



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

Date: 27 February 2023

Director Lead: Mansfield District Council, Dawn Edwards, Head of Finance.

Contact Details:- email dedwards@mansfield.gov.uk or tel. 01623 463015

Lead Officer: Mansfield District Council, Wendy Gregson, Senior Finance Advisor.

Contact Details:- email wgregson@mansfield.gov.uk or tel. 01623 463305

Report Summary	
Type of report	Open Report
Report Title	Financial Management Review April-December 2022
Purpose of Report	This report shows the forecasted year end position for the 2022/2023 financial year for the Mansfield Crematorium as at 31 December 2022
Recommendations	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 December 2022 for revenue and capital budgets, see appendix 1.

Table 1 below summarises the income and expenditure incurred to 31 December 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

CREMATORIUM REVENUE	FULL YEAR				1 April 2022 to 31 Dec 2022
Description	Original Budget	Revised Budget	Forecast	Variance - Forecast to Revised Budget	Actuals
Employee Costs	424,241	424,241	460,366	36,125	314,640
Premises Related Expenses	369,305	369,305	392,049	22,744	179,470
Transport Related Expenditure	200	200	0	-200	0
Supplies and Services	207,589	207,589	219,711	12,122	76,725
Support Services	65,343	65,343	70,573	5,230	68,486
Depreciation & Impairment	126,271	126,271	129,265	2,994	0
Revenue Gross Expenditure	1,192,949	1,192,949	1,271,964	79,015	639,321
Revenue Income	-1,963,950	-1,963,950	-2,065,828	-101,878	-1,487,130
Income	-1,963,950	-1,963,950	-2,065,828	-101,878	-1,487,130
Recharge to Cemeteries	-29,051	-29,051	-29,051	0	0
Income Recharges	-29,051	-29,051	-29,051	0	0
Revenue Gross Income	-1,993,001	-1,993,001	-2,094,879	-101,878	-1,487,130
Net Cost of Service	-800,052	-800,052	-822,915	-22,863	-847,809
Depreciation to be Reversed	-126,271	-126,271	-129,265	-2,994	0
Contribution to Capital Fund	51,323	51,323	51,323	0	0
Contribution to General Reserves Excess Surplus	0	0	25,857	25,857	0
Below Net Cost of Service	-74,948	-74,948	-52,085	22,863	0
Net (-) Surplus	-875,000	-875,000	-875,000	0	-847,809

CREMATORIUM CAPITAL	FULL YEAR				1 April 2022 to 31 Dec 2022
Description	Original Budget	Revised Budget	Forecast	Variance - Forecast to Revised Budget	Actuals
Capital Unallocated - Original budget for new crematorium	4,676,286	4,676,286	4,626,286	-50,000	0
New Water Main	30,000	30,000	30,000	0	1,785
Fire Doors and Works	35,000	35,000	35,000	0	2,816
New Development Crematorium	0	0	50,000	50,000	11,973
Mezzanine Works	25,000	25,000	25,000	0	17,832
Flue Ways Works	40,000	40,000	40,000	0	0
Capital Gross Expenditure	4,806,286	4,806,286	4,806,286	0	34,406

1.1.1 Employee Expenses total forecasted variance £36,125.

The crematorium manager is reviewing the overtime requirements for the service, during 2022-2023 the forecast has increased from £15,000 to £32,223. Also the approved pay-rise was £1,925 per full time employee rather than the budgeted 2% rise.

The original salary budgets for 2022/2023 included the crematorium manager post at a grade 7.4, but 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 has been incorporated into future budgets.

The training cost forecast have increased by £2,390 which includes year 1 of the crematorium manager's Institute of Cemetery and Crematorium Management (ICCM) qualification.

1.1.2 Premises Expenses total forecasted variance £22,744

The forecast for gas and electricity has increased by £41,685 for 2022/2023. This is based on forecast increases in energy costs. The actual costs for gas and electricity shown in Appendix 1 only include invoices to the end of October 2022. The significant price increases will come into effect from October 2022.

The invoice for business rates is £20,778 lower than budget.

This is as a result of the MDC Property Services team in conjunction with their ratings advisors being successful in reducing the rateable value of the crematorium site.

