



Mountsett Crematorium Joint Committee

Date Thursday 21 April 2011
Time 11.00 am
Venue Council Chamber, County Hall, Durham

Business

Part A

**[Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement]**

1. Minutes of the Meeting held on 4th February 2011 (Pages 1 - 12)
2. Declarations of Interest, if any.
3. Financial Monitoring Report - Provisional Outturn as at 31 March 2011 (Pages 13 - 18)
Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources & Treasurer to the Joint Committee.
4. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

5. Report of the Superintendant & Registrar (Pages 19 - 22)
6. Such other business as, in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
13 April 2011

To: **The Members of the Mountsett Crematorium Joint Committee**

Durham County Council:-

Councillors: O Temple (Chair), A Bainbridge, J Docherty, M Hodgson,
J Hunter, O Johnson, J Nicholson, B Stephens and J Wilson

Gateshead Council:

Councillors K Dodds (Vice-Chair), M Gannon, M Ord, P Ronan, J Hamilton,
D Davidson and M Wallace

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DURHAM COUNTY COUNCIL

MOUNTSETT CREMATORIA JOINT COMMITTEE

At a meeting of the Mountsett Crematoria Joint Committee held at Gateshead Civic Centre, on Friday 4th February 2011 at 10.00 a.m.

Councillor O Temple in the Chair

Members of the Committee

Durham County Council:-

Councillors O. Temple (Chair), A. Bainbridge, J. Nicholson, J. Hunter.

Gateshead Council:-

Councillors J. Hamilton, D. Davidson, M. Ord, M. Wallace

A1 Apologies for Absence

Apologies for absence were submitted on behalf of Councillors O. Johnson, B. Stephens (Durham County Council) and Councillors M. Gannon, P. Ronan, K. Dodds (Gateshead Council).

A2 Chairman's Announcements

The Chairman announced that as of 7 February 2011, Consett Civic Centre was to be closed to the public; therefore, future meetings of this Committee would be held at County Hall, Durham.

A3 Declarations of Interest

There were no declarations of interest submitted.

A4 Minutes

The minutes of the meeting held on 23 September were approved as a correct record and signed by the Chairman.

A5 Appointment of Treasurer to the Joint Committee

The Principal Accountant presented the report which informed Members of revised arrangements with regards to the position of Treasurer to the Joint Committee (for copy see file of minutes).

Members were advised that a new Corporate Director of Resources, Mr Don McLure had been appointed to post in October 2010 following the retirement of the former Treasurer and Corporate Director.

In accordance with Durham County Council's constitution, it was therefore proposed that he now, take on the role of Treasurer to the Joint Committee with the day to day support to the Joint Committee to be facilitated through the Neighbourhood Services teams.

Resolved: that members note the appointment of Don McLure as Corporate Director at Durham County Council and support proposals with regards to his appointment as Treasurer to the Joint Committee with immediate effect.

A6 External Audit Report 2009/10 – Progress Update

The Principal Accountant presented the report which updated Members on the progress made against the external auditors BDO LLP findings and recommendations from the 2009/10 Audit (for copy see file of minutes).

Members were advised that although the Audit of the Annual Return 2009/10 did not highlight any material weaknesses in the internal control, minor issues in relation to the Effectiveness of Internal Audit and the recommendations proposed within the Internal Audit were identified.

The External Audit recommendations made were highlighted within the report and progress against each was reported. In addition to the formal recommendations, the following considerations / recommendations had been made by the Head of Finance, HR and Business Support based on findings of the external audit of the Central Durham Crematorium Accounts 2009/10:

- R3: Adoption of the lead authority Member Code of Conduct by all Members of the Mountsett Crematorium Joint Committee
- R4: Requirement for a separate “Declarations of Interests” return to be completed by all Members of the Joint Committee on an annual basis; and
- R4: A written record prepared between Durham County Council and the Committee setting out the terms of the Treasury Management Arrangements.

In conclusion it was noted that significant progress had been made against each area and therefore members were recommended to agree the following

1. Members of the Joint Committee note the progress made with regards to addressing the External Audit recommendations arising from the Issues Arising report 2009/2010.
2. Members of the Joint Committee note the contents of the Lead Authority Member Code of Conduct, formally adopt these and agree to signing the written undertaking and returning to the Head of Finance, HR & Business Support, Neighbourhood Services.
3. Members of the Joint Committee complete and sign the declaration of Personal interest returning to the Head of Finance, HR & Business Support, Neighbourhood Services.
4. Members of the Joint Committee note the contents of the Treasury Management Agreement, and authorise the Chair to sign the agreement on their behalf.

