



Report to: **Mansfield and District Joint Crematorium Committee**

Date: 3 October 2022

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Report Summary	
<b>Type of report</b>	Open Report
<b>Report Title</b>	Financial Management Review April-July 2022
<b>Purpose of Report</b>	This report shows the forecasted year end position for the 2022/2023 financial year for the Mansfield Crematorium as at 31 July 2022
<b>Recommendations</b>	1. The financial information provided in appendix 1, table 1 and table 2 is for noting only.

## 1.0 **Background**

1.1 Summary forecast financial position as at 31 July 2022 for revenue and capital budgets, see appendix 1.

Table 1 below summarises the income and expenditure incurred to 31 July 2022 and the variances to revised budgets expected at the financial year end. Further explanations are provided below where there are significant variances between the forecasted out-turn position and the revised budgets.

**Table 1**

<b>CREMATORIUM REVENUE</b>	<b>FULL YEAR</b>				<b>1 April 2022 to 31 July 2022</b>
Description	Original Budget	Revised Budget	Forecast	Variance - Forecast to Revised Budget	Actuals
Employee Costs	424,241	424,241	423,726	-515	117,215
Premises Related Expenses	369,305	369,305	378,104	8,799	143,822
Transport Related Expenditure	200	200	200	0	0
Supplies and Services	207,589	207,589	207,589	0	28,874
Support Services	65,343	65,343	67,357	2,014	60,572
Depreciation & Impairment	126,271	126,271	126,271	0	0
<b>Revenue Gross Expenditure</b>	<b>1,192,949</b>	<b>1,192,949</b>	<b>1,203,247</b>	<b>10,298</b>	<b>350,483</b>
Revenue Income	-1,963,950	-1,963,950	-1,966,235	-2,285	-648,681
<b>Income</b>	<b>-1,963,950</b>	<b>-1,963,950</b>	<b>-1,966,235</b>	<b>-2,285</b>	<b>-648,681</b>
Recharge to Cemeteries	-29,051	-29,051	-29,051	0	0
<b>Income Recharges</b>	<b>-29,051</b>	<b>-29,051</b>	<b>-29,051</b>	<b>0</b>	<b>0</b>
<b>Revenue Gross Income</b>	<b>-1,993,001</b>	<b>-1,993,001</b>	<b>-1,995,286</b>	<b>-2,285</b>	<b>-648,681</b>
<b>Net Cost of Service</b>	<b>-800,052</b>	<b>-800,052</b>	<b>-792,039</b>	<b>8,013</b>	<b>-298,198</b>
Depreciation to be Reversed	-126,271	-126,271	-126,271	0	0
Contribution to Capital Fund	51,323	51,323	51,323	0	0
<b>Below Net Cost of Service</b>	<b>-74,948</b>	<b>-74,948</b>	<b>-74,948</b>	<b>0</b>	<b>0</b>
<b>Net (-) Surplus</b>	<b>-875,000</b>	<b>-875,000</b>	<b>-866,987</b>	<b>8,013</b>	<b>-298,198</b>
<b>CREMATORIUM CAPITAL</b>	<b>FULL YEAR</b>				<b>1 April 2022 to 31 July 2022</b>
Description	Original Budget	Revised Budget	Forecast	Variance - Forecast to Revised Budget	Actuals
Mercury Abatement Equipment - to be recoded to Revenue Aug 22	0	0	0	0	843
Capital Unallocated - Original budget for new crematorium	4,676,286	4,676,286	0	-4,676,286	0
New Water Main	30,000	30,000	30,000	0	969
Fire Doors and Works	35,000	35,000	35,000	0	1,143
New Development Crematorium	0	0	50,000	50,000	6,896
Mezzanine Works	25,000	25,000	25,000	0	1,091
Flue Ways Works	40,000	40,000	40,000	0	0
<b>Capital Gross Expenditure</b>	<b>4,806,286</b>	<b>4,806,286</b>	<b>180,000</b>	<b>-4,626,286</b>	<b>10,942</b>

1.1.1 Employee Expenses total forecasted variance (£515).

The original salary budgets for 2022/2023 included the crematorium manager post at a grade 7.4, however the post was regraded to a grade 8, with the current crematorium manager being appointed in May 2022 on grade 8.1. The additional grade costs for 2022/2023 will be offset by the vacancy saving for this post in April 2022. This regrading increase will need to be incorporated into future budget setting reports.

