

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

3 MARCH 2017

PROPOSED REVENUE BUDGET 2017-18

1. Purpose of the Report

- 1.1 The purpose of this report is to inform the Joint Committee of the projected financial performance for the Crematorium for 2016-17, and to obtain approval from the Joint Committee for the proposed budget and fees and charges for 2017-18.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 There are no direct connections to the Council's Corporate priorities, although the ongoing monitoring of budget and performance form part of ensuring a better use of resources.

3. Background

- 3.1 The 2016-17 Revenue Budget was approved by the Committee at its meeting on 4 March 2016. The current budget position and projected outturn for 2016-17 is outlined below, together with the proposed budget for 2017-18.

4. Current Situation

Estimated Revenue Outturn 2016-17

- 4.1 Table 1 below shows the financial position at 31 January 2017 and the projected outturn for 2016-17.

Table 1- Comparison of budget against projected spend at 31st January 2017.

Budget	Category	Adjusted Actual 01/04/2016 to 31/01/2017	Projected Outturn	Projected Over (Under) Spend
2016-17			2016-17	2016-17
£'000		£'000	£'000	£'000
297	Employees	220	296	(1)
331	Premises	225	274	(57)
170	Supplies, services & transport	78	135	(35)
89	Agency / contractors	72	111	22
41	Administration	35	41	0
50	Capital financing costs	42	50	0
978	Gross Expenditure	672	907	(71)
(1,074)	Fees & charges	(837)	(1,140)	(66)
(26)	BCBC Contribution	(20)	(25)	1
(122)	(Surplus)/Deficit	(185)	(258)	(136)
122	Transfer to/(from) Reserve	185	258	136

- 4.2 When the budget was set, there was an anticipated budget surplus of £122,000. The actual projected outturn as at the end of January is a surplus of £258,000 which will require a transfer to earmarked reserves.

An explanation of the main variances between the Budget and Projected Outturn is detailed below:

- The underspend of £57,000 on Premises is made up of Planned Maintenance (£40,000), Gas (£13,000) and Business Rates (£2,000). The underspend in Planned Maintenance is due to a delay in the Organ Repairs (£20,000), Landscaping (£10,000), and underspend on the Flat Roof (£8,625). The Organ Repairs are now scheduled to take place in 2017-18.
- The underspend of £35,000 on Supplies, Services & Transport is made up of savings on Items for Resale (£33,000) and Audit Fees (£4,900). These are offset by small overspends of Uniform/Protective Clothing (£2,000) and Printing (£1,000).
- Also included in the projected outturn for Supplies, Services & Transport is the write off of an unidentified debtor of £2,356, which has been recorded in the accounts since 1999.
- Income has been higher than budgeted by £66,000 resulting from increased cremation fees (£60,000) and income in relation to the sale of items (£6,000). The BCBC contribution is calculated using salary costs of two staff members. As the new structure wasn't in place until June, the charge will be less (£1,000) than was originally budgeted.

2017-18 Proposed Budget

4.3 The following table shows the proposed revenue budget for 2017-18

Table 2 – Proposed Budget 2017-18

Category	Budget 2017-18 £'000
<u>Expenditure</u>	
Employees	311
Premises	217
Supplies, services & transport	158
Agency / contractors	90
Administration	48
Capital financing costs	429
Gross Expenditure	1,253
<u>Income</u>	
Fees & charges	(1,190)
Contribution from BCBC	(28)
Total Income	(1,218)
Net (Surplus)/Deficit	35
Transfer to/(from reserves)	(35)

4.4 The following table shows the breakdown of the Administration budget for 2017-18

Category	Budget 2017-18 £
Human Resources	3,200
Corporate Services	1,200
Accountancy	6,700
Audit	2,850
Exchequer	1,100
Sundry Debtors	50
Facilities Management	13,750
Procurement	650
Information Technology	6,500
BCBC Administration	12,000
Total	48,000

4.5 Employee budgets have been adjusted to reflect salary increments where applicable. The budget includes a 1% uplift for the 2017-18 pay award, as well as an increase in pension contributions from 17% to 19.4% following an actuarial review.

- 4.6 All 2016-17 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2017-18.
- 4.7 The Business Plan for 2017-18 indicates that there is a capital budget requirement of £350,000 to meet expenditure itemised in the table below:

Table 4 – Business Plan Capital Spending Requirements

2017-18	£'000
Organ upgrade	20
Burial Plots Landscaping	10
Periphery Fencing Improvements	20
Flat Roof Safe Access System	20
Phase 2, Land extension Infrastructure	270
Phase 2, Land extension Landscaping	10
Total	350

- 4.8 These costs will be met from the Capital Financing budget identified in Table 2 above. The capital financing budget also includes £79,000 in order to fully repay the outstanding loan amount, generating future revenue savings.
- 4.9 The income budgets have been prepared assuming a general increase in fees of 2.2% (1% plus CPI at 1.2%), and has also been realigned to reflect current levels of activity (based on 1589 cremations). The 2017-18 Fees Table is attached (Appendix 1)
- 4.10 The £28,000 income contribution from BCBC is to cover the costs of time spent by Crematorium staff on BCBC work. This is calculated using 25% of the Bereavement Services Manager & Registrar salary, and 50% of the Senior Assistant Registrar (Burials) salary.

Accumulated Balance

- 4.11 The effect on the accumulated balance of the proposed budget for 2017-18 is shown in the Table below:

Table 5 – Impact on accumulated balance of proposed budget 2017-18

Accumulated Balance	£000
Balance as at 31 March 2016	(735)
Transfer to Reserves	(258)
Projected Balance as at 31 March 2017	(993)
Transfer from reserves 2017-18	35
Projected Balance as at 31 March 2018	(958)

- 4.12 It is projected that at 31 March 2017, there will be an accumulated balance of £993,000. The balance of reserves at 31 March 2017 is considered a sufficient level to maintain to protect the service in light of unknown demands or emergencies.

Capital Expenditure 2017-18

4.13 Capital expenditure will not require any additional loan charge or contribution from constituent authorities in 2017-18. Items of a capital nature for 2017-18 in Table 4, paragraph 4.7, will be directly funded from revenue contributions.

5. Effect upon Policy Framework and Procedure Rules

5.1 None.

6. Equality Impact Assessments

6.1 There are no equality implications attached to this report.

7. Financial Implications

7.1 These are reflected within the report.

8. Recommendation

8.1 The Joint Committee is recommended to

(a) Confirm and approve the revenue budget and capital expenditure to be adopted for 2017-18.

(b) Approve the increase in fees and charges with effect from 1 April 2017 outlined in Appendix 1.

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BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
15 February 2017

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Background Papers: Report of the Treasurer
Revenue Estimates 2016-17
Coychurch Crematorium Joint Committee
4 March 2016