Resolved: that the recommendations as listed above be agreed, with Member Code of Conduct written undertaking to be completed and returned no later than 31 March 2011 and that the Declaration of Interest be completed after 31st March 2011 and returned at (the latest) the next Joint Committee Meeting

A7 Financial Monitoring Report – Position at 31/12/10, with Forecast Outturn at 31/03/11.

The Principal Accountant presented the report which set out details of income and expenditure in period 1 April 2010 to 31 December 2010, together with the forecast outturn position for 2010/11, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level (for copy see of minutes).

The report further set out details of the funds and reserves of the joint Committee at April 2010 and the projected position at 31 March 2011, taking into account the forecast financial outturn projection of income and expenditure this year.

The projected outturn was showing a Forecast surplus (before transfers to reserves and distribution of surpluses to the partners authorities) of £204,425 at the year end against a budgeted surplus of £244,890 (before transfers to reserves and distribution of surpluses to the partners authorities), £40,465 less than the budgeted position. Details of these significant areas of variance are as detailed below:-

Employees

The Forecast outturn projected a £3,767 underspend based on current staffing levels. The base budget assumed a 1.00% pay award, however, it was anticipated that this will not now materialise. In addition to this, were savings of £926 arising from revised winter working patterns and an anticipated reduction in holiday cover payments of £1,997.

Premises

The probable outturn projected a £27,352 overspend. The main variances to budget are detailed below:

- As previously reported, additional / unbudgeted premises costs (relating to car park resurfacing and replacement metal fencing) resulted in an overspend of £20,025 this year;
- The previous outturn reported an overspend of £12,729 in relation to replacement paving. Following a decision by the Superintendent & Register to landscape the area in keeping with the surroundings area, this overspend had now reduced to £2,340;
- Non Domestic rates were forecast to exceed the budget by £3,747. This will need correcting in 2011/12;
- Cremator relining costs exceeded the £18,000 budget provision by £1,240.

Supplies and Services

It was reported that the £10,380 forecasted underspend on supplies and services expenditure were due to the following reasons:

- The Wesley Music System has cost £2,300 more than the budget sum due to extra maintenance costs.
- The Mercury Abatement provision of £10,680 was not required during 2010/2011 as payments will not be required until 2013/14.

- As a result of an anticipated reduction in cremations during 2010/2011, an underspend of £2,000 is projected in respect of Medical Referee charges.

Income

The 2010/11 budget assumed there would be 1,172 cremations in 2010/11. The projected outturn based on trend data in the first 9 months and discussions with local funeral directors, assumes a total of 1,114 cremations during 2010/11, resulting in a reduced income of £27,260 this year.

Earmarked Reserves

The additional premises costs, requiring funding from the Repairs Reserve, had been slightly reduced due to underspends on Supplies and Services and Employees costs (net of unachievable income). This resulted in a necessary contribution from the reserve of £25,465 rather than a contribution into the reserve of £15,000, as budgeted.

The contribution of £65,000 to the Cremator Reserve was currently projected in line with the original budget resulting in a year end reserve of £225,412. Overall the earmarked reserves projection for 2010/11 is £237,494, an in year increase of £39,535 or approximately 20%.

Resolved: That the April to December 2010 Revenue spend financial monitoring report and associated provisional outturn position 2010/11 be noted.

A8 Risk Register 2010/11

The Principal Accountant presented the report which updated Members on the current position with regards to the Risk Register of the Mountsett Crematorium Committee (for copy see file of minutes).

It was reported that two risk registers had been prepared, separately identifying Service and Operational risks, both of which had been reviewed by the Risk Officer responsible for neighbourhood Services and the Crematorium Manager, actions to mitigate and/or tackle issues arising from the individual risks had been agreed for the forthcoming year.

Details of the risks and actions linked to each were contained within Appendix 3 of the report. The Principal Accountant advised that the actions associated with Risk 12 "managing Excess Deaths" and Risk 15 "Lack of Evidence for Employers Liability Claims" had now been completed and moved into the control measures. The completion of these actions had now reduced those risks to a tolerable level.