The Crematorium Manager has requested a forecast spend of £3,428 for special garden projects, this will be funded from the grant income received from the governments Children's Funeral Fund, as noted in 1.1.6 below.

1.1.3 Supplies and Services total forecasted variance £12,122.

The main increase is due to the use of other crematoria either due to cremator breakdown or to process coffins too large for the crematorium's cremators.

As detailed in the JCC – Ops Report February 2023, from the Crematorium Manager, a forecast for £1,135 has been included for defibrillator costs and £4,827 for lectern touch software have been included within the revenue budgets for the current financial year.

1.1.4 Support Services total forecasted variance £5,230.

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

1.1.5 Depreciation and Impairment forecast variance £2,994.

The forecast for depreciation has increased to include annual depreciation for a tractor purchased in September 2020.

1.1.6 Income total forecasted variance (£101,878).

Grant income payments have been received (£3,428) from the Children's Funeral Fund to cover the cost of child cremations. These funds will be used to finance special garden works in the children's garden.

Bank interest forecast has increased to (£16,000) due to higher interest rates and bank balances being higher in year due to no major spend expected on the capital new build development.

The estimated number of cremations used to calculate the cremation fee income for 2022/2023 was 2,100 cremations. The total number of cremations for the period April to December 2022 was 1,683 which includes those for the 3 constituent authorities plus the out of area cremations. The cremation income has been re-forecast based on a revised estimate for the number of cremations of 2,200 for 2022/2023. The forecast increase in income is estimated at (£85,800).

1.1.7 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 December 2022 the costs incurred to date on these four schemes are MDC Design Services fees, external survey works and some steel fabrication works for the mezzanine floor project.

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.

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

Table 2

Mansfield & District Joint Crematorium		
Balance Sheet as at 31 December 2022		
31 March 2022		31 December 2022
£		£
1,913,710	Property, Plant & Equipment	1,948,116
1,913,710	Long Term Assets	1,948,116
416,990	Short Term Debtors	207,409
-88,222	Provisions	-88,222
1,708,678	Cash and Cash Equivalents	1,799,362
2,037,446	Current Assets	1,918,549
-897,896	Short Term Creditors	0
-897,896	Current Liabilities	0
-1,546,000	Net Pension Liability	-1,546,000
-1,546,000	Long Term Liabilities	-1,546,000
1,507,261	Net Assets	2,320,665
	Financed by:	
606,781	Capital Fund	572,375
0	Surplus/(deficit) in year	847,809
548,921	General Reserve	548,921
1,155,702	Usable Reserves	1,969,105
405,729	Revaluation Reserve	405,729
1,507,981	Capital Adjustment Accounts	1,507,982
-1,562,152	Pension Reserve	-1,562,151
£351,558	Unusable Reserves	351,560
1,507,261	Total Reserves	2,320,665

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 December 2022 was £207,409 Table 3 below breaks down the value outstanding per period.

Table 3

Aged Debtor Summary as at 31 December 2022	
Period Invoice Raised	Amount Outstanding
Pre 31 March 2020	£2,615
2020-21 Financial Year	£2,765
2021-22 Financial Year	£5,809
April 2022	£555
May 2022	£0
June 2022	£2,817
July 2022	£4,713
August 2022	£8,655
September 2022	£11,294
October 2022	£13,621
November 2022	£48,818
December 2022	£105,748
TOTAL	£207,409

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 December 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 1.1.7 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 December 2022 is £34,406, 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

Capital Fund Balance Brought Forward 1 April 2022		£606,781
Less current capital expenditure as at 31 December 2022:		
New Water Main expenditure	£1,785	
Fire Doors & Associated Works expenditure	£2,816	
Mezzanine Works expenditure	£17,832	
New Development Crematorium expenditure	£11,973	
	£34,406	
Capital Fund Balance as at 31 December 2022		£572,375
Less forecasted capital expenditure to 31 March 2023:		
New Water Main budget balance	£28,215	
Fire Doors & Associated Works budget balance	£32,184	
Mezzanine Works budget balance	£7,168	
Flue Ways Works budget balance	£40,000	
New Development Crematorium estimate 2022/2023 only	£38,027	
		£145,594
Add:		
Revenue Contribution to Capital Fund 2022/2023		£51,323
Capital Fund Forecasted Balance as at 31 March 2023 (Surplus/-Deficit)		£478,104

