



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

Date: 11 December 2023

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Report Summary	
Type of report	Open Report
Report Title	Financial Management Review April-September 2023
Purpose of Report	This report shows the forecasted year end position for the 2023/2024 financial year for the Mansfield Crematorium as at 30 September 2023
Recommendations	<ol style="list-style-type: none">1. The financial information provided in appendix 1, table 1 and table 2 is for noting only.2. The budget for Capital Flue Ways Repair/Maintenance is increased, as detailed in 1.1.6 of this report

1.0 Background

1.1 Summary forecast financial position as at 30 September 2023 for revenue and capital budgets, see appendix 1.

Table 1 below summarises the income and expenditure incurred to 30 September 2023 and the variances to revised budgets expected at the financial year end. Explanations are provided where there are significant variances between the forecasted out-turn position and the revised budgets.

Table 1

CREMATORIUM REVENUE	FULL YEAR				1 April 2023 to 30 September 2023
	Description	Original Budget	Current Budget	Forecast	Variance - Forecast to Revised Budget
Employee Costs	472,478	490,027	508,286	18,259	230,931
Premises Related Expenses	585,394	585,394	569,595	-15,799	203,691
Transport Related Expenditure	200	200	200	0	0
Supplies and Services	203,649	203,649	214,167	10,518	59,055
Support Services	71,985	71,985	71,985	0	7,684
Depreciation & Impairment	129,265	129,265	129,265	0	0
Revenue Gross Expenditure	1,462,971	1,480,520	1,493,498	12,978	501,361
Revenue Income	-2,137,683	-2,137,683	-2,233,680	-95,997	-926,728
Revenue Gross Income	-2,137,683	-2,137,683	-2,233,680	-95,997	-926,728
Net Cost of Service	-674,712	-657,163	-740,182	-83,019	-425,367
Depreciation Reversed	-129,265	-129,265	-129,265	0	0
Contribution from/to General Reserves	-71,409	-88,958	-5,939	83,019	0
Below Net Cost of Service	-200,674	-200,674	-135,204	83,019	0
Net (-) Surplus	-875,386	-875,386	-875,386	0	-425,367

CREMATORIUM CAPITAL	FULL YEAR				1 April 2023 to 30 September 2023
	Description	Original Budget	Current Budget	Forecast	Variance - Forecast to Revised Budget
Capital - Fire Doors and Works SSRS - Design Services	0	34,918	34,918	0	587
Crem Cap New Dev Crematorium Hired/Contracted Services	4,626,286	4,626,286	37,000	-4,589,286	250
Crem Cap New Dev Crematorium SSRS - Design Services	8,000	8,000	8,000	0	643
Crem Cap Mezzanine Repair/Maintenance Buildings	0	7,829	7,829	0	0
Crem Cap Flue Ways Repair/Maintenance Buildings	0	40,000	54,120	14,120	54,120
PPW Capital Programme	6,000	6,000	6,000	0	0
Capital Gross Expenditure	4,640,286	4,723,033	147,867	-4,575,166	55,600

1.1.1 Employee Expenses total forecasted variance £18,259.

There has been an increase due to a voluntary redundancy of a technician post, which is partially offset by the removal of a gardener/technician post from the establishment at the end of September 2023.

Approved changes were also made to the Superannuation and Pension Deficit Lump Sum budget requirements by NCC after the JCC budgets were set.

1.1.2 Premises Expenses total forecasted variance -£15,799.

Following a successful rateable value appeal, the Business Rates budget has been reduced.

The Crematorium combined insurance premium has also reduced in this financial year, contributing to the savings.

The forecast budget for Repair/Maintenance Fixed Plant Cremators has been increased to £140,000 due to a cremator breakdown that needs repairing.

1.1.3 Supplies and Services total for forecasted variance £10,518.

Increased forecasted spend on Cameo Non Abatement fees, software licenses and Wi-Fi telephone lines. This has been partially offset by savings on advertising and reduced demand for organist fees.

Increased medical fees due to a revised throughput estimate from 2,100 to 2,200.

1.1.4 Income total forecasted variance -£95,997.

Forecast for webcasting income has increased due to demand for this service. However, income for organist has reduced due to lower demand

Forecast for cremation fees and medical fees has also increased due to revised throughput estimate from 2,100 to 2,200.

1.1.5 Below Net Cost of Service forecasted variance £83,019.

Due to the above forecast revisions, we are forecasting that to meet the budgeted surplus we need a contribution from the General Reserve of £5,939.

1.1.6 Capital

At September 2023, the capital spend is £55,600.

The original capital budget for the new crematorium development is £4,626,286. The estimated spend for this financial year is currently £37,000.

The budget for this project is discussed in more detail in the Development Report.

Flue ways spend to end of September is £54,120, however the carry forward budget is only £40,000. It is recommended that the budget is increased from £40,000 to £54,120 from the Capital Fund to finance these works, as there is not the facility to fund this from revenue.

