

LLWYDCOED CREMATORIUM JOINT COMMITTEE

21st March 2023

REPORT OF THE TREASURER

MATTERS REPORTED FOR DECISION

BUDGET MONITORING REPORT FOR 2022/23 AND DRAFT REVENUE ESTIMATES FOR 2023/24

1.0 PURPOSE OF THE REPORT

1.1 This report provides Members with an update on the 2022/23 Budget Monitoring position and the Draft Revenue Estimates for 2023/24.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- Members note the report;
- Members note the 2022/23 Budget Monitoring position (Appendix 1); and
- Members approve the Draft Revenue Estimates for 2023/24 (Appendix 1).

3.0. BUDGET MONITORING REPORT 2022/23

3.1 Appendix 1 gives details of the approved budget, actual expenditure to 28th February 2023 and projected outturn figures for 2022/23.

3.2 **Expenditure for 2022/23 is projected to be £742,276 against a budget of £676,910 – a projected overspend of £65,366.**

3.3 The main expenditure variances are as follows: -

- Employees - £16,745 projected overspend due to the retention of an agency staff member and the impact of the agreed 2022/23 pay award.
- Premises - £17,487 projected overspend due to higher utility costs and Specialist Contractor costs.
- Central Support Costs - £26,504 projected overspend to reflect the in-year level of support provided and also the impact of the agreed 2022/23 pay award.

3.4 **Operating income for 2022/23 is projected to be £1,082,053 against a budget of £1,176,020, showing a shortfall of income of £93,967.**

3.5 Projections for cremation fees have been made based on actuals to date and an estimated number of cremations for the remainder of the financial year and will be monitored closely through to year-end.

3.6 **Investment costs (one-off) identified to date are projected to be £154,549 across the following areas:**

- £53,594 - Furniture/curtains for both chapels
- £23,800 - Redecoration of interior of all chapels
- £46,800 - Redecoration of all upper external walls
- £23,360 - ID Fan (avoids release of toxins into the environment)
- £6,995 - Flooring Replacement

3.7 **Summary position for 2022-23**

| | £ |
|---|-------------------------|
| General reserves brought forward 1st April 2022 | 1,488,589 |
| Projected Net Revenue contribution to reserves in 2022/23 | 340,977 |
| Investment Costs | -154,549 |
| Redistribution to Joint Authorities | <u>-350,000</u> |
| Projected General Reserves 31st March 2023 | <u>1,325,017</u> |

4.0 **DRAFT REVENUE ESTIMATES 2023/24**

4.1 The Draft Revenue Estimates 2023/24 are also shown in Appendix 1.

4.2 **Proposed operational expenditure is £868,170 compared with an approved budget of £676,910 in 2022/23.**

- **Employees budget £286,090** - this provides for a full establishment for the full year and a budgeted pay award for the 2023/24 financial year. It also includes a budget to cover the gardening and grass cutting function.
- **Premises budget £352,480** – the budget includes forecasted increases in gas and electricity charges and also the cost of cremator maintenance.
- **Transport budget £1,000**
- **Supplies & Services budget £101,910**
- **Central Support Budget £126,690** – includes management and administration support costs based on estimated time apportionment.

- 4.3 **Proposed operational income is £1,218,170 compared with an approved budget of £1,176,020 in 2022/23** – the budget is based on updated assumptions in respect of income levels taking account of the challenging operating environment in recent years.

5.0 **SUMMARY**

- 5.1 The Budget Monitoring position will be dependent upon the final 2022/23 position and any further capital expenditure to be incurred to the year-end 31st March 2023.
- 5.2 The Draft Revenue Estimates 2023/24 propose an operating surplus of £350,000. With anticipated investment income of £1,200.
- 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 2023/24 is estimated at £1,200 and takes into account significant increases in utility costs and updated assumptions in respect of income levels having regard to the challenging operating environment in recent years. This will be kept under on-going review during the year as part of ensuring a sustained contribution to reserves over the long term.
- 5.5 Based on the 2022/23 Budget Monitoring Report and the Draft Revenue Estimates 2023/24 the estimated General Reserve Balance at the end of 2023/24 would be **£1,326,217**. Although at this stage this does not consider any capital works that may be identified to be undertaken during 2023/24.
- 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 2023.
- 5.7 The level of General Reserves 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 2023/24.

LOCAL GOVERNMENT ACT 1972

As amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LLWYDCOED CREMATORIUM JOINT COMMITTEE

21st March 2022

Report of the Treasurer to Llwydcoed Crematorium

LIST OF BACKGROUND PAPERS

Ref:

Item 1 - Budget Monitoring Report 2022/23
& Draft Revenue Estimates 2023/24

Contact Officer

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