

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

2 MARCH 2018

PROPOSED REVENUE BUDGET 2018-19

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 2017-18, and to obtain approval from the Joint Committee for the proposed budget and fees and charges for 2018-19.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The allocation of resources and the on-going monitoring of budget and performance takes into consideration the smarter use of resources.

3. Background

- 3.1 The 2017-18 Revenue Budget was approved by the Committee at its meeting on 3 March 2017. The current budget position and projected outturn for 2017-18 is outlined below, together with the proposed budget for 2018-19.

4. Current Situation

Estimated Revenue Outturn 2017-18

- 4.1 Table 1 below shows the financial position at 31 January 2018 and the projected outturn for 2017-18.

Table 1- Comparison of budget against projected spend at 31st January 2018.

Budget	Category	Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2017-18		1/4/17 to 31/1/18	2017-18	2017-18
£'000		£'000	£'000	£'000
311	Employees	241	290	(21)
217	Premises	187	225	8
158	Supplies, Services & Transport	121	160	2
90	Agency / Contractors	71	97	7
48	Administration	29	35	(13)
429	Capital Financing Costs	325	399	(30)
1253	Gross Expenditure	974	1206	(47)
(1,190)	Fees & charges	(919)	(1222)	(32)
(28)	BCBC Contribution	(20)	(28)	0
35	(Surplus)/Deficit	35	(44)	(79)
(35)	Transfer to/(from) Reserve	(35)	44	79

4.2 When the budget was set, there was an anticipated budget deficit of £35,000. The actual projected outturn as at the end of January is a surplus of £44,000 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 £21,000 on Employees is mainly due to two positions being vacant for part of the year. One of these positions has been vacant since April 2017, which has meant that Security Services have had to be employed to cover these hours. The additional costs for the Security Services are shown within Supplies, Services & Transport.
- The overspend of £8,000 on Premises is made up an overspend on Business Rates (£18,000), which is offset by underspends on Day To Day Maintenance (£5,000) and Gas (£5,000).
- The overspend of £2,000 on Supplies, Services & Transport is made up of an overspend on Security Services (£20,000), with the majority of this overspend being offset by savings made on Equipment Repairs (£10,000), Protective Clothing (£2,500), Purchase of Equipment (£2,500), and Audit Fees (£2,100).
- The underspend in Administration is due to lower costs in respect of Facilities Management compared to the previous year, following a move to charging based on the number of I-Mail items, which the Crematorium does not use.
- Included in the budget for Capital Financing Costs is the Planned Maintenance budget of £350,000. The underspend of £30,000 is due to a delay in the Organ

Repairs (£20,000), and an underspend on the Infrastructure works (£10,000). The Organ Repairs are now scheduled to take place in 2018-19, and £5,000 will need to be provided in 2018-19 for the retention payment due on the Infrastructure works.

Table 2 below shows a breakdown of the Planned Maintenance budget for 2017-18.

Table 2 – Planned Maintenance 2017-18

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

- Income is higher than budgeted by £32,000, resulting from increased cremation fees (£25,000) and income in relation to the sale of items (£7,000).

2018-19 Proposed Budget

4.3 The following table shows the proposed revenue budget for 2018-19

Table 3 – Proposed Budget 2018-19

Category	Budget 2018-19 £'000
<u>Expenditure</u>	
Employees	313
Premises	234
Supplies, services & transport	135
Agency / contractors	102
Administration	35
Capital financing costs	75
Gross Expenditure	894
<u>Income</u>	
Fees & charges	(1,238)
Contribution from BCBC	(29)
Total Income	(1,267)
Net (Surplus)/Deficit	(373)
Transfer to/(from reserves)	373

- 4.4 All 2017-18 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2018-19.
- 4.5 Employee budgets have been adjusted to reflect salary increments where applicable and include a 2% uplift for the proposed 2018-19 pay award.
- 4.6 The Business Plan for 2018-19 indicates that there is a budget requirement of £75,000 to meet expenditure itemised in the table below:

Table 4 – Business Plan Spending Requirements

2018-19	£'000
Organ upgrade	20
Phase 2, Land extension Retention	5
Flat Roof Repairs - Waiting Room	30
Chapel of Remembrance Repairs	20
Total	75

These costs will be met from the Capital Financing Costs budget identified in Table 3 above.

- 4.7 The income budgets have been prepared assuming a general increase in fees of 4% (1% plus CPI at 3%), and is based on current levels of activity (1589 cremations). The 2018-19 proposed Fees Table is attached at Appendix 1.

Accumulated Balance

- 4.9 The effect on the accumulated balance of the proposed budget for 2018-19 is shown in the Table below:

Table 5 – Impact on accumulated balance of proposed budget 2018-19

Accumulated Balance	£000
Balance as at 31 March 2017	(1082)
Transfer to Reserves	(44)
Projected Balance as at 31 March 2018	(1126)
Transfer from reserves 2018-19	(373)
Projected Balance as at 31 March 2019	(1499)

- 4.10 It is projected that at 31 March 2019, there will be an accumulated balance of £1,499,000. The balance of reserves at 31 March 2019 is considered a sufficient level to maintain to protect the service in light of unknown demands or emergencies.

Capital Expenditure 2018-19

- 4.11 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2018-19. Items of a capital nature for 2018-19 in Table 3, paragraph 4.6, will be directly funded from revenue contributions and the accumulated surplus from previous years.

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 to be adopted for 2018-19.

(b) Approve the increase in fees and charges with effect from 1 April 2018 outlined in Appendix 1.

GILL LEWIS
INTERIM HEAD OF FINANCE AND S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
2 March 2018

Contact Officer: Adele Ahearn Tel No (01656) 643358
Accountant, Financial Control and Closing, BCBC
Adele.Ahearn@bridgend.gov.uk

Background Papers: Report of the Treasurer
Revenue Estimates 2017-18
Coychurch Crematorium Joint Committee
3 March 2017