As with Service Risks, the Operational Risks had been identified together with individual risk assessments for each.

In conclusion it was noted that all risk actions had now been completed with the exception of Risk 8 "Slips, trips and falls", where one action remained outstanding. This action was expected to be undertaken in the near future.

Resolved: that the content of the report and the update position be noted. In addition the Risk registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.

A9 Review of the Effectiveness of the System of Internal Audit

The Principal Accountant presented the report which outlined the findings of the effectiveness of the system of internal audit (for copy see file of minutes).

It was reported that since vesting day, an internal audit service had been provided to the Mountsett Crematorium Joint Committee by Durham County Council, in continuation of an informal agreement between the former Derwentside District Council and the Joint Committee.

A review of Durham County Councils' system of Internal Audit was undertaken in March 2010 and reported to the Audit Committee of the County Council, who concluded that the system was "effective". A copy of that review was made available to the external auditor during the conduct of the audit on the 2009/10 Statement of accounts and Annual Governance Statement, but was not presented to the Joint Committee for consideration.

To be fully compliant with the Account and Audit Regulations 2006, the Joint Committee should undertake its own independent review of the effectiveness of the Internal Audit service.

In summary the Principal Accountant advised that it was evident that the informal arrangement for the provision of internal audit services in place between the Joint Crematorium and the former District Council, which continued in 2009/10 within Durham County Council, did not comply with all of the requirements of CIPFA's Code of Practice for Internal Audit.

In addition areas of non compliance in 2009/10 had been substantially addressed in the current year through the formalisation of arrangements to improve accountability.

The review of the effectiveness of the System of Internal Audit in operation during 2010/11 would be updated and any amendments reported to the Joint Committee as part of the annual audit report.

Councillor Hamilton asked whether Durham County Council's Audit Committee had looked at this. In response the Internal Audit Manager advised that there was a different level of assurance and the self assessment checklist had been adapted to ensure its relevance to the Committee.

In response Councillor Temple advised that the Council's Audit Committee had conducted a review of the internal audit department from Durham County Councils perspective, and as indicated by the Internal Audit Manager the review did not look at an identical set of points.

Councillor Temple further made reference to paragraph 17 of the report in relation to customer satisfaction results.

Resolved: that Members are satisfied with the effectiveness of the system of Internal Audit and assurance can be placed on the work of this service.

In addition Members noted that the review against the CIPFA checklist would be refreshed and updated, with the resultant outcomes reported in the Annual Report of the Head of Internal Audit in April.

A10 Provision of Audit Services 2010/2014

The Internal Audit Manager presented the report which sought approval for a proposed Service Level Agreement (SLA) for the provision of an Internal Audit Service by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2010 to March 2014, together with an indicative 4 year strategic plan and annual plan showing the scope of the audit coverage for 2010/11.

Following recommendations by the Audit Commission in the Annual Governance (AG) report for 2008/09, for the Central Durham Crematorium Joint Committee, arrangements for the provision of Internal Audit were strengthened through the development of a formal SLA (for copy see file of minutes).

In addition to increase accountability it was also agreed that Internal Audit would present an annual audit plan of work for approval to the Committee and an annual report to inform the Annual Governance Statement.

Therefore it was reported that to ensure consistency across services, Mountsett Crematorium Joint Committee also enter into a SLA with Durham County Council for the provision of Internal Audit Services.

The report further detailed the proposed SLA for the period April 2010 to March 2014 and proposed audit plan for 2010/11.

It was proposed that a 4 year SLA be established for the provision of an Internal Audit Service to the Joint Committee to provide a commitment for both parties over the medium term. This includes the provision of risk management and corporate governance support, in addition to internal audit services if required.

The Internal Audit Manager referred members to Appendix 3 of the report which detailed the Strategic Audit Plan for 2010-14. The plan outlined the proposed number of days allocated to each area of activity, and advised that the plan would be monitored and reviewed in 1 years time.

Councillor Temple asked members how they felt best to monitor progress against the audit plan. Councillor Hamilton in response suggested that a review should take place at the same time that the SLA be reviewed.

The Internal Audit Manager asked whether Members felt that any additional planned days in relation to risk management were required. He advised that Durham Joint Crematorium had factored in an additional 2 days at a cost of £250 per day.

