

LLWYDCOED CREMATORIUM JOINT COMMITTEE

20th March 2018

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2017/18 AND DRAFT REVENUE ESTIMATES FOR 2018/19

1.0 PURPOSE OF THE REPORT

1.1 This report is intended to provide members with an update on the 2017/18 Budget Monitoring position and the Draft Revenue Estimates for 2018/19.

2.0 RECOMMENDATIONS

2.1 It is recommended that:-

- (a) Members note the 2017/18 Budget Monitoring position
- (b) Members approve the Draft Revenue Estimates for 2018/19

3.0. BUDGET MONITORING REPORT 2017/18

3.1 The Joint Committee on 21st March 2017 approved a revenue budget for 2017/18, which projected a net contribution to reserves of £449,100.

3.2 Appendix 1 gives details of the approved budget, actual expenditure to 28th February 2018 and projected outturn figures for 2017/18.

3.3 **Expenditure for 2017/18 is projected to be £581,950 against a budget of £442,000 – an overspend of £139,950.**

3.4 The main expenditure variances are as follows: -

- **Employee costs £19,680 overspend.** This is due to the operational decision made during 2016/17 to employ a full time grounds operative via Randstad Agency and additional grass cutting costs.
- **Premises £63,594 overspend.** This is mainly due to £35,000 works relating to the Rose Garden and Drainage which were not completed in 2016/17 and also because the NNDR charge for the Crematorium has increased to £35,429 following a recent revaluation by the Valuation Office.
- **Transport costs £1,479 overspend.** This is due to additional grass cutting costs.

- **Supplies and Services £35,763 overspend.** This is due to the first year's charge of the 15 year service agreement with Facultatieve Technologies.
- **Support Costs £19,434 overspend.** This is based on the actual time apportionment for central recharges

3.5 **Operating income for 2017/18 is projected to be £1,081,985 against a budget of £887,600, showing a surplus of income of £194,385.**

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 **Summary position for 2017-18**

	£
General reserves brought forward 1st April 2017	1,131,293
Projected Net Revenue contribution to reserves in 2017/18	<u>503,535</u>
Projected General Reserves 31st March 2018	<u>1,634,828</u>

4.0 **DRAFT REVENUE ESTIMATES 2018/19**

4.1 The Draft Revenue Estimates 2018/19 are also shown in Appendix 1.

4.2 **Proposed operational expenditure is £558,730 compared with an approved budget of £442,000 in 2017/18.**

- **Employees budget £195,740** - this provides for a full establishment for the full year. It also includes a budget to cover the gardening and grass cutting function.
- **Premises budget £162,050** - provides for a reallocation of Gas and Electricity budgets, increased budgets for NNDR and Fixtures & Fittings based upon 2017/18 expenditure levels.
- **Transport budget £3,000**
- **Supplies & Services budget £121,115** – the budget has been increased to reflect the 15 year service agreement with Facultatieve Technologies.
- **Central Support Budget £76,825** – includes management support costs based on current time apportionment.

4.3 **Proposed operational income is £1,073,315 compared with an approved budget of £887,600 in 2017/18.**

- 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 2017/18 position and any further capital expenditure to be incurred to the year-end 31st March 2018. The final year end position will be reported at the June 2018 Joint Committee meeting.
- 5.2 The Draft Revenue Estimates 2018/19 propose an operating surplus of £514,585. With anticipated investment income of £3,500, the contribution to reserves in 2018/19 is estimated at £518,085.
- 5.3 Based on the 2017/18 Budget Monitoring Report and the Draft Revenue Estimates 2018/19 the estimated General Reserve Balance at the end of 2018/19 would be £2,152,913.

