

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

COYCHURCH CREMATORIUM JOINT COMMITTEE

5 MARCH 2021

**FINANCIAL PERFORMANCE 2020-21 AND PROPOSED REVENUE
BUDGET 2021-22**

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 2020-21, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2021-22.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

Smarter use of resources – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 The 2020-21 Revenue Budget was approved by the Committee at its meeting on 6 March 2020. The current budget position and projected outturn for 2020-21 is outlined below, together with the proposed budget for 2021-22.

4. Current Situation / Proposal

Estimated Revenue Outturn 2020-21

- 4.1 Table 1 below shows the financial position as at 31 January 2021 and the projected outturn for 2020-21.

Table 1- Comparison of Budget against Projected Spend as at 31 January 2021.

Budget	Category	Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2020-21		01/04/20 to 31/01/21	2020-21	2020-21
£'000		£'000	£'000	£'000
324	Employees	277	360	36
314	Premises	239	303	(11)
144	Supplies, Services & Transport	151	195	51
104	Agency / Contractors	82	108	4
36	Administration	27	36	0
882	Capital Financing Costs	37	50	(832)
1,804	Gross Expenditure	813	1,052	(752)
(1,380)	Fees & Charges	(1,114)	(1,485)	(105)
0	WG Grants	(25)	(55)	(55)
(29)	BCBC Contribution	(22)	(29)	0
395	(Surplus)/Deficit	(348)	(517)	(912)
(395)	Transfer to/(from) Reserve	348	517	912

4.2 When the budget was set there was an anticipated budget deficit of £395,000. The projected outturn as at the end of January is a surplus of £517,000 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 over spend of £36,000 on Employees is due to two additional Crematorium Technicians being employed from June 20, offset by an under spend of £8,000 on other employee costs. The two posts will be funded from the Welsh Government COVID-19 Hardship Fund, and is shown in the increased income for 2020-21.
- The under spend of £11,000 on Premises is made up of under spends on day to day maintenance (£8,000), grounds maintenance (£4,000) and business rates (£2,000). This is offset by an over spend on Electricity (£3,000).
- The over spend of £51,000 on Supplies, Services & Transport is made up of over spends on items for resale (£60,000) and cleaning materials (£2,000), being offset by under spends on purchase of equipment (£4,000), advertising & promotion (£2,000), printing (£2,000) security services (£2,000) and conference fees (£1,000).

- Table 2 below shows a breakdown of the Planned Capital Maintenance budget along with the projected outturn and variances for 2020-21.

Table 2 – Planned Capital Maintenance 2020-21

2020-21	Budget 2020-21 £'000	Projected Outturn £'000	Projected Variance £'000
Flower Court Extension	520	12	508
Site Lighting	300	12	288
Electricity Distribution Boards	20	20	0
Chapel Sound System	42	6	36
Total	882	50	832

- The under spends on the Flower Court Extension, Site Lighting and Chapel Sound System are due to the projects being delayed as a result of the Coronavirus pandemic. All three of the delayed projects are included in the Capital Budget for 2021-22 (see Table 4).
- Income is higher than budgeted by £160,000, resulting from an increased number of cremations and receipt of the Welsh Government COVID-19 Hardship Fund as noted above.

2021-22 Proposed Budget

- 4.3 Table 3 below shows the proposed revenue budget for 2021-22.

Table 3 – Proposed Budget 2021-22

Category	Budget 2021-22 £'000
<u>Expenditure</u>	
Employees	326
Premises	424
Supplies, Services & Transport	199
Agency / Contractors	112
Administration	36
Capital Financing Costs	845
Gross Expenditure	1,942
<u>Income</u>	
Fees & Charges	(1,446)
Grants	(15)
Contribution from BCBC	(30)
Total Income	(1,491)
Net (Surplus)/Deficit	451
Transfer to/(from) Reserves	(451)

- 4.4 All 2020-21 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2021-22.
- 4.5 Employee budgets have been adjusted to reflect salary increments where applicable, although no allowance has been made for a pay award in 2021-22.
- 4.6 The Business Plan for 2021-22 includes a budget requirement of £845,000 to meet Planned Maintenance expenditure itemised in the table below:

Table 4 – Planned Capital Maintenance Spending Requirements

2021-22	£'000
Flower Court Extension	550
Site Lighting	250
Chapel Sound System	45
Total	845

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 1.6% (1% plus CPI at 0.6%), and are based on the usual levels of activity. The 2021-22 proposed Fees Table is attached at **Appendix 1**.

Accumulated Balance

- 4.8 The effect on the accumulated balance of the proposed budget for 2021-22 is shown in Table 5 below:

Table 5 – Impact on Accumulated Balance of Proposed Budget 2021-22

Accumulated Balance	£000
Balance as at 31 March 2020	(2,054)
Projected Transfer to Reserves	(517)
Projected Balance as at 31 March 2021	(2,571)
Projected Transfer from Reserves 2021-22	451
Projected Balance as at 31 March 2022	(2,120)

- 4.9 It is projected that as at 31 March 2022, there will be an accumulated balance of £2.120 million. 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 2021-22

- 4.10 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2021-22. Items of a capital nature for 2021-22 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 implications

- 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 2020-21.

(b) Confirm and approve the revenue budget to be adopted for 2021-22.

(c) Approve the increase in fees and charges with effect from 1 April 2021 outlined in Appendix 1.

GILL LEWIS

INTERIM CHIEF OFFICER FINANCE, PERFORMANCE, AND CHANGE

BRIDGEND COUNTY BOROUGH COUNCIL

TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE

5 MARCH 2021

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Background Papers: Report of the Treasurer
Revenue Estimates 2020-21
Coychurch Crematorium Joint Committee
6 March 2020