

For publication

Budget Monitoring Period 10

Meeting: Chesterfield and District Joint Crematorium
Committee

Date: 13 March, 2018

Report by: Bereavement Services Manager, Clerk, Treasurer

For publication

1.0 Purpose of report

1.1 To report the budget monitoring position as at the end of January 2018.

2.0 Recommendations

2.1 That the report be noted.

2.2 That the Joint Board approve transferring an additional amount to the Cremator Repairs Reserve at the discretion of the Treasurer, subject to it exceeding its original budgeted surplus.

3.0 Period 10 budget monitoring

3.1 The original budget was approved on the 12th December 2016 and revised at the 18th December 2017 meeting. Appendix A shows the Budget Monitoring for Period 10.

There is currently a favourable profiled variance of £170,106, Details of the variances from the profiled budgets are shown below:

- **Employee costs** are under profile by £8,878 this consists of:
 - Salary costs are under spent by £9,881 due to fact that salary savings made earlier in the year have been retained to provide staff cover for sickness have not yet been fully spent
 - Recruitment expenses – over spend of £1,209
 - Minor items - £206 under spend

- **Premises costs** are under profile by £50,182 this consists of:
 - Service improvement plan (not commenced/completed) – under spend £21,495 (i.e. waste conveyor, memorialisation of rose beds, public toilets, paths and Book of Remembrance Room)
 - New signage – under spend £552
 - Vehicle damage to buildings – over spend £ 3,992 which will be reclaimed through an insurance claim
 - General routine repairs – over spend £1,023
 - Cremator repairs - under spend £18,979 (see para 3.2 below)
 - General grounds maintenance – under spend of £4,812
 - Utilities – under spend £7,091
 - Minor miscellaneous items – under spend £2,268.

- **Transport** costs are under profile by £1,748, mainly on car allowances and fuel for machinery.

- **Supplies & Services** costs are under profile by £21,381, this consists of:
 - Medical Referees & Organist Fees – over spent by £1,066
 - Service improvement plan – under spend £2,083 due to project to improve Mess Room not yet commencing
 - Purchases of memorials – under spend £2,084
 - Professional fees for setting up newco – under spend £8,575
 - Other professional fees – under spend £991
 - Printing & stationery – under spend £1,767
 - Books & publications – under spend £1,947
 - General Supplies & Services – underspend of £5,000 in other areas.

- **Contracted Services** are over profile by £81.

- **Income** is over profile by £87,998, this consists of:
 - Cremation fees (inc. Medical Referees & Mercury Abatement) – over profile by £92,168, this is due to an increase of approximately 146 more cremations than the 1,462 budgeted for at this stage.
 - CAMEO - £855 more received than budgeted for.
 - All Memorial Income – under profile by £3,057
 - Organist fees – under profile by £1,441 but is offset by reduced payments to organists
 - Other Income – under profile by £527.

3.2 The Bereavement Services Manager has just obtained an initial quotation of £39k for the hearth re-line of cremator no.1. In the original budget this work was estimated as revenue spend of £12k. The reline of the cremators will be done to a higher specification than originally planned, which will result in longevity of the reline. This Cremator is the oversized cremator and therefore the more expensive to reline. The original estimate was more suited for a hearth reline rather than full reline which has been advised by the manufacturer. In the view of the Bereavement Services Manager the other two cremators will also require re-lines within the next year or two which will incur a similar expenditure. This work will now be funded from the Cremator Repairs Reserve which currently has a balance of £106k.

As reported at the December meeting the Manager is currently reviewing maintenance options with the contractor. However, as the potential full cost of re-lining the three cremators is being finalised and the Crematorium is looking as if it will exceed its income target this year, it is viewed that it would be prudent to use some of the additional surplus to top up the reserve at year-end if required, rather than distribute it to the three constituent Authorities.

3.3 In conclusion at this stage it is anticipated that the bottom line outturn for the year will come in significantly above the original budget.

4.0 Recommendations

4.1 That the report be noted.

4.2 That the Joint Board approve transferring an additional amount to the Cremator Repairs Reserve at the discretion of the Treasurer, subject to it exceeding its original budgeted surplus.

5.0 Reason for recommendations

5.1 To keep the Joint Committee informed about the financial performance of the Crematorium.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	To provide value for money services

Document information

Report author	Contact number/email
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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Annexes to the report	
Annexe A	Budget monitoring report to period 10