1.1.7 Balance Sheet Review – table 2 below shows the balance sheet as at 30 September 2023.

Table 2

Mansfield & District Joint Crematorium

Balance Sheet as at 30 Sep 2023

31 March 2023	30 Sep 2023
£	£
1,784,445 Property, Plant & Equipment	1,784,445
1,784,445 Long Term Assets	1,784,445
305,428 Short Term Debtors	184,407
-25,625 Provisions	-25,625
2,079,121 Cash and Cash Equivalents	3,327,690
2,358,924 Current Assets	3,486,472
-992,219 Short Term Creditors	-875,000
-992,219 Current Liabilities	-875,000
-268,000 Net Pension Liability	-268,000
-268,000 Long Term Liabilities	-268,000
2,883,151 Net Assets	4,127,917
<u>Financed by:</u>	
585,598 Capital Fund	1,404,998
0 Surplus/(deficit) in year	425,367
781,108 General Reserve	781,108
1,366,706 Usable Reserves	2,611,473
387,172 Revaluation Reserve	387,172
1,397,272 Capital Adjustment Accounts	1,397,272
-268,000 Pension Reserve	-268,000
1,516,444 Unusable Reserves	1,516,444
2,883,151 Total Reserves	4,127,917

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 30 September 2023 was £184,407. Table 3 below breaks down the value outstanding per period.

Table 3

Summary	£
2021/2022	2,638
2022/2023	3,489
April 2023	-
May 2023	6,444
June 2023	15,715
July 2023	15,453
August 2023	12,615
September 2023	128,055
Total	184,407

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 2024.

Cash and cash equivalents – the main changes relate to accrued creditor payments to suppliers and the revenue surplus calculated up to 30 September 2023 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

General reserves – the general reserve is a usable reserve and the brought forward balance as at 1 April 2023 was £781,108 as shown in table 4 below. The general reserves may be partly used to finance the new development crematorium project costs.

Table 4

General Reserves Balance Brought Forward 1 April 2023	£781,108
Less Provision for Temporary Cremators	-£198,000
Less Contributions from General Reserve 2023/24	-£5,939
General Reserves Forecasted Balance as at 31 March 2024 (Surplus/-Deficit)	£577,169

Table 5

Capital Fund Balance Brought Forward 1 April 2023	£585,598
Add:	
Planned Preventative Maintenance 2023/24	-£6,000
Design Services fees 2023/24	-£8,000
Hired/Contracted Services New Development	-£37,000
Increase to Capital Flue Ways Repair/Maintenance 2023/24	-£14,120
Capital Fund Forecasted Balance as at 31 March 2024 (Surplus/-Deficit)	£520,478

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.

1.1.8 The surplus position at 30 September 2023 is £425,367.

The year-end forecast position to 31 March 2024 is a surplus of £869,447 compared to the current budget of £875,386, which is a decrease in surplus of £5,939. However, the surplus allocated will be the budgeted surplus of £875,386 with any additional surplus required being funded from the General Reserve at the financial year end.

Table 6 below shows the forecast surplus payments to each authority based on the forecasted budget surplus and the usage to date by area as at 30 September 2023.

Table 6

District	April - September 2023 Number of Cremations	April - September 2023 Usage Percentage	Year End Forecast Budget Surplus £875,386 split
Ashfield	434	49.15%	£430,258
Mansfield	398	45.07%	£394,568
Newark & Sherwood	51	5.78%	£50,560
TOTAL	883	100.00%	£875,386

3. Proposals

To receive and comment upon the Financial Management Review Report April-September 2023 and note its content.

