

CHILTERNS CREMATORIUM JOINT COMMITTEE – 27 JANUARY 2011

REPORT OF THE TREASURER

6.3 REVENUE BUDGET REVISED 2010/11 AND ORIGINAL 2011/12

Contact Officers: Alison Howes (01494 732260) and Tina Pearce (01494 732233)

1. This report sets out the details of the Chilterns Crematorium Revenue Budget for 2010/11 Revised and 2011/12 Original. The detailed Revenue Budget is attached at *Appendix 6.3*.
2. The table below shows the summary comparison between the revised and original budget for 2010/11 and the original budget for 2011/12.

	2010/11 Original £	2010/11 Revised £	Movement £	2011/12 Original £	Movement £
Revenue Expenditure	793,730	746,990	(46,740)	770,480	(23,250)
Income	(1,471,730)	(1,462,980)	8,750	(1,543,130)	(71,400)
Revenue (Surplus)/Deficit	(678,000)	(715,990)	(37,990)	(772,650)	94,650
Less Capital Expenditure	1,169,735	455,383	(1,335,892)	1,298,355	128,620
(Surplus)/Deficit for year	491,735	(260,607)	(1,287,112)	525,705	33,970

3. The revised budget for 2010/11 shows an estimated revenue surplus, before capital expenditure, of £715,990 compared to an original projected surplus of £678,000 i.e. a decrease in costs of £37,990 for the year.
4. The original budget for 2011/12 shows an estimated revenue surplus, before capital expenditure; of £772,650 compared to an original base position in 2010/11 of a projected surplus of £678,000 i.e. a decrease in cost of £94,650 over the previous year's base.
5. The following table shows the budget variations that make up these increases.

	2010/11 Revised £	2011/12 Original £
Original Budget 2010/11 – Surplus	(678,000)	(678,000)
Add Additional Expenditure:-		
Maintenance of Grounds (note 6a)		9,000
Maintenance of Cremators (note 6b)	3,000	9,900
Furniture & Fittings & IT additional spend (note 6c)	3,000	
Add Reduction in Income:-		
Reduction in Commemorative Plaque Income (note 6d)	3,600	
Reduction in interest received (note 6e)	6,000	

Less Savings / Reduced Expenditure:-		
Reduction in building maintenance costs (note 6f)	(14,200)	
Reduction on Salary estimates (note 6g)	(15,000)	(15,000)
Water Rates (note 6h)	(500)	
VAT Provision (note 6i)	(6,000)	(5,000)
Waste Disposal (note 6j)	(1,000)	
Consultant fees (note 6k)	(3,600)	(19,300)
Books and Publications (note 6l)	(2,550)	
Memorials (note 6m)		(4,100)
Less Increase in Income:-		
Increase in cremation fee in 2011/12 (note 6n).		(44,250)
Potential Interest Increase(note 6e)		(25,000)
Balance of other minor variances	(10,740)	(900)
Revised Budget 2010/11 – Surplus	(715,990)	
Original Budget 2011/12 – Surplus		(772,650)

6. The following assumptions and points should be noted:-

- a) Replacement purchase of a Bantum truck;
- b) Higher than anticipated venturi costs and refractory brick repairs in 2010/11. Anticipated cost increase in 2011/12 due to filtration enhancement leading to hazardous waste “Factivate” requiring specialist disposal, costs indicative at this time;
- c) Purchase of audio visual equipment rolled forward from 2009/10;
- d) Projection for commemorative plaque income slightly reduced based on current income;
- e) Interest rates have remained lower, recovery had been hoped to be seen in 2010/11 so return on investment remains low. However a slight improvement has been assumed based on market indicators for 2011/12 onwards;
- f) The original estimates included planned works on the Bungalows this has been deferred to 2011/12;
- g) Original estimates provided for an increase in pay, no award has been made nor is one expected for 2011/12;
- h) Following a number of leaks the water main has now been renewed so normal consumption has been restored;
- i) VAT loss provision has been reduced to reflect only the revenue cost of the lost recovery, capital VAT loss is now reflected within the capital programme;
- j) A change in waste contractor has led to this saving however it is felt these rates may be artificially low and paper recycling cost have not been charged to date;
- k) Consultancy fees reflect changes to the treatment of the site development project and also the deferral from 2009/10 of the asset management survey costs;
- l) The costs of replacement service books has been removed from the current year and deferred to 2011/12 in line with a need basis for replacement;
- m) A reduction in memorial income is reflected by a reduction in memorial costs.

- n) Income from cremations has been increased based on 3.3% fee increase but cremation numbers remain unchanged at 2950.
5. It should be noted that for the purposes of the estimates no figures have been included for Capital Charges or Pension Fund adjustments. This is because these items are reversed out either through the Asset Management Reserve or the Pension Reserve and have no impact on the bottom line budgeted (surplus)/deficit position.
 6. Capital expenditure has been adjusted in accordance with the rolling nature of the projects and changes to the VAT liability.
 7. For information the following table shows the forecast (surplus)/deficit allocation by Authority:-

District Council	Actual Balance 31.3.2010 £	Apportionment 2010/11 Revised Budget £	Estimated Balance 31.3.2011 £	Apportionment 2011/12 Original Budget £	Estimated Balance 31.3.2012 £
Aylesbury Vale	(602,430)	(80,483)	(682,913)	162,354	(520,559)
Chiltern	(652,534)	(71,809)	(724,343)	144,854	(597,489)
Wycombe	(902,736)	(108,315)	(1,011,051)	218,497	(792,554)
Totals	(2,157,700) Surplus	(260,607) Surplus	(2,418,307) Surplus	525,705 Deficit	(1,892,602) Surplus

RECOMMENDATIONS

That the Joint Committee approve the 2010/2011 Revised and 2011/2012 Original revenue budgets, subject to any revisions it wishes to make.

Background Papers: None