	

LOCAL GOVERNMENT ACT 1972

As amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LLWYDCOED CREMATORIUM JOINT COMMITTEE

21st March 2017

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Item 1 - Budget Monitoring Report 2016/17
& Draft Revenue Estimates 2017/18

Contact Officer

Steve Preddy / Gareth Gates
(01443 680518)