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. £198,000 of this balance is earmarked for temporary cremator costs if required. As forecast in 1.1.9 below as at 31 December 2022 it is forecast that the surplus in excess of the budgeted surplus is £25,857, this forecast would increase the general reserve balance to £574,778 as shown in table 5 below. The general reserves may be partly used to finance the new development crematorium project costs

Table 5

General Reserves Balance Brought Forward 1 April 2022	£548,921
Forecast excess surplus as at 31 December 2022	£25,857
General Reserves Forecasted Balance as at 31 March 2023 (Surplus/-Deficit) (Please note £198,000 of this balance is earmarked for temporary cremator costs if required)	£574,778

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.

1.1.9 Forecast surplus for 2022/2023 as at 31 December 2022.

The position at 31 December 2022 is a surplus of £847,809, see appendix 1.

The year-end forecast position to 31 March 2023 is a surplus of £900,857 compared to the revised budget surplus of £875,000, which is an increase in surplus of £25,857. As in previous years any additional surplus achieved in excess of the budgeted surplus will be transferred to General Reserves Usable Reserve at the end of the financial year.

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

Table 6

District	April - December 2022 Number of Cremations	April - December 2022 Usage Percentage	Forecast Budget Surplus £875,000 Split
Ashfield	627	44.56%	£389,925
Mansfield	685	48.69%	£425,995
Newark & Sherwood	95	6.75%	£59,080
TOTAL	1,407	100.00%	£875,000

1 Proposals

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

2 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 Dec 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Salaries Basic Pay	308,386	326,211	305,558	-20,653	228,198
Salaries Overtime	15,000	15,000	32,223	17,223	25,197
Salaries National Insurance	26,827	29,256	31,827	2,571	23,870
Salaries Superannuation	60,135	63,611	68,502	4,891	51,256
Salaries Vacancy Savings	-5,930	-29,660	0	29,660	0
Superann Additional Allowances	1,315	1,315	1,315	0	668
Pension Deficit Lump Sum	16,151	16,151	16,151	0	-16,151
Advertising Appointments	0	0	410	410	411
Training Expenses Miles	0	0	90	90	90
Training Expenses Staff	600	600	2,990	2,390	1,103
Apprenticeship Levy	1,757	1,757	1,300	-457	0
Employee Related Expenditure	424,241	424,241	460,366	36,125	314,640
Repair/Maintenance Buildings	30,000	30,000	30,000	0	17,742
Grounds Maintenance General	17,500	17,500	17,500	0	1,472
Grounds Maintenance Special - Childrens Garden	0	0	3,428	3,428	0
EPA Testing	1,500	1,500	1,161	-339	1,161
Repair/Maintenance Fixed Plant Cremators	102,000	102,000	102,000	0	28,209
Electricity	51,000	51,000	72,731	21,731	20,088
Gas	43,700	43,700	63,654	19,954	31,237
Rent of Premises	159	159	159	0	0
Business Rates	93,429	93,429	72,651	-20,778	55,447
Sewage/Water Rates	6,300	6,300	4,500	-1,800	2,705
Insurance	19,007	19,007	19,645	638	19,645
Cleaning Materials	4,200	4,200	4,200	0	1,799
Legionella	510	510	420	-90	-35
Premises Related Expenditure	369,305	369,305	392,049	22,744	179,470
Car Allowances	200	200	0	-200	0
Transport Related Expenditure	200	200	0	-200	0
Furniture Acquisitions	4,000	4,000	4,000	0	3,374
Health & Safety - New Defibrillator	0	0	1,135	1,135	0
Light Plant and Tools	4,000	4,000	2,000	-2,000	175
Material Purchases	5,500	5,500	5,500	0	3,667
Rodent Control	750	750	500	-250	0
Office Machinery Replacement	1,000	1,000	500	-500	0
Uniforms	3,000	3,000	3,500	500	2,177
Printing	2,000	2,000	2,000	0	0
Stationery	3,500	3,500	2,000	-1,500	793
Advertising Other	1,500	1,500	1,500	0	0
Hired & Contracted Services (large coffins)	2,000	2,000	13,000	11,000	680
Waste Collection Skips	1,000	1,000	1,000	0	215
Medical Referee Fees	38,850	38,850	38,850	0	27,843
Payments to Local Authorities	7,007	7,007	7,250	243	5,432
Software Licences	10,078	10,078	10,250	172	2,550
Mobile Phones	320	320	0	-320	0
Postages	2,000	2,000	500	-1,500	500
Systems Software including Lecturn Touch	300	300	5,127	4,827	0
Telephones	8,285	8,285	9,500	1,215	5,278
Webcasting Costs	15,000	15,000	15,000	0	5,640
Conference Expenses	1,000	1,000	1,000	0	265
Subscriptions	1,400	1,400	1,400	0	310
Book of Remembrance Inscriptions	8,000	8,000	8,000	0	4,491
External Legal Expenses - valuation	1,500	1,500	0	-1,500	0
Memorials	22,099	22,099	22,099	0	10,775
Other Expenses General	500	500	1,600	1,100	1,184
Organist Fees	3,000	3,000	2,500	-500	1,376
CAMEO Non Abatement Fees	60,000	60,000	60,000	0	0
Supplies & Services Expenditure	207,589	207,589	219,711	12,122	76,725

