

Meeting of:	COYCHURCH CREMATORIUM JOINT COMMITTEE
Date of Meeting:	1 MARCH 2024
Report Title:	FINANCIAL PERFORMANCE 2023-24 AND PROPOSED REVENUE BUDGET 2024-25
Report Owner / Corporate Director:	TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE
Responsible Officer:	DEAN JONES ACCOUNTANT - FINANCIAL CONTROL AND CLOSING
Policy Framework and Procedure Rules:	There is no impact on the policy framework or procedure rules
Executive Summary:	<ul style="list-style-type: none"> • The report outlines the projected Financial Performance for 2023-24 and the proposed revenue budget for 2024-25 for the Joint Committee. • The Financial Performance report shows current income and expenditure levels, and a projected budget deficit of £933,000 for 2023-24. This is due to additional unforeseen costs relating to the Flower Court Extension. • The proposed budget for 2024-25 is included for approval with a proposal for fees to remain at the same level as 2023-24, as shown in Appendix 1. • The Annual Accounting Statement for 2022-23 has been returned by Audit Wales with no amendments and is included as Appendix 2.

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 2023-24, and to obtain approval from the Joint Committee for the Proposed Budget and Fees and Charges for 2024-25 as set out in **Appendix 1**.

2. Background

- 2.1 The 2023-24 Revenue Budget was approved by the Joint Committee at its meeting on 3 March 2023. The current budget position and projected outturn for 2023-24 is shown in paragraph 3.1. The proposed budget for 2024-25 is set out in paragraph 3.3.
- 2.2 The Annual Return for 2022-23 was submitted to Audit Wales at the end of July 2023 which outlines a deficit of £361,665 for the year and an accumulated balance of £2,817,942 as at 31 March 2023.

Audit Wales has now confirmed that the Return has been audited with no amendments required. The Annual Return for 2022-23, signed by Audit Wales, is attached at **Appendix 2**.

3. Current situation / proposal

Projected Revenue Outturn 2023-24

- 3.1 Table 1 below shows the financial position as at 31 January 2024 and the projected outturn for 2023-24.

Table 1- Comparison of Budget against Projected Spend as at 31 January 2024

Budget	Category	*Adjusted Actual	Projected Outturn	Projected Over (Under) Spend
2023-24		01/04/23 to 31/01/24	2023-24	2023-24
£'000		£'000	£'000	£'000
407	Employees	339	392	(15)
440	Premises	286	406	(34)
229	Supplies, Services & Transport	161	230	1
113	Agency / Contractors	85	113	0
40	Administration	33	40	0
513	Capital Financing Costs	812	923	410
1,742	Gross Expenditure	1,716	2,104	362
(1,625)	Fees & Charges	(816)	(1,123)	502
(14)	WG Grants	(7)	(14)	0
(32)	BCBC Contribution	(27)	(34)	(2)
(1671)	Gross Income	(850)	(1171)	500
71	(Surplus)/Deficit	866	933	862
(71)	Transfer to/(from) Reserve	(866)	(933)	

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

3.2 When the budget was set there was an anticipated budget deficit of £71,000. The projected outturn as at the end of January is a deficit of £933,000 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 projected underspend of £15,000 on Employees is due to a number of vacant posts.
- The projected underspend of £34,000 on Premises is made up of underspends on planned maintenance (£100,000), day to day maintenance (£10,000) and water (£2,000). This is offset by overspends on gas (£45,000), electric (£22,000), business rates (£7,000), cyclical maintenance (£3,000) and maintenance of grounds (£1,000).
- The projected overspend of £1,000 on Supplies, Services & Transport is made up of an overspend on purchase of equipment (£5,000). This is offset by underspends on cleaning materials (£2,000) and printing (£2,000).
- Table 2 below shows a breakdown of the Planned Capital Maintenance budget along with the projected outturn and variances for 2023-24.