Following lengthy discussion it was agreed that an additional 2 days be authorised for risk management and corporate governance. It was also suggested that the additional days be reviewed alongside the SLA and Audit Plan.

Resolved: that

1. Members approve the Chair to sign the Service Level Agreement.
2. Members approve the Audit Charter
3. Members approve the Strategic Audit Plan for the current year and future years, including the addition of 2 days at a cost of £250 per day set aside for risk management. The total cost of providing the Internal Audit Service would therefore be £5500.
4. Members approve the proposed scope for the 2010/11 audit.

A11 Provision of Support Services 2011-2012

The Internal Audit Manager presented the report which sought approval of a proposed Service Level Agreement (SLA) for Support Service provision (excluding Internal Audit Services, which were subject to the above agreed SLA) by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2011 to March 2012 (for copy see file of minutes).

It was reported that currently a charge of £8,330 was applied in respect of Support Services which was inherited from the former Derwentside District Council and this had not been subject to review for a number of years.

The report further set out details of the proposed SLA which covered the following functions:-

- Management Services
- Financial Services
- Administration Services
- Payroll Services
- Creditor Services
- Human Resources Services

The Support Service SLA totalling £17,200 (exclusive of Internal Audit Services) was attached at Appendix 2 for consideration and approval. It was noted that that previously the cost of work carried out by Support Services had been included in an overall administration recharge and did not provide individual service breakdown.

It was further reported that the combined SLA's (including Internal Audit Services) now totalled £22,700 (this included the 2 additional days as agreed above) £17,200 relating to Support Services and £5,500 relating to Audit Services for the financial year 2011/12. This increase as outlined above had been factored into the 11/12 budget.

It was also noted that the existing charge of £8,330 would be applied in 2010/11.

Resolved:

that Members approve the chair to sign the Service Level Agreement for the year 2011/2012.

A12 Fees and Charges 2011/12

The Principal Accountant presented the report which set out details of the proposed fees and charges for the Mountsett Crematorium for 2011/12.

It was reported that the recent VAT increase had not directly impacted upon Cremation Fees although entries into the Book of Remembrance were subject to the increase of 2.5%. Therefore it was noted that if the charges were not reviewed, to pass the VAT increase onto the customer, then the service would face a 2.5% cut in its income from these activities.

A review of the fees and charges had been undertaken taking into consideration the local market and customer impact from any proposed increases.

The following revisions were subsequently proposed:-

Cremation Charges

Adult Cremation fees were proposed to be increased by 2.5% to £410 in 2011/12. This results in an increase of £10 per adult over the age of 16 years. Fees levied for 2011/12 (inclusive of medical referees and environmental surcharge) are therefore proposed at £480.

Book of Remembrance

As a result of both the VAT change and increased calligraphy costs, the charge for entries into the book of remembrance was proposed to increase from £36 to £38. This equates to a 5.5% increase, 2.5% of which relates to VAT. Based on an average of 515, 2 line entries per annum, it was anticipated that income would total £16,300 plus VAT. Should the VAT increase not be reflected in the charges then income receivable by the Joint Committee during 2011/12 would reduce by an estimated £407.50.

Members were referred to the full schedule of charges as outlined in Appendix 2 of the report, along with comparative data from neighbouring authorities in Appendix 3.

Councillor Wallace asked whether the charges in respect of Non-viable Foetus could be removed as she felt this was unfair given that there was no charge for children up to 1 month. It was noted that this charge had been brought in line with Durham Crematorium following harmonisation of fees and charges.

Following discussion it was agreed that the fee in respect of Non-viable Foetus be removed. It was also requested that this be reported back to Durham Crematorium so they may wish to review their charge.

Resolved: that

1. Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2011;
2. Members of the Joint Committee approve the increase in pricing for inserts to the Book of Remembrance in line with the VAT increase and that this is implemented with effect from 1 February 2011; and
3. All approved fees and charges are incorporated into the 2011/12 budget.
4. That fees in respect on Non-viable Foetus be removed – subject to further discussion.

A13 2011/12 Revenue Budget

The Principal Accountant presented the report which set out for Members consideration proposals with regards to the 2011/12 revenue budget for the Mountsett Crematorium.

