

LLWYDCOED CREMATORIUM JOINT COMMITTEE

15th March 2022

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2021/22 AND DRAFT REVENUE ESTIMATES FOR 2022/23

1.0 PURPOSE OF THE REPORT

1.1 This report provides members with an update on the 2021/22 Budget Monitoring position and the Draft Revenue Estimates for 2022/23.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- Members note the report
- Members note the 2021/22 Budget Monitoring position (Appendix 1)
- Members approve the Draft Revenue Estimates for 2022/23 (Appendix 1)

3.0. BUDGET MONITORING REPORT 2021/22

3.1 Appendix 1 gives details of the approved budget, actual expenditure to 28th February 2022 and projected outturn figures for 2021/22.

3.2 **Expenditure for 2021/22 is projected to be £980,124 against a budget of £978,000 – a projected overspend of £2,124.**

3.3 The main expenditure variances are as follows: -

- Employees - £9,444 projected underspend due to temporary staff vacancies.
- Transport - £4,252 projected overspend due to the purchase of additional Salt Spreader.
- Supplies & Services - £7,214 projected overspend due to the increased use of the live streaming facility of the Wesley music system, partly off-set by projected underspends within Office Expenses and Medical Expenses.

3.4 **Operating income for 2021/22 is projected to be £921,785 against a budget of £1,147,890, showing a shortfall of income of £226,105.**

3.5 Projections for cremation fees have been made based on actuals to date and an estimated number of cremations for March.

3.6 Summary position for 2021-22

| | |
|--|---------------------------|
| | £ |
| General reserves brought forward 1st April 2021 | (1,477,782) |
| Projected Net Revenue contribution to reserves in 2021/22 (including interest received on balances) | (295,161) |
| Redistribution of General Reserve | <u>350,000</u> |
| Projected General Reserves 31st March 2022 | <u>(1,422,943)</u> |

3.7 The operating environment during 2021/22 has been unprecedented as wider society and the Service continue to recover from the Covid-19 pandemic. This has impacted on income levels during the period, with robust monitoring arrangements in place to assess on-going impact (including the level of General Reserves) and report updates to the Joint Committee in 2022/23.

4.0 DRAFT REVENUE ESTIMATES 2022/23

4.1 The Draft Revenue Estimates 2022/23 are also shown in Appendix 1.

4.2 **Proposed operational expenditure is £1,027,610 compared with an approved budget of £978,000 in 2021/22.**

- **Employees budget £260,770** - this provides for a full establishment for the full year. It also includes a budget to cover the gardening and grass cutting function.
- **Premises budget £206,100** – the budget includes the cost of cremator maintenance.
- **Transport budget £1,000**
- **Supplies & Services budget £83,050**
- **Central Support Budget £126,690** – includes management and administration support costs based on current time apportionment.
- **Redistribution of General Reserve £350,000**

4.3 **Proposed operational income is £1,176,020 compared with an approved budget of £1,147,890 in 2021/22** – the budget is based on estimated levels of activity for a standard year and the in-year impact of Covid-19 in 2021/22, as set out in paragraph 3.7, has not been incorporated into the proposed 2022/23 budget.

5.0 SUMMARY

- 5.1 The Budget Monitoring position will be dependent upon the final 2021/22 position and any further capital expenditure to be incurred to the year-end 31st March 2022.
- 5.2 The Draft Revenue Estimates 2022/23 propose an operating surplus of £498,410. With anticipated investment income of £3,500.
- 5.3 It was agreed at the Joint Committee meeting of 10th December 2019 that there would be an £350,000 Annual Redistribution of the General Reserve to the respective Authorities.
- 5.4 The net contribution to reserves in 2022/23 is estimated at £151,910.
- 5.5 Based on the 2021/22 Budget Monitoring Report and the Draft Revenue Estimates 2022/23 the estimated General Reserve Balance at the end of 2022/23 would be **£1,574,853**. Although at this stage this does not take into account any capital works that may be identified to be undertaken during 2022/23.
- 5.6 The General Reserves are required to fund further capital expenditure as part of the ongoing delivery of the service and the projected position is considered to be at a prudent level as at 31st March 2022.
- 5.7 The level of General Reserve will be monitored closely as part of the robust budget monitoring arrangements in place and updates will be reported to the Joint Committee at appropriate intervals during 2022/23.

LOCAL GOVERNMENT ACT 1972

As amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LLWYDCOED CREMATORIUM JOINT COMMITTEE

15th March 2022

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Item 1 - Budget Monitoring Report 2021/22
& Draft Revenue Estimates 2022/23

Contact Officer

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