

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO COYCHURCH CREMATORIUM JOINT COMMITTEE
3 MARCH 2023
REPORT OF THE TREASURER
FINANCIAL PERFORMANCE 2022-23 AND PROPOSED REVENUE
BUDGET 2023-24

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 2022-23, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2023-24 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** – ensure 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 2022-23 Revenue Budget was approved by the Joint Committee at its meeting on 4 March 2022. The current budget position and projected outturn for 2022-23 is shown in paragraph 4.1. The proposed budget for 2023-24 can be seen in paragraph 4.3.

4. Current situation/proposal

Estimated Revenue Outturn 2022-23

4.1 Table 1 below shows the financial position as at 31 January 2023 and the projected outturn for 2022-23.

Table 1 – Comparison of Budget against Projected Spend as at 31 January 2023

Budget	Category	*Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2022-23		01/04/22 to 31/01/23	2022-23	2022-23
£'000		£'000	£'000	£'000
378	Employees	337	392	14
428	Premises	206	296	(132)
206	Supplies, Services & Transport	116	220	14
112	Agency / Contractors	74	113	1
39	Administration	32	39	0
1,385	Capital Financing Costs	472	872	(513)
2,548	Gross Expenditure	1,237	1,932	(616)
(1,555)	Fees & Charges	(1,029)	(1,495)	60
(15)	WG Grants	(7)	(14)	1
(26)	BCBC Contribution	(22)	(32)	(6)
(1596)	Gross Income	(1058)	(1541)	55
952	(Surplus)/Deficit	179	391	(561)
(952)	Transfer to/(from) Reserve	(179)	(391)	

*Adjusted to include pro-rata commitments during the year.

4.2 When the budget was set there was an anticipated budget deficit of £952,000. The projected outturn as at the end of January is a deficit of £391,000 which will require a transfer from the Crematorium's Accumulated Surplus. An explanation of the main variances between the budget and projected outturn is detailed below:

- The overspend of £14,000 on Employees is due to increased costs resulting from the support staff pay award as no allowance was made for this when the budget was set.

- The under spend of £132,000 on Premises is made up of under spends on planned maintenance (£130,000), day to day maintenance (£10,000) and business rates (£3,000). This is offset by overspends on maintenance of grounds (£6,000), gas (£2,000) and water (£3,000).
- The overspend of £14,000 on Supplies, Services & Transport is made up of overspends on items for resale (£20,000), and other miscellaneous office expenses (£1,000). This is offset by under spends on purchase of equipment (£5,000), and security services (£2,000).
- Table 2 below shows a breakdown of the Planned Capital Maintenance budget along with the projected outturn and variances for 2022-23.

Table 2 – Planned Capital Maintenance 2022-23

	Budget 2022-23 £'000	Projected Outturn £'000	Projected Variance £'000
Flower Court Extension	1,270	867	(403)
Site Lighting	5	5	0
Groundworks -Paths	100	0	(100)
Chapel of Remembrance	10	0	(10)
Total	1,385	872	(513)

- The under spend on the Flower Court Extension is due to delays in the procurement and tender process as a result of the Coronavirus pandemic which resulted in the works not commencing until October 2022. With the commencement of this work, it was decided to postpone the start of the Chapel of Remembrance and the Groundworks paths projects until 2023-24. Both projects are included in the Capital Budget for 2023-24 (see Table 4).
- Income is less than budgeted by £55,000. This is as a result of a decrease in the number of cremations following the Coronavirus pandemic and the requirement to use the small chapel whilst capital works take place on the flower court extension.

2023-24 Proposed Budget

4.3 Table 3 below shows the proposed revenue budget for 2023-24.

Table 3 – Proposed Budget 2023-24

Category	Budget 2023-24 £'000
<u>Expenditure</u>	
Employees	407
Premises	440
Supplies, Services & Transport	229
Agency / Contractors	113
Administration	40
Capital Financing Costs	513
Gross Expenditure	1,742
<u>Income</u>	
Fees & Charges	(1,625)
Grants	(14)
Contribution from BCBC	(32)
Gross Income	(1,671)
Net (Surplus)/Deficit	71
Transfer to/(from) Reserves	(71)

4.4 All 2022-23 non-employee budgets have been reviewed and any necessary adjustments made to meet anticipated expenditure for 2023-24.

4.5 Employee budgets have been adjusted to reflect salary increments although no allowance has been made for a pay award in 2023-24.

4.6 The Business Plan for 2023-24 includes a budget requirement of £513,000 to meet Planned Capital Maintenance expenditure itemised in the table below:

Table 4 – Planned Capital Maintenance Spending Requirements

2023-24	£'000
Flower Court Extension	403
Groundworks (Additional Paths)	100
Chapel Refurbishment	10
Total	513

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

Fees and Charges

- 4.7 Fees and charges are reviewed in line with Bridgend County Borough Council fees and charges policy, and are increased by the Consumer Price Index as at December prior to the start of the financial year. The general increase applied for 2023-24 is 10.5%. However, the fee increases for memorial services fall outside of this as they are currently substantially below that charged at other crematoria, at £82.10. It is therefore proposed that the fee is increased to £220 (Weekday).
- 4.8 Income budgets have also been prepared based on a decrease in the levels of activity experienced over the last two years because of the Coronavirus pandemic and the number of cremations currently timetabled whilst capital works are completed. The 2023-24 proposed fees table is attached at **Appendix 1**.

Accumulated Balance

- 4.9 The effect on the accumulated balance of the proposed budget for 2023-24 is shown in Table 5 below:

Table 5 – Impact on Accumulated Balance of Proposed Budget 2023-24

Accumulated Balance	£000
Balance as at 31 March 2022	(3,180)
Projected Transfer from Reserves	391
Projected Balance as at 31 March 2023	(2,789)
Projected Transfer from Reserves 2023-24	71
Projected Balance as at 31 March 2024	(2,718)

- 4.10 It is projected that as at 31 March 2024, there will be an accumulated balance of £2.718 million. The balance of reserves as at 31 March 2023 is considered a sufficient level to maintain and protect the service in light of unknown demands or emergencies.

Capital Expenditure 2023-24

- 4.11 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2023-24. Items of a capital nature for 2023-24 in paragraph 4.6, Table 4 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. Well-being 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 of this report will assist in the short-term planning for the long-term operation of the crematorium.
- **Prevention:** the consideration and approval of this report will assist in the planning of capital expenditure and funding 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 spend 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 2022-23.
- (b) Confirm and approve the revenue budget to be adopted for 2023-24.
- (c) Approve the increase in fees and charges with effect from 1 April 2023 outlined in **Appendix 1**.

**CARYS LORD
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BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
3 MARCH 2023**

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Background documents: None