It was reported that the main changes to the budget were as follows:-

Employees

The budget had been reduced by £1,000 in respect of employees. This was a direct result of the Government's decision to freeze the pay award for Local Government staff during 2010/11 and 2011/12.

Premises

The base budget had reduced by £13,940 from 2010/11, due to an estimated increase in NNDR charge of £4,060. In addition Cremator relines had been

undertaken during the current financial year and as a result, £18,000 which had been factored into the budget was not required during 2011/12.

Supplies and Services

The budget in respect of supplies and services has been reduced by £13,965 (£13,465 following the approved additional audit days) due to the mercury abatement payments not being required until 2013/14. The £10,680 budget provision has been removed from the 2011/12 budget as a result. With regard to the Book of Remembrance it was noted that this had been a one off payment and therefore removed from the 2011/12 budget.

It was also noted that as a result of an anticipated lower number in cremations during 2011/12, Medical Referee payments were anticipated to be £1,530 less.

In addition £3245 had been added to the budget in respect of Equipment. Following the approval of the additional Audit days this would reduce to £2,745.

Central Support Costs

Support Service Charges were now budgeted at £22,700 following the agreement of both Audit and Support Services SLA's.

Income

The budget factors in the budgetary impact of applying the increases in fees and charges proposed in the fees and charges report considered earlier.

In addition it was reported that in setting the budget, an element of prudence had been factored into the income budget projections next year. The 2010/11 budget was based on an assumed 1172 cremations in the current year. The outturn projected, based on the position to 31 December 2010, showed that 1,114 cremations would be undertaken in the current year, 58 less than budgeted. Taking this into consideration, the 2011/12 base budget has assumed a total 1,133 cremations next year, an increase of 19 on the 2010/11 estimated outturn and 39 less than the budget position in 2010/11.

The net effect of the increase in the cremation fee, assumed reductions in the number of cremations and other fees and charges proposals is that forecast income has reduced by £12,360.

Earmarked Reserves

Transfers to the Cremator Replacement and Major Repairs Reserves next year were budgeted in line with the 2010/11 level (at £65,000 and £15,000 respectively).

The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2012, taking into account the 2010/11 Quarter 3 budgetary control report and the proposed transfers to / from earmarked reserves in 2010/11 and 2011/12 was £317,494

Councillor Wallace asked what the life span was on the current cremators. In response the Superintendent and Registrar advised that following a recent service it was estimated that they had approximately 15 years if not longer.

Further discussion took place regarding mercury abatement and how this was factored into the budget for future years.

A question was also raised regarding the re-use of heat from cremators to assist in the reduction of carbon emissions. It was noted that there were no plans at this stage, however it was noted that other local Authorities were exploring options in the area.

Resolved: that

1. Members of the Joint Committee note and approve the budget proposals contained within the report noting the change regarding Central Support Costs
2. Members note the forecast level of reserves and balances at 31 March 2012.

A14 Future Meeting Dates

The Clerk reported future meeting dates and venues as follows:-

Thursday 21st April 2011, County Hall, Durham at 11.00 a.m.

Friday 17th June 2011, Gateshead Civic Centre at 10.00 a.m.

A15 Such other business.

There were no further items of business to be considered.

B16 Report of the Superintendent and Registrar

The Superintendent and Registrar presented the report which updated Members on quarterly performance and operational matters.

With regard to the performance and number of cremations undertaken during the period 1 September to 31 December inclusive, it was noted that there had been 377 cremations undertaken during the quarter, a decrease of 25 on the comparable period last year. It was noted that this was consistent with funeral directors who had also experienced a similar drop over the same period.

It was reported that the 2010/11 budget was based on an assumed 1,172 cremations in the current year, however the latest trend information indicated that it was now anticipated that 1,114 cremations would be undertaken, 58 less than originally budgeted.

The Superintendent and Registrar then went on report operational matters as detailed within the report in relation to:-

- Crematorium Risk Register – Contaminated Bodies, the following action was to be added to the operational risk register: "Such directions as may be given by the Health Protection Agency will be adhered to". Therefore procedures were to be put in place to ensure that, in the event of the receipt of a contaminated body, staff would be aware of the need to contact the Health Protection Agency to seek advice and make appropriate records of and act on that advice.
- Repairs and Maintenance, work on the non-slip path to book of remembrance had been completed and on costs. Poor weather had delayed some works in relation to the resurfacing of the car park and perimeter fence, although the fence works had now been completed and resurfacing was due to commence as soon as weather permits.

