

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT OF THE TREASURER
COYCHURCH CREMATORIUM JOINT COMMITTEE

6 MARCH 2020

PROPOSED REVENUE BUDGET 2020-21

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 2019-20, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2020-21.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priority:-

Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background

- 3.1 The 2019-20 Revenue Budget was approved by the Committee at its meeting on 8 March 2019. The current budget position and projected outturn for 2019-20 is outlined below, together with the proposed budget for 2020-21.

4. Current Situation / Proposal

Estimated Revenue Outturn 2019-20

- 4.1 Table 1 below shows the financial position as at 31 January 2020 and the projected outturn for 2019-20.

Table 1- Comparison of budget against projected spend as at 31 January 2020.

Budget	Category	Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2019-20		1/4/19 to 31/1/20	2019-20	2019-20
£'000		£'000	£'000	£'000
329	Employees	241	315	(14)
248	Premises	220	264	16
178	Supplies, Services & Transport	121	168	(10)
102	Agency / Contractors	78	105	3
36	Administration	27	36	0
776	Capital Financing Costs	165	179	(597)
1,669	Gross Expenditure	852	1067	(602)
(1,303)	Fees & Charges	(920)	(1,353)	(50)
(30)	BCBC Contribution	(22)	(30)	0
336	(Surplus)/Deficit	(90)	(316)	(652)
(336)	Transfer to/(from) Reserve	90	316	652

- 4.2 When the budget was set there was an anticipated budget deficit of £336,000. The projected outturn as at the end of January is a surplus of £316,000, which will require a transfer to the Crematorium's Accumulated Surplus.

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

- The underspend of £14,000 on Employees is made up of a part year vacancy of the Groundsperson/Relief Crematorium Technician post, and full year vacancy of the Weekend Attendant post .
- The overspend of £16,000 on Premises is made up of overspends in Planned Maintenance (£10,000), Gas (£3,000), Electricity (£4,000) and Grounds Maintenance (£2,000), which is offset by underspends on Property Insurance (£2,000) and Business Rates (£1,000).
- The underspend of £10,000 on Supplies, Services & Transport is made up of an overspend on Purchase of Equipment (£2,500), being offset by underspends made on Equipment Repairs (£5,000), Uniforms/Protective Clothing (£3,000), Printing (£2,000) Security Services (£1,500) and Conference Fees (£1,000).

- Table 2 below shows a breakdown of the Planned Maintenance Budget along with the Projected Outturn and Variances for 2019-20.

Table 2 – Planned Capital Maintenance 2019-20

2019-20	Budget 2019-20 £'000	Projected Outturn £'000	Projected Variance £'000
Organ upgrade	96	101	5
Flower Court Extension	300	28	(272)
Site Lighting	300	0	(300)
Flat Roof Repairs - Waiting Room	30	32	2
Mess Room Refurbishment	30	18	(12)
Electricity Distribution Boards	20	0	(20)
Total	776	179	597

- The underspend on the Flower Court Extension is due to only surveys being paid for in 2019-20. The balance of £272,000 and £300,000 for Site Lighting will be carried forward and form part of the 2020-21 Planned Capital Maintenance budget.
- Income is higher than budgeted by £50,000, resulting from increased cremation fees.

2020-21 Proposed Budget

- 4.3 The following table shows the proposed revenue budget for 2020-21:-

Table 3 – Proposed Budget 2020-21

Category	Budget 2020-21 £'000
<u>Expenditure</u>	
Employees	324
Premises	314
Supplies, Services & Transport	144
Agency / Contractors	104
Administration	36
Capital Financing Costs	882
Gross Expenditure	1,804

<u>Income</u>	
Fees & Charges	(1,380)
Contribution from BCBC	(29)
Total Income	(1,409)
Net (Surplus)/Deficit	
Transfer to/(from Reserves)	(395)

- 4.4 All 2019-20 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2020-21.
- 4.5 Employee budgets have been adjusted to reflect salary increments where applicable and include an estimated 2% uplift for the 2020-21 pay award.
- 4.6 The Business Plan for 2020-21 includes a budget requirement of £882,000 to meet Planned Maintenance expenditure itemised in the table below:

Table 4 – Planned Capital Maintenance Spending Requirements

2020-21	£'000
Flower Court Extension	520
Site Lighting	300
Electricity Distribution Boards	20
Chapel Sound System	42
Total	882

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 2.3% (1% plus CPI at 1.3%), and is based on current levels of activity. The 2020-21 proposed Fees Table is attached at Appendix 1.

Accumulated Balance

- 4.8 The effect on the accumulated balance of the proposed budget for 2020-21 is shown in the Table below:

Table 5 – Impact on accumulated balance of proposed budget 2020-21

Accumulated Balance	£000
Balance as at 31 March 2019	(1,755)
Projected Transfer to Reserves	(315)
Projected Balance as at 31 March 2020	(2,070)
Projected Transfer from Reserves 2020-21	395
Projected Balance as at 31 March 2021	(1,675)

- 4.9 It is projected that as at 31 March 2021, there will be an accumulated balance of £1,675,000. The balance of Reserves as at 31 March 2021 is considered a sufficient level to maintain and protect the service in light of unknown demands or emergencies.

Capital Expenditure 2020-21

- 4.10 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2020-21. Items of a capital nature for 2020-21 in Table 4, 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. Wellbeing of Future Generations (Wales) Act 2015

- 7.1 The well-being goals identified in the Act have been considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report

8. Financial Implications

- 8.1 These are reflected within the report.

9. Recommendation:

- 9.1 The Joint Committee is recommended to

(a) Note the projected financial performance for 2019-20.

- (b) Confirm and approve the revenue budget to be adopted for 2020-21.
- (c) Approve the increase in fees and charges with effect from 1 April 2020 outlined in Appendix 1.

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BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
6 MARCH 2020

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Background Papers: Report of the Treasurer
Revenue Estimates 2019-20
Coychurch Crematorium Joint Committee
8 March 2019