The crematorium manager will be undertaking training with the Institute of Cemetery and Crematorium Management (ICCM), which has been estimated at £4,440. The costs for this training will be spread over 2 financial years with 2022/2023 at £1,968 and 2023/2024 at £2,472.

There have been other staff movements within the administration area resulting in 2 posts having short term vacancy savings during the recruitment process.

The crematorium manager is reviewing the overtime requirements for the service and has increased the forecast from £15,000 to £20,000 this financial year.

#### 1.1.2 Premises Expenses total forecasted variance £8,799.

The forecast for gas has been increased based on the most recent monthly invoice. Both gas and electricity costs will be closely monitored.

The invoice for business rates was £2,139 lower than budget.

Also the MDC Property Services team have been working with their ratings advisors to reduce the rateable value of the crematorium site and have advised that a saving of approximately £5,000 per annum has been achieved. Once the details of the reduction and back-date period have been confirmed by the Valuation Agency Office, then the reduction will be applied to the accounts and reported to the JCC.

#### 1.1.3 Support Services total forecasted variance £2,014.

Works have been undertaken by MDC Electricians Service between April and July 2022.

#### 1.1.4 Income total forecasted variance (£2,285).

Grant income payments have been received from the Children's Funeral Fund to cover the cost of child cremations.

#### 1.1.5 Capital

At the May 2022 JCC meeting members approved that £130,000 unused capital budget from 2021/2022 could be carried forward into 2022/2023 and allocated to four projects:-

New Water Main	£30,000
Fire Doors & Works	£35,000
Mezzanine Works	£25,000
Flue Ways Works	£40,000

As at the end of July the only costs incurred to date on these four schemes are MDC Design Services team fees and some external survey works.

There is a recharge from MDC Design Services team that has been applied to the Capital Mercury Abatement Equipment cost centre. The contract for this project was terminated last year and the works relate mainly to ongoing protected species roof works, so the £843 charged will be moved in August 2022 to the main revenue cost centre.

Also included in the Capital Budgets for 2022/2023 is the Capital Unallocated budget which is the original budget for the new crematorium of £4,676,286. It is forecast that only £50,000 of the full budget will be required in 2022/2023 for feasibility, topographical and concept design studies, with the remaining budget being carried forward into 2023/2024. Once the full specification for the scheme has been drawn up and approved the budget for this project can be realigned to reflect the costs per annum for the term of the development. A further report will be required with recommendations regarding the borrowing requirements and use of usable reserves to finance this scheme.

1.1.6 Balance Sheet Review – table 2 below shows the balance sheet as at 31 July 2022.

**Table 2**

<b>Mansfield &amp; District Joint Crematorium</b>		
<b>Balance Sheet as at 31 July 2022</b>		
31 March 2022		31 July 2022
£		£
1,913,710	Property, Plant & Equipment	1,924,653
<b>1,913,710</b>	<b>Long Term Assets</b>	<b>1,924,653</b>
416,990	Short Term Debtors	263,414
-88,222	Provisions	-88,222
1,708,678	Cash and Cash Equivalents	1,240,673
<b>2,037,446</b>	<b>Current Assets</b>	<b>1,415,865</b>
-897,896	Short Term Creditors	0
<b>-897,896</b>	<b>Current Liabilities</b>	<b>0</b>
-1,546,000	Net Pension Liability	-1,546,000
<b>-1,546,000</b>	<b>Long Term Liabilities</b>	<b>-1,546,000</b>
<b>1,507,261</b>	<b>Net Assets</b>	<b>1,794,518</b>
	<b>Financed by:</b>	
606,781	Capital Fund	595,839
0	Surplus/(deficit) in year	298,198
548,921	General Reserve	548,921
<b>1,155,702</b>	<b>Usable Reserves</b>	<b>1,442,958</b>
405,729	Revaluation Reserve	405,729
1,507,981	Capital Adjustment Accounts	1,507,982
-1,562,152	Pension Reserve	-1,562,151
<b>£351,558</b>	<b>Unusable Reserves</b>	<b>351,560</b>
<b>1,507,261</b>	<b>Total Reserves</b>	<b>1,794,518</b>

Property, plant & equipment – transactions for depreciation and any changes in the re-valuation of the crematorium assets will be calculated before the financial year end.