- Health and Safety, a recent inspection had been undertaken which had identified that there was no safety walkway installed above the ceiling for use by engineers when working on cremators. The cost to complete this necessary work was estimated to be £1,445.04.
- Standby Cremator operators, 2 members of staff from the cemeteries team had been identified to train as standby cremator operators, to provide sufficient resilience and staff capacity in the case of a pandemic resulting in excessive deaths.

The Bereavement Services Manager then went on to update members on a recent Seminar which had taken place to discuss the following options:-

- Recycling of Orthopaedic Implants and Non-Ferrous Metals, members at the seminar were minded to participate in the scheme and it was noted that implementation would be simple and provide a convenient way to recycle precious metals and to reduce the carbon footprint of the Crematorium.
- Potential for a Memorial Garden, the seminar discussed the possibility of providing for a well-planned and maintained formal garden area, providing the bereaved with a choice of memorials. It was reported that following the introduction of a memorial garden in 2000 at Durham Crematorium and its success, it was considered that having such a scheme at Mountsett would enhance the service currently provided.

Councillor Hamilton added that in his opinion the suggestions as outlined in the report were sensible and a further report outlining a full business case for a memorial garden should be brought to the Committee for further consideration.

Councillor Ord asked whether previous problems with regards to grounds maintenance had now been resolved. In response the Superintendent advised that work was now up to date and many compliments had been received on the appearance of the grounds.

Resolved: that

1. the content of the report be noted with regards to current performance of the crematorium and the potential impact on the budget this year and next;
2. Note the comments regarding the Internal Audit action plan and action taken regarding amendments made to the operational Risk Register and operational procedures to accommodate this recommendation;
3. Note the Health and Safety issues with regards to the walkway above the cremators and agree to have the work outlined in the report commissioned as soon as possible, at an estimated cost of £1,445.04;
4. Agree to enter into the scheme for the Recycling of Orthopaedic Implants and Non-Ferrous Metals; and
5. Agree to the development of a business case for the creation of a Memorial Garden at the Crematoria.

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Mountsett Crematorium Joint Committee

21 April 2011

**Financial Monitoring Report – Provisional
Outturn as at 31 March 2011**



**Joint Report of Terry Collins – Corporate Director: Neighbourhood
Services; and Don McLure – Corporate Director: Resources & Treasurer
to the Joint Committee**

Purpose of the Report

1. The purpose of this report is to set out details of income and expenditure in the period 1 April 2010 to 31 March 2011, together with the provisional outturn position for 2010/11, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2010 and the position at 31 March 2011, taking into account the provisional financial outturn projection of income and expenditure this year.

Background

3. Scrutinising the financial performance of the Mountsett Crematorium is a key role of the Joint Committee. Regular (quarterly) budgetary control reports are prepared by the Treasurer and aim to present, in a user friendly format, the financial performance in the year to date together with a forward projection to the year end. Routine reporting and consideration of financial performance is a key component of the Governance Arrangements of the Mountsett Crematorium.

Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Neighbourhood Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers monthly budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The provisional outturn for the Mountsett Crematorium is included within this report.
5. The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information and market intelligence supplied by the Superintendent and Registrar. The following table highlights the provisional financial performance of the Mountsett Crematorium at 31 March 2011:

Subjective Analysis	Base Budget 2010/2011 £	Year to Date Actual April 2010 – March 2011 £	Provisional Outturn 2010/2011 £	Variance Over/ (Under) £
Employees	115,615	108,362	111,747	(3,868)
Premises	119,100	120,662	140,007	20,907
Transport	300	78	78	(222)
Supplies & Services	68,250	48,802	49,147	(19,103)
Agency & Contracted	17,415	4,945	4,945	(12,470)
Central Support Costs	8,330	0	8,330	0
Gross Expenditure	329,010	282,849	314,254	(14,756)
Income	(573,900)	(521,495)	(572,195)	1,705
Net Income	(244,890)	(238,646)	(257,941)	(13,051)
Transfer to Reserves				
- Repairs Reserve	15,000	0	(24,110)	(39,110)
- Cremator Reserve	65,000	0	117,161	52,161
Distributable Surplus	(164,890)	0	(164,890)	0
35% Gateshead Council	57,712	0	57,712	0
65% Durham County	107,178	0	107,178	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2010 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2011 £
Major Repairs Reserve	(37,547)	0	24,110	(13,437)
Cremator Replacement Reserve	(160,412)	(117,161)	0	(277,573)
Total	(197,959)	(117,161)	24,110	(291,010)