4. 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 2023 to 30 September 2023
	Description	Original Budget	Current Budget	Forecast Budget	Variance Forecast Budget to Revised Budget
	£	£	£	£	£
Salaries Basic Pay	344,124	331,616	344,124	12,508	151,690
Salaries Overtime	15,000	15,000	18,500	3,500	11,230
Salaries National Insurance	29,931	28,833	29,931	1,098	14,783
Salaries Superannuation	67,104	70,634	73,298	2,664	34,266
Salaries Vacancy Savings	-6,617	-6,373	-6,617	-244	0
Superann Additional Allowances	1,400	28,340	28,809	469	882
Pension Deficit Lump Sum	16,151	8,980	8,980	0	3,742
Redundancy Payments	0	7,612	7,612	0	7,612
Training Expenses Staff	3,472	3,472	1,736	-1,736	1,190
Apprenticeship Levy	1,913	1,913	1,913	0	0
Pay In Lieu Of Notice	0	0	0	0	5,536
Employee Related Expenditure	472,478	490,027	508,286	18,259	230,931
Repair/Maintenance Buildings	30,000	30,000	30,000	0	22,281
Grounds Maintenance General	17,500	17,500	18,500	1,000	10,602
EPA Testing	1,200	1,200	1,295	95	1,295
Repair/Maintenance Fixed Plant Cremators	102,000	102,000	140,000	38,000	21,208
Electricity	98,915	98,915	98,915	0	26,660
Gas	212,180	212,180	212,180	0	58,460
Rent of Premises	159	159	159	0	0
Business Rates	91,290	91,290	41,641	-49,649	41,641
Sewage/Water Rates	6,930	6,930	5,248	-1,682	2,205
Insurance	20,600	20,600	17,237	-3,363	17,237
Cleaning Materials	4,200	4,200	4,000	-200	2,104
Legionella	420	420	420	0	0
Premises Related Expenditure	585,394	585,394	569,595	-15,799	203,691
Car Allowances	200	200	200	0	0
Transport Related Expenditure	200	200	200	0	0
Furniture Acquisitions	2,000	2,000	1,800	-200	0
Light Plant and Tools	2,000	2,000	2,000	0	1,254
Material Purchases	5,500	5,500	5,000	-500	827
Rodent Control	500	500	500	0	0
Office Machinery Replacement	500	500	500	0	0
Uniforms	2,000	2,000	2,000	0	406
Printing	1,500	1,500	1,800	300	695
Stationery	2,000	2,000	2,000	0	-13
Advertising Other	1,500	1,500	400	-1,100	0
Hired & Contracted Services (large coffins)	2,000	2,000	2,000	0	395
Waste Collection Skips	1,000	1,000	1,000	0	-570
Medical Referee Fees	38,850	38,850	40,700	1,850	15,873
Payments to Local Authorities	7,250	7,250	7,417	167	4,140
Software Licences	10,250	10,250	15,250	5,000	2,520
Systems Software	300	300	300	0	4,827
Telephones	9,500	9,500	14,841	5,341	6,496
Webcasting Costs	15,000	15,000	15,000	0	9,385
Conference Expenses	1,000	1,000	500	-500	0
Subscriptions	1,400	1,400	1,400	0	405
Book of Remembrance Inscriptions	8,000	8,000	8,000	0	3,375
External Legal Expenses - valuation	1,500	1,500	1,500	0	0
Memorials	27,099	27,099	27,099	0	3,971
Other Expenses General	500	500	500	0	0
Temporary Memorials	0	0	0	0	3,730
Organist Fees	2,500	2,500	500	-2,000	202
CAMEO Non Abatement Fees	60,000	60,000	62,160	2,160	1,138
Supplies & Services Expenditure	203,649	203,649	214,167	10,518	59,055

REVENUE CREMATORIUM	Full Year				1 April 2023 to 30 September 2023
Description	Original Budget	Current Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Building Repairs	0	0	0	0	0
Design Services	8,000	8,000	8,000	0	320
Trade Waste/Recycling	7,496	7,496	7,496	0	7,349
Waste Tfr Station	0	0	0	0	15
Central Corporate Overhead	56,489	56,489	56,489	0	0
Support Services	71,985	71,985	71,985	0	7,684
Depreciation	129,265	129,265	129,265	0	0
Depreciation and Impairment	129,265	129,265	129,265	0	0
Revenue Gross Expenditure	1,462,971	1,480,520	1,493,498	12,978	501,361
Grants Current Year - Childrens Funeral Fund	0	0	0	0	-7,666
Book of Remembrance Inscriptions	-19,000	-19,000	-19,000	0	-9,342
Charities Collection	0	0	0	0	-848
Crematorium Containers	-110	-110	-110	0	-68
Crematorium Memorials	-74,235	-78,235	-78,235	0	-32,066
Organist	-3,975	-3,975	-750	3,225	-236
Cremation Fees	-1,939,403	-1,939,403	-2,030,600	-91,197	-843,403
Webcasting Fees	-23,625	-23,625	-30,000	-6,375	-15,820
Interest Income	-2,500	-2,500	-2,500	0	0
Medical Fees	-38,850	-38,850	-40,700	-1,850	-17,279
Misc Income	-1,800	-1,800	-1,800	0	0
Internal Recharge General Fund	-29,985	-29,985	-29,985	0	0
Memorial Tree	-4,200	-200	0	200	0
Income	-2,137,683	-2,137,683	-2,233,680	-95,997	-926,728
Revenue Gross Income	-2,137,683	-2,137,683	-2,233,680	-95,997	-926,728
Net Cost of Service	-674,712	-657,163	-740,182	-83,019	-425,367
Depreciation to be Reversed	-129,265	-129,265	-129,265	0	0
Contribution from/to General Reserves	-71,409	-88,958	-5,939	83,019	0
Below Net Cost of Service Sub Total	-200,674	-218,223	-135,204	83,019	0
Net Surplus	-875,386	-875,386	-875,386	0	-425,367

CAPITAL CREMATORIUM	Full Year				1 April 2023 to 30 September 2023
Description	Original Budget	Current Budget	Forecast Budget	Variance Forecast Budget to Revised Budget	Actuals
	£	£	£	£	£
Capital - Fire Doors and Works SSRS - Design Services	0	34,918	34,918	0	587
Crem Cap New Dev Crematorium Hired/Contracted Services	4,626,286	4,626,286	37,000	-4,589,286	250
Crem Cap New Dev Crematorium SSRS - Design Services	8,000	8,000	8,000	0	643
Crem Cap Mezzanine Repair/Maintenance Buildings	0	7,829	7,829	0	0
Crem Cap Flue Ways Repair/Maintenance Buildings	0	40,000	40,000	0	54,120
PPW Capital Programme	6,000	6,000	6,000	0	0
Grand Total	4,640,286	4,723,033	133,747	-4,589,286	55,600