This page intentionally blank

						Appendix 1
2017-18						2018/19
	Budget	Actual to 28th	Projected	Projected	Comments	Draft Revenue
	£	February 2018	outturn	variance		Estimate
	£	£	£	£		£
OPERATING EXPENDITURE						
Employees						
Admin salaries	79,950	73,398	79,710	-240		80,100
Technicians wages	84,030	74,919	81,343	-2,687		84,240
Agency staff	8,160	0	30,767	22,607	Grasscutting + Full Time Gardner	31,400
	172,140	148,317	191,820	19,680		195,740
Premises						
Repair and Maintenance	60,000	89,942	95,000	35,000	Rose Garden and Drainage Works	60,000
Gas	24,070	18,579	23,479	-591		23,500
Electricity	20,270	15,100	18,400	-1,870		18,500
NNDR	18,250	35,429	35,429	17,179	Rateable Value has doubled following revaluation	36,140
Council Tax	700	702	702	2		1,400
Water Charges	1,350	480	480	-870		510
Fixtures and Fittings	2,500	5,265	16,844	14,344	Signage	15,000
Cleaning Materials	800	1,170	1,200	400		1,200
General Insurance	5,800	5,800	5,800	0		5,800
	133,740	172,467	197,334	63,594		162,050
Transport						
Plant and Vehicles	1,500	2,547	4,479	2,979		3,000
Car Allowances/Subsistence	1,500	0	0	-1,500		0
	3,000	2,547	4,479	1,479		3,000
Supplies and Services						
Plaques and Memorials	14,000	8,498	10,170	-3,830		14,000
Caskets and Urns	5,000	345	2,765	-2,235		5,000
Books of Remembrance	2,000	1,482	1,500	-500		2,000
Hire Of Equipment	7,000	6,950	6,950	-50		7,000
Computer Costs	8,500	1,724	1,785	-6,715		2,500
Protective Clothing	1,500	1,859	2,000	500		2,000
Office expenses	5,500	6,932	6,990	1,490		7,000
Subscriptions	1,500	1,549	1,549	49		1,550
Analyst's Fees	1,500	1,145	1,145	-355		1,150
Medical Expenses	23,960	22,571	29,000	5,040		29,000
Contractor Payments	0	45,284	45,284	45,284	Facultatieve Technologies Cremator Service Contract	45,300
Consultants Fees	2,000	0	0	-2,000		0
Audit Fees	1,500	-458	1,500	0		2,000
Training	500	0	0	-500		500
Other Miscellaneous Expenses	0	100	100	100		100
Credit/Debit Card Transaction Charges	500	0	0	-500		500
Employers liability insurance	1,530	0	1,515	-15		1,515
	76,490	97,981	112,253	35,763		121,115
Support costs						
Central Support costs	56,630	0	76,064	19,434	Based on actual time apportionment	76,825
	56,630	0	76,064	19,434		76,825
Total Operating Expenditure	442,000	421,312	581,950	139,950		558,730
OPERATING INCOME						
Caskets and Urns	-7,990	-5,470	-5,850	2,140		-6,000
Plaques and Memorials	-19,180	-17,283	-18,475	705		-19,000
Cremation Fees	-773,680	-843,171	-970,746	-197,066	Based on 1,449 cremations	-970,000
Books of Remembrance	-2,130	-2,081	-2,200	-70		-2,265
Burial Fees	-59,930	-37,058	-54,556	5,374		-55,000
Exhumation Fees	-710	-714	-952	-242		-980
Chapel Use	-8,520	-8,574	-10,414	-1,894		-10,700
Memorial permits	-6,100	-8,360	-9,100	-3,000		-9,370
Mercury Abatement Income	-9,200	0	-9,200	0		0
Energy Savings	0	-492	-492	-492		0
Vending Sales	-160	0	0	160		0
Total Operating Income	-887,600	-923,203	-1,081,985	-194,385		-1,073,315
Operating Surplus						
Operating Surplus	-445,600	-501,891	-500,035	-54,435		-514,585
Interest on Investments/ Balances	-3,500	0	-3,500	0		-3,500
Net contribution to/from Reserves	-449,100	-501,891	-503,535	-54,435		-518,085
General reserves B/F	1,131,293		1,131,293	0		1,634,828
Contributions to/ from Revenue	449,100		503,535	54,435		518,085
Capital expenditure charged to reserves	0			0		
General reserves C/F	1,580,393		1,634,828	54,435		2,152,913

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 2018

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Item 1 - Budget Monitoring Report 2017/18
& Draft Revenue Estimates 2018/19

Contact Officer

Steve Preddy
(01443 680644)