Short term debtors – the total outstanding debtors at 31 July 2022 was £263,414. Table 3 below breaks down the value outstanding per period.

**Table 3**

<b>Aged Debtor Summary as at 31 July 2022</b>	
<b>Period Invoice Raised</b>	<b>Amount Outstanding</b>
Pre 31 March 2020	£3,934
2020-21 Financial Year	£13,098
2021-22 Financial Year	£28,292
April 2022	£16,824
May 2022	£21,977
June 2022	£70,233
July 2022	£109,056
<b>TOTAL</b>	<b>£263,414</b>

Provisions – at the financial year end the value required for this provision will be recalculated based on the age and value of outstanding debtor invoices as at 31 March 2023.

Cash and cash equivalents – the main changes relate to the payment of the 2021/2022 allocated surplus to each authority, accrued creditor payments to suppliers and the revenue surplus calculated up to 31 July 2022 in the revenue accounts.

Net pension liabilities – this figure will remain unchanged until the actuary report is received at the financial year end advising of the changes to the value of the JCC pension scheme.

Capital fund – the capital fund is a usable reserve and the brought forward balance as at 1 April 2022 was £606,781, as shown below in table 4. This brought forward balance includes £130,000 that was approved for four capital schemes in 2022/2023, as detailed in 1.1.5 above. It is forecast that only £50,000 of the new crematorium development project will be required in the current financial year. The current capital expenditure total at 31 July 2022 is £10,942, see appendix 1. The capital fund will be partly used to finance the new development crematorium project costs. A revenue contribution will be made at the financial year end to transfer £51,323 into the capital fund.

**Table 4**

<b>Capital Fund Balance Brought Forward 1 April 2022</b>		<b>£606,781</b>
<b>Less current capital expenditure as at 31 July 2022:</b>		
Mercury Abatement Equipment - to be recoded to revenue August 2022	843	
New Water Main expenditure	£969	
Fire Doors & Associated Works expenditure	£1,143	
Mezzanine Works expenditure	£1,091	
New Development Crematorium expenditure	£6,896	
	<b>£10,942</b>	
<b>Capital Fund Balance as at 31 July 2022</b>		<b>£595,839</b>
<b>Less forecasted capital expenditure to 31 March 2023:</b>		
New Water Main budget balance	£29,031	
Fire Doors & Associated Works budget balance	£33,857	
Mezzanine Works budget balance	£23,909	
Flue Ways Works budget balance	£40,000	
New Development Crematorium estimate 2022/2023 only	£43,104	
		<b>£169,901</b>
<b>Add:</b>		
<b>Revenue Contribution to Capital Fund 2022/2023</b>		<b>£51,323</b>
<b>Capital Fund Forecasted Balance as at 31 March 2023 (Surplus/-Deficit)</b>		<b>£477,261</b>

General reserves – the general reserve is a usable reserve and the brought forward balance as at 1 April 2022 was £548,921 as shown in table 5 below. The general reserves may be partly used to finance the new development crematorium project costs.

**Table 5**

<b>General Reserves Balance Brought Forward 1 April 2022</b>	<b>£548,921</b>
<b>General Reserves Forecasted Balance as at 31 March 2023 (Surplus/-Deficit)</b>	<b>£548,921</b>

Revaluation reserve – this reserve will remain unchanged until the end of the current financial year.

Capital adjustment account – this account will remain unchanged until the end of the current financial year.

Pension reserve – this reserve will remain unchanged until the actuary report is received at the financial year end advising of the changes to the value of the JCC pension scheme.

#### 1.1.7 Forecast surplus for 2022/2023 as at 31 July 2022.

The position at 31 July 2022 is a surplus of £298,198, see appendix 1.

The year-end forecast position to 31 March 2023 is a surplus of £866,987 compared to the revised budget surplus of £875,000, which is a decrease in surplus of £8,013.

Table 6 below shows the forecast surplus payments to each authority based on the revised budget surplus and the usage to date by area as at 31 July 2022.