Table 2 – Planned Capital Maintenance 2023-24

	Budget 2023-24 £'000	Projected Outturn £'000	Projected Variance £'000
Flower Court Extension	403	873	470
Groundworks - Paths	100	50	(50)
Chapel Refurbishment	10	0	(10)
Total	513	923	410

- The overspend on the Flower Court extension is due to additional unforeseen works, including groundwork and drainage alterations, replacement of utility pipes, CCTV cabling and alterations to some materials used. Repair work and improvements to the existing adjoining building were also required to comply with safety requirements.
- The underspend on Groundworks - Paths is due to accessibility and logistics on site whilst the Flower Court Extension was being completed. Works to paths will continue into 2024-25 and is included in the Capital budget for 2024-25 shown in Table 4 below.
- Capital works for the Chapel of Remembrance will no longer go ahead, instead, over £11,000 has been spent from the revenue maintenance budget on various chapel refurbishments.
- Income is projected to be £500,000 less than budget. The small chapel was used whilst capital works took place on the Flower Court Extension. This resulted in a decrease in the number of cremations due to the size and accessibility of the chapel.

2024-25 Proposed Budget

3.3 Table 3 below shows the proposed revenue budget for 2024-25.

Table 3 – Proposed Budget 2024-25

Category	Budget 2024-25 £'000
<u>Expenditure</u>	
Employees	389
Premises	528
Supplies, Services & Transport	257
Agency / Contractors	113
Administration	53
Capital Financing Costs	75
Gross Expenditure	1,415
<u>Income</u>	
Fees & Charges	(1,623)
Grants	(14)
Contribution from BCBC	(34)
Gross Income	(1,671)
Net (Surplus)/Deficit	(256)
Transfer to/(from) Reserves	256

- 3.4 All 2023-24 non-employee budgets have been reviewed and any necessary adjustments made to meet anticipated expenditure for 2024-25.
- 3.5 Employee budgets have been adjusted to reflect salary increments although no allowance has yet been made for a pay award in 2024-25. When pay awards are agreed it is anticipated that funding for these will be drawn down from the accumulated balance for the Joint Committee.
- 3.6 The Business Plan for 2024-25 includes a budget requirement of £75,000 to meet Planned Capital Maintenance expenditure itemised in the table below:

Table 4 – Planned Capital Maintenance Spending Requirements

2024-25	£'000
Flower Court Extension - Retention	25
Groundworks - Paths	50
Total	75

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

Fees and Charges

- 3.7 Fees and charges are reviewed in line with Bridgend County Borough Council's Fees and Charges Policy and are usually increased by the Consumer Price Index (CPI) as at December prior to the start of the financial year. CPI for December 2023 was 4%, however, the fee increases in recent years have meant that current fees are substantially higher than those charged at neighbouring crematoria. It is therefore proposed that there is no increase to fees for the 2024-25 financial year.
- 3.8 Income budgets have been prepared based on normal levels of activity. Two new fees have been introduced for the use of the pipe organ and a visual tribute request within 24 hours of funeral service. The 2024-25 proposed fees table is attached at **Appendix 1**.

Accumulated Balance

- 3.9 The effect on the accumulated balance of the proposed budget for 2024-25 is shown in Table 5 below:

Table 5 – Impact on Accumulated Balance of Proposed Budget 2024-25

Accumulated Balance	£000
Balance as at 31 March 2023	(2,818)
Projected Transfer from Reserves	933
Projected Balance as at 31 March 2024	(1,885)
Projected Transfer to Reserves 2024-25	(256)
Projected Balance as at 31 March 2025	(2,141)

- 3.10 It is projected that as at 31 March 2025, there will be an accumulated balance of £2.141 million. The balance of reserves as at 31 March 2024 is considered a sufficient level to maintain and protect the service in light of any pay awards agreed and other unknown demands or emergencies.

Capital Expenditure 2024-25

- 3.11 Capital expenditure will not require any loan charge or contribution from constituent authorities in 2024-25. Items of a capital nature for 2024-25 in paragraph 3.6, Table 4, will be directly funded from revenue contributions and the accumulated surplus from previous years.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 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.

5. **Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 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 for the long-term operation of the crematorium.
- **Prevention:** the consideration and approval of this report will assist in the planning of 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 and certify the Financial Performance 2023-24 and proposed revenue budget for 2024-25.

6. **Climate Change Implications**

6.1 There are no Climate Change implications arising from this report.

7. **Safeguarding and Corporate Parent Implications**

7.1 There are no Safeguarding and Corporate Parent implications arising from this report.

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 2023-24.

(b) Confirm and approve the revenue budget for 2024-25.

(c) Approve no increase in fees and charges with effect from 1 April 2024 as outlined in **Appendix 1**.

Background documents: None