					Appendix 1
REVENUE CREMATORIUM	Full Year				1 April 2022 to 31 Dec 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Building Repairs	0	0	1,542	1,542	1,542
Design Services	7,500	7,500	7,500	0	5,412
Trade Waste/Recycling	7,496	7,496	7,349	-147	7,349
Electricians Service	0	0	3,835	3,835	3,835
Central Corporate Overhead	50,347	50,347	50,347	0	50,347
Support Services	65,343	65,343	70,573	5,230	68,486
Depreciation	126,271	126,271	129,265	2,994	0
Depreciation and Impairment	126,271	126,271	129,265	2,994	0
Revenue Gross Expenditure	1,192,949	1,192,949	1,271,964	79,015	639,321
Grants Current Year - Childrens Funeral Fund	0	0	-3,428	-3,428	-3,428
Book of Remembrance Incriptions	-20,000	-20,000	-18,000	2,000	-14,550
Charities Collection	0	0	0	0	-848
Crematorium Containers	-200	-200	-100	100	-96
Crematorium Memorials	-70,700	-70,700	-70,700	0	-58,848
Crematorium Memorial Tree Income	-4,000	-4,000	-4,000	0	0
Organist	-4,500	-4,500	-3,750	750	-1,937
Cremation Fees	-1,801,800	-1,801,800	-1,887,600	-85,800	-1,351,712
Webcasting Fees	-22,500	-22,500	-22,500	0	-19,361
Medical Fees	-38,850	-38,850	-38,850	0	-29,563
Interest Income	-500	-500	-16,000	-15,500	-8,227
Admin Fee Public Health Funeral Administration	-900	-900	-900	0	1,440
Income	-1,963,950	-1,963,950	-2,065,828	-101,878	-1,487,130
Recharges to Cemeteries	-29,051	-29,051	-29,051	0	0
Income Recharges	-29,051	-29,051	-29,051	0	0
Revenue Gross Income	-1,993,001	-1,993,001	-2,094,879	-101,878	-1,487,130
Net Cost of Service	-800,052	-800,052	-822,915	-22,863	-847,809
Depreciation to be Reversed	-126,271	-126,271	-129,265	-2,994	0
Contribution to Capital Fund	51,323	51,323	51,323	0	0
Contribution to General Reserves Excess Surplus	0	0	25,857	25,857	0
Below Net Cost of Service Sub Total	-74,948	-74,948	-52,085	22,863	0
Net Surplus	-875,000	-875,000	-875,000	0	-847,809
CAPITAL CREMATORIUM	Full Year				1 April 2022 to 31 Dec 2022
Description	Original Budget	Revised Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Capital Unallocated - Original budget for new crematorium	4,676,286	4,676,286	4,626,286	-50,000	0
New Water Main	30,000	30,000	30,000	0	1,785
Fire Doors and Works	35,000	35,000	35,000	0	2,816
New Development Crematorium	0	0	50,000	50,000	11,973
Mezzanine Works	25,000	25,000	25,000	0	17,832
Flue Ways Works	40,000	40,000	40,000	0	0
Grand Total	4,806,286	4,806,286	4,806,286	0	34,406