**Table 6**

<b>District</b>	<b>April - July 2022 Number of Cremations</b>	<b>April - July 2022 Usage Percentage</b>	<b>Forecast Budget Surplus £866,987 split</b>
Ashfield	264	42.31%	£366,802
Mansfield	319	51.12%	£443,219
Newark & Sherwood	41	6.57%	£56,965
<b>TOTAL</b>	<b>624</b>	<b>100.00%</b>	<b>£866,987</b>

## **2. Proposals**

To receive and comment upon the Financial Management Review Report April-July 2022 and note its content.

## **3. Implications**

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

**NIL**

					Appendix 1
REVENUE CREMATORIUM	Full Year				1 April 2022 to 31 July 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Salaries Basic Pay	308,386	308,386	291,000	-17,386	90,172
Salaries Overtime	15,000	15,000	20,000	5,000	11,741
Salaries National Insurance	26,827	26,827	29,350	2,523	9,456
Salaries Superannuation	60,135	60,135	65,550	5,415	20,591
Salaries Vacancy Savings	-5,930	-5,930	-5,930	0	0
Superann Additional Allowances	1,315	1,315	1,315	0	-197
Pension Deficit Lump Sum	16,151	16,151	16,151	0	-16,151
Advertising Appointments	0	0	410	410	410
Training Expenses Miles	0	0	90	90	90
Training Expenses Staff	600	600	4,033	3,433	1,103
Apprenticeship Levy	1,757	1,757	1,757	0	0
<b>Employee Related Expenditure</b>	<b>424,241</b>	<b>424,241</b>	<b>423,726</b>	<b>-515</b>	<b>117,215</b>
Repair/Maintenance Buildings	30,000	30,000	30,000	0	6,518
Grounds Maintenance General	17,500	17,500	17,500	0	856
EPA Testing	1,500	1,500	1,500	0	0
Repair/Maintenance Fixed Plant Cremators	102,000	102,000	102,000	0	10,413
Electricity	51,000	51,000	51,000	0	4,510
Gas	43,700	43,700	54,000	10,300	9,067
Rent of Premises	159	159	159	0	0
Business Rates	93,429	93,429	91,290	-2,139	91,290
Sewage/Water Rates	6,300	6,300	6,300	0	999
Insurance	19,007	19,007	19,645	638	19,645
Cleaning Materials	4,200	4,200	4,200	0	559
Legionella	510	510	510	0	-35
<b>Premises Related Expenditure</b>	<b>369,305</b>	<b>369,305</b>	<b>378,104</b>	<b>8,799</b>	<b>143,822</b>
Car Allowances	200	200	200	0	0
<b>Transport Related Expenditure</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>0</b>
Furniture Acquisitions	4,000	4,000	4,000	0	1,035
Light Plant and Tools	4,000	4,000	4,000	0	22
Material Purchases	5,500	5,500	5,500	0	1,530
Rodent Control	750	750	750	0	0
Office Machinery Replacement	1,000	1,000	1,000	0	0
Uniforms	3,000	3,000	3,000	0	1,079
Printing	2,000	2,000	2,000	0	0
Stationery	3,500	3,500	3,500	0	177
Advertising Other	1,500	1,500	1,500	0	0
Hired & Contracted Services (large coffins)	2,000	2,000	2,000	0	0
Waste Collection Skips	1,000	1,000	1,000	0	215
Medical Referee Fees	38,850	38,850	38,850	0	13,986
Payments to Local Authorities	7,007	7,007	7,007	0	115
Software Licences	10,078	10,078	10,078	0	0
Mobile Phones	320	320	320	0	0
Postages	2,000	2,000	2,000	0	500
Systems Software	300	300	300	0	0
Telephones	8,285	8,285	8,285	0	2,451
Webcasting Costs	15,000	15,000	15,000	0	-112
Conference Expenses	1,000	1,000	1,000	0	0
Subscriptions	1,400	1,400	1,400	0	310
Book of Remembrance Inscriptions	8,000	8,000	8,000	0	2,672
External Legal Expenses - valuation	1,500	1,500	1,500	0	0
Memorials	22,099	22,099	22,099	0	5,320
Other Expenses General	500	500	500	0	0
Temporary Memorials	0	0	0	0	-1,354
Organist Fees	3,000	3,000	3,000	0	928
CAMEO Non Abatement Fees	60,000	60,000	60,000	0	0
<b>Supplies &amp; Services Expenditure</b>	<b>207,589</b>	<b>207,589</b>	<b>207,589</b>	<b>0</b>	<b>28,874</b>



