

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT OF THE TREASURER**

**COYCHURCH CREMATORIUM JOINT COMMITTEE**

**4 MARCH 2022**

**FINANCIAL PERFORMANCE 2021-22 AND PROPOSED REVENUE  
BUDGET 2022-23**

**1. Purpose of report**

- 1.1 The purpose of this report is to inform the Joint Committee of the projected financial performance for the Crematorium for 2021-22, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2022-23 as set out in **Appendix 1**.

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

- 2.1 This report assists in the achievement of the following corporate well-being objective 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 2021-22 Revenue Budget was approved by the Joint Committee at its meeting on 5 March 2021. The current budget position and projected outturn for 2021-22 is outlined below, together with the proposed budget for 2022-23.

**4. Current situation/proposal**

**Estimated Revenue Outturn 2021-22**

- 4.1 Table 1 below shows the financial position as at 31 January 2022 and the projected outturn for 2021-22.

**Table 1- Comparison of Budget against Projected Spend as at 31 January 2022**

Budget	Category	Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2021-22		01/04/21 to 31/01/22	2021-22	2021-22
£'000		£'000	£'000	£'000
326	Employees	288	374	48
424	Premises	185	346	(78)
199	Supplies, Services & Transport	171	225	26
112	Agency / Contractors	58	113	1
36	Administration	27	36	0
845	Capital Financing Costs	245	350	(495)
<b>1,942</b>	<b>Gross Expenditure</b>	<b>974</b>	<b>1,444</b>	<b>(498)</b>
(1,446)	Fees & Charges	(957)	(1,515)	(69)
(15)	WG Grants	(39)	(47)	(32)
(30)	BCBC Contribution	(24)	(30)	0
<b>451</b>	<b>(Surplus)/Deficit</b>	<b>(46)</b>	<b>(148)</b>	<b>(599)</b>
(451)	Transfer to/(from) Reserve	46	148	599

4.2 When the budget was set there was an anticipated budget deficit of £451,000. The projected outturn as at the end of January is a surplus of £148,000 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 overspend of £48,000 on Employees is due to two additional Crematorium Technicians being employed for the full financial year, offset by an under spend of £2,000 on other employee costs. The two posts have been funded from the Welsh Government COVID-19 Hardship Fund, which is shown in the increased income for 2021-22.
- The under spend of £78,000 on Premises is made up of under spends on planned maintenance (£75,000), business rates (£3,000) and grounds maintenance (£2,000). This is offset by an overspend on water (£2,000).
- The overspend of £26,000 on Supplies, Services & Transport is made up of overspends on items for resale (£20,000), equipment repairs and maintenance (£3,000) office equipment and furniture (£3,000), and exam fees and expenses (£3,000). This is offset by an under spend on purchase of equipment (£3,000).

- Table 2 below shows a breakdown of the Planned Capital Maintenance budget along with the projected outturn and variances for 2021-22.

**Table 2 – Planned Capital Maintenance 2021-22**

<b>2021-22</b>	<b>Budget 2021-22 £'000</b>	<b>Projected Outturn £'000</b>	<b>Projected Variance £'000</b>
Flower Court Extension	550	60	490
Site Lighting	250	245	5
Chapel Sound System	45	45	0
<b>Total</b>	<b>845</b>	<b>350</b>	<b>495</b>

- The under spend on the Flower Court Extension is due to the project being delayed as a result of the Coronavirus pandemic. The underspend on Site Lighting relates to a retention payment to be made in 2022-23. Both projects are included in the Capital Budget for 2022-23 (see Table 4).
- Income is higher than budgeted by £101,000, resulting from an increased number of cremations and receipt of the Welsh Government COVID-19 Hardship Fund as noted above.

**2022-23 Proposed Budget**

- 4.3 Table 3 below shows the proposed revenue budget for 2022-23.

**Table 3 – Proposed Budget 2022-23**

<b>Category</b>	<b>Budget 2022-23 £'000</b>
<b><u>Expenditure</u></b>	
Employees	378
Premises	428
Supplies, Services & Transport	206
Agency / Contractors	112
Administration	39
Capital Financing Costs	665
<b>Gross Expenditure</b>	<b>1,828</b>
<b><u>Income</u></b>	
Fees & Charges	(1,555)
Grants	(15)
Contribution from BCBC	(26)
<b>Total Income</b>	<b>(1,596)</b>
Net (Surplus)/Deficit	<b>232</b>
<b>Transfer to/(from) Reserves</b>	<b>(232)</b>

- 4.4 All 2021-22 non-employee budgets have been reviewed, and any necessary adjustments have been made to meet expected expenditure for 2022-23.
- 4.5 Employee budgets have been adjusted to reflect salary increments and an increase in National Insurance due to the social care levy where applicable, although no allowance has been made for a pay award in 2022-23.
- 4.6 The Business Plan for 2022-23 includes a budget requirement of £665,000 to meet Planned Capital Maintenance expenditure itemised in the table below:

**Table 4 – Planned Capital Maintenance Spending Requirements**

<b>2022-23</b>	<b>£'000</b>
Flower Court Extension	550
Site Lighting	5
Groundworks (Additional Paths)	100
Chapel Underfloor Heating	10
<b>Total</b>	<b>665</b>

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 5.4% (In line with Consumer Price Index) and are based on the usual levels of activity. The 2022-23 proposed Fees Table is attached at **Appendix 1**.

**Accumulated Balance**

- 4.8 The effect on the accumulated balance of the proposed budget for 2022-23 is shown in Table 5 below:

**Table 5 – Impact on Accumulated Balance of Proposed Budget 2022-23**

<b>Accumulated Balance</b>	<b>£000</b>
Balance as at 31 March 2021	(2,899)
Projected Transfer to Reserves	(148)
<b>Projected Balance as at 31 March 2022</b>	<b>(3,047)</b>
Projected Transfer from Reserves 2022-23	232
<b>Projected Balance as at 31 March 2023</b>	<b>(2,815)</b>

- 4.9 It is projected that as at 31 March 2023, there will be an accumulated balance of £2.815 million. The balance of reserves as at 31 March 2022 is considered a sufficient level to maintain and protect the service in light of unknown demands or emergencies.

### **Capital Expenditure 2022-23**

- 4.10 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2022-23. Items of a capital nature for 2022-23 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 There are no effects on the policy framework or procedure rules arising from this report.

### **6. Equality Act 2010 implications**

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

### **7. Wellbeing of Future Generations (Wales) Act 2015 implications**

- 7.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

- **Long-term:** the consideration and approval of this report will assist in the short term planning of capital works for the long-term operation of the crematorium.
- **Prevention:** the consideration and approval of this report will assist in the planning of capital expenditure by approving projects and funding thereof to support future service delivery for the benefit of communities.
- **Integration:** the report supports all the well-being objectives.
- **Collaboration:** savings are achieved as a result of collaboration and integrated working of the Joint Committee.
- **Involvement:** publication of the report ensures that members and stakeholders can review the proposed budget and schedule of planned capital maintenance.

**8. Financial implications**

8.1 These are reflected within the report.

**9. Recommendations:**

9.1 The Joint Committee is recommended to

(a) Note the projected financial performance for 2021-22.

(b) Confirm and approve the revenue budget to be adopted for 2022-23.

(c) Approve the increase in fees and charges with effect from 1 April 2022 outlined in **Appendix 1**.

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BRIDGEND COUNTY BOROUGH COUNCIL  
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE  
4 MARCH 2022**

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**Background Papers:** None