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen above, the provisional outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partners authorities) of £257,941 at the year end against a budgeted surplus of £244,890 (before transfers to reserves and distribution of surpluses to the partners authorities), £13,051 more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis area:

6.1 Employees

The provisional outturn is projecting a £3,868 underspend based on current staffing levels. The base budget assumed a 1.00% pay award (£844) which not materialise. In addition to this, are savings of (£926) arising from revised winter working patterns and reductions in holiday cover payments (£2,098).

6.2 Premises

The provisional outturn is projecting a £20,907 overspend. The main variances to budget are detailed below:

- As previously reported, additional / unbudgeted premises costs (relating to car park resurfacing and replacement metal fencing) have resulted in an overspend of £19,450 this year;
- Landscaping has resulted in an overspend of £2,340. (However this cost is substantially reduced following the Superintendent & Registrars decision not to construct a paved area)
- Non Domestic rates are forecast to exceed the budget by £3,747. This has been corrected in the 2011/12 budget;
- Cremator relining costs have exceeded the £18,000 budget provision by £1,240 and;
- Utility savings on the Gas, Electric and Water budgets of (£5,500)

6.3 Supplies and Services

The £19,103 underspend on supplies and services expenditure is mainly due to the following reasons:

- The Wesley Music System has cost £2,300 more than the budget sum due to extra maintenance costs.
- The Mercury Abatement provision (£10,680) is not required during 2010/11 as payments will not be required until 2013/14.
- An element (£6,000) of the budget provision for Book of Remembrance purchase and calligraphy costs have not been required during 2010/11
- Postage, printing and stationery savings of (£2,200)
- Equipment budget savings of (£2,500)

6.4 Agency and Contracted

The underspend (£12,470) on Agency and Contracted expenditure is as a result of Grounds Maintenance being undertaken by Crematorium staff rather than by staff employed within DCC Street Scene Area North.

6.5 Income

The previous outturn reported that whilst the 2010/11 budget assumed there would be 1,172 cremations in 2010/11, trend data in the first 9 months and discussions with local funeral directors, suggested a total of 1,114 cremations during 2010/11, resulting in an expected reduced income of £27,260 this year. However in the final quarter this position

has improved and cremation numbers have rebounded to a forecasted outturn of 1168 cremations, giving a reduced budget pressure of £1,705.

6.6 Earmarked Reserves

Additional premises costs in relation to car park resurfacing, replacement fencing and landscaping require funding from the Repairs Reserve. This has resulted in a necessary contribution from the reserve of £24,110 rather than a contribution of £15,000 into the reserve as budgeted.

The contribution of £65,000 originally budgeted to the Cremator Reserve has increased to £117,161, as a result of savings made within the Supplies and Services, Agency and Contracted and Employees budget areas resulting in a year end reserve of £277,573.

Overall the earmarked reserves balance as at 31 March 2011 is forecasted to be £291,010, an in year increase of £93,051 or approximately 47% over the balances held at 31 March 2010.

Recommendations and reasons

7 It is recommended that:-

- Members note the April 2010 to March 2011 Revenue spend financial monitoring report and associated provisional outturn position 2010/11;

Background Documents

2010/11 Revenue Budget and Fees and Charges Report – As approved by the Mountsett Crematorium Joint Committee

Previous 2010/11 Financial Monitoring Reports – As previously presented to the Mountsett Crematorium Joint Committee

Oracle Financial Management System Reports

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Appendix 1: Implications

Finance

Full details of the year to date and provisional outturn financial performance of the Mountsett Crematorium are included within the body of the report.

Staffing

There are no staffing implications associated with this report.

Risk

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Superintendent and Registrar. The provisional outturn has been produced taking into consideration the spend to date, trend data and market intelligence. This, together with the information supplied by the Superintendent and Registrar, should mitigate the risks associated with achievement of the forecast outturn position.

Equality and Diversity

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report

Consultation

Officers of Gateshead Council were consulted on the contents of this report.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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