					Appendix 1
REVENUE CREMATORIUM	Full Year				1 April 2022 to 31 July 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Building Repairs	0	0	0	0	-248
Design Services	7,500	7,500	7,500	0	963
Trade Waste/Recycling	7,496	7,496	7,349	-147	7,349
Electricians Service	0	0	2,161	2,161	2,161
Central Corporate Overhead	50,347	50,347	50,347	0	50,347
<b>Support Services</b>	<b>65,343</b>	<b>65,343</b>	<b>67,357</b>	<b>2,014</b>	<b>60,572</b>
Depreciation	126,271	126,271	126,271	0	0
<b>Depreciation and Impairment</b>	<b>126,271</b>	<b>126,271</b>	<b>126,271</b>	<b>0</b>	<b>0</b>
<b>Revenue Gross Expenditure</b>	<b>1,192,949</b>	<b>1,192,949</b>	<b>1,203,247</b>	<b>10,298</b>	<b>350,483</b>
Grants Current Year - Childrens Funeral Fund	0	0	-2,285	-2,285	-2,285
Book of Remembrance Inscriptions	-20,000	-20,000	-20,000	0	-5,603
Charities Collection	0	0	0	0	-646
Crematorium Containers	-200	-200	-200	0	-16
Crematorium Memorials	-70,700	-70,700	-70,700	0	-33,939
Crematorium Memorial Tree Income	-4,000	-4,000	-4,000	0	0
Organist	-4,500	-4,500	-4,500	0	-1,152
Cremation Fees	-1,801,800	-1,801,800	-1,801,800	0	-585,431
Webcasting Fees	-22,500	-22,500	-22,500	0	-8,210
Medical Fees	-38,850	-38,850	-38,850	0	-12,839
Interest Income	-500	-500	-500	0	0
Admin Fee Public Health Funeral Administration	-900	-900	-900	0	1,440
<b>Income</b>	<b>-1,963,950</b>	<b>-1,963,950</b>	<b>-1,966,235</b>	<b>-2,285</b>	<b>-648,681</b>
Recharges to Cemeteries	-29,051	-29,051	-29,051	0	0
<b>Income Recharges</b>	<b>-29,051</b>	<b>-29,051</b>	<b>-29,051</b>	<b>0</b>	<b>0</b>
<b>Revenue Gross Income</b>	<b>-1,993,001</b>	<b>-1,993,001</b>	<b>-1,995,286</b>	<b>-2,285</b>	<b>-648,681</b>
<b>Net Cost of Service</b>	<b>-800,052</b>	<b>-800,052</b>	<b>-792,039</b>	<b>8,013</b>	<b>-298,198</b>
Depreciation to be Reversed	-126,271	-126,271	-126,271	0	0
Contribution to Capital Fund	51,323	51,323	51,323	0	0
<b>Below Net Cost of Service Sub Total</b>	<b>-74,948</b>	<b>-74,948</b>	<b>-74,948</b>	<b>0</b>	<b>0</b>
<b>Net Surplus</b>	<b>-875,000</b>	<b>-875,000</b>	<b>-866,987</b>	<b>8,013</b>	<b>-298,198</b>
CAPITAL CREMATORIUM	Full Year				1 April 2022 to 31 July 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Mercury Abatement Equipment - to be recoded to Revenue Aug 22	0	0	0	0	843
Capital Unallocated - Original budget for new crematorium	4,676,286	4,676,286	0	-4,676,286	0
New Water Main	30,000	30,000	30,000	0	969
Fire Doors and Works	35,000	35,000	35,000	0	1,143
New Development Crematorium	0	0	50,000	50,000	6,896
Mezzanine Works	25,000	25,000	25,000	0	1,091
Flue Ways Works	40,000	40,000	40,000	0	0
<b>Grand Total</b>	<b>4,806,286</b>	<b>4,806,286</b>	<b>180,000</b>	<b>-4,626,286</b>	<b>10,942</b>