

**Central Durham Crematorium
Joint Committee**

27 September 2019



**Financial Monitoring Report – Position
at 31/08/19, with Projected Revenue and
Capital Outturn at 31/03/20**

Joint Report of

**Ian Thompson, Corporate Director of Regeneration and Local
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the
Joint Committee**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report provides members of the Central Durham Crematorium Joint Committee with details of the provisional outturn position for 2019/20 and the projected level of reserves and balances at 31 March 2020.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2019 to 31 August 2019, together with a forecast revenue and capital outturn position for 2019/20, highlighting areas of over / underspends against the approved budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2019 and forecast final position at 31 March 2020, taking into account expenditure to date and forecasts to the year end.
- 4 The projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £809,482 against a budgeted surplus of £753,769, £55,713 more than the budgeted position.
- 5 Contributions to earmarked reserves are forecast as £172,283 less than originally budgeted, due mainly to capital schemes being carried forward from the previous year.

- 6 In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £12,495 is required. This results in a net transfer from the Major Capital Works Reserve of £144,259.
- 7 The retained reserves of the CDCJC at 31 March 2020 are forecast to be £1,290,008 along with a General Reserve of £497,670, giving a forecast total reserves and balances position of £1,787,678 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to August 2019 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2020, including the projected year position with regards to the reserves and balances of the Joint Committee.

Background

- 9 Scrutinising the financial performance of the Central Durham 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 Central Durham Crematorium

Financial Performance

- 10 Budgetary control reports, incorporating outturn projections, are considered by Regeneration and Local Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers regular budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Central Durham Crematorium are included within this report.
- 11 The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the provisional revenue outturn financial performance of the Central Durham Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2019/20 £	Year to Date Actual April – August £	Provisional Outturn 2019/20 £	Variance Over/ (Under) £
Employees	258,068	87,972	257,708	(360)
Premises	256,163	140,486	272,037	15,874
Transport	1,900	1,415	2,669	769
Supplies & Services	127,032	41,662	130,012	2,980
Agency & Contracted	8,980	4,941	8,562	(418)
Capital Charges	213,738	0	213,738	0
Central Support Costs	39,250	0	39,250	0
Gross Expenditure	905,131	276,476	923,976	18,845
Income	(1,658,900)	(659,309)	(1,733,458)	(74,558)
Net Income	(753,769)	(382,833)	(809,482)	(55,713)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	165,519	0	221,232	55,713
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(556,250)	0	(556,250)	0
80% Durham County Council	445,000	222,500	445,000	0
20% Spennymoor Town Council	111,250	55,625	111,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2019 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2020 £
General Reserve	(485,175)	(568,745)	556,250	(497,670)
Masterplan Memorial Garden	(61,250)	(5,000)	0	(66,250)
Major Capital Works	(1,214,157)	(221,232)	365,491	(1,069,898)
Cremator Reline Reserve	(121,455)	(25,000)	0	(146,455)
Small Plant	(5,405)	(2,000)	0	(7,405)
Total	(1,887,442)	(821,977)	921,741	(1,787,678)

Explanation of Significant Variances between Original Budget and Forecast Outturn

12 As can be seen from the table above, the projected revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £809,482 against a budgeted surplus of £753,769, £55,713 more than the budgeted position.

13 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

13.1 *Employees*

The outturn shows a forecast underspend of **£360**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are projected to underspend by **£360** due to slightly less overtime being worked than budgeted.

13.2 *Transport*

The outturn shows a forecast overspend of **£769**, in relation to transport costs. The reasons for this are identified below:

- Transport costs are projected to overspend by **£769** due to additional travel required by the Apprentice for training purposes.

13.3 *Premises*

The outturn shows a forecast overspend of **£15,874** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to the replacement of the organ, improvements to the wall by the book of remembrance and new paving around floral tributes are expected to overspend by **£15,874**. The improvements were approved by Members in the SAMP report at the September 2018 meeting but were not included in the base budget.

13.4 *Supplies and Services*

The outturn shows a forecast underspend of **£2,980** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£2,677**.

- Other general office costs such as Book Of Remembrance, webcasting and DVD purchases are expected to overspend by **£303**.

13.5 Income

An increase in income of **(£74,558)** from the 2019/20 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 101 cremations compared to the budget, totalling an increased income to budget of **(£70,700)**. The outturn allows for a total of 2,301 cremations against a budgeted 2,200 during 2019/20.
- Miscellaneous sales and Book of Remembrance entries are expected to be higher than budget resulting in additional income of **(£3,858)**.

14 Capital Programme

The following table highlights the capital outturn of the Central Durham Crematorium

	Base Budget 2019/20 £	Revised Budget 2019/20 £	Year to Date Actual April - Aug £	Forecast Outturn 2019/20 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works					
Carry out energy improvement works	125,000	125,000	0	125,000	0
Improvements to office accommodation	0	165,000	1,029	165,000	0
Improvements to roadway	0	37,996	0	37,996	0
Improvements to boundary wall	0	25,000	0	25,000	0
Total	125,000	352,996	1,029	352,996	0

The improvements to the roadway and boundary wall were included in the 2018/19 budget but the works were not completed by the year end so the budgets have been carried forward into the current year.

The improvements to office accommodation were approved by Members in the SAMP report at the September 2018 meeting but was not included in the base budget and has now been included within the revised budget.

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve. All the above works are expected to be completed in the current financial year and within budget.

15 Earmarked Reserves

Contributions to earmarked reserves are forecast as **£172,283** less than originally budgeted, due mainly to capital schemes being carried forward from the previous year.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£12,495** is required. This results in a net transfer from the Major Capital Works Reserve of **£144,259**.

The retained reserves of the CDCJC at 31 March 2020 are forecast to be **£1,290,008** along with a General Reserve of **£497,670**, giving a forecast total reserves and balances position of **£1,787,678** at the year end.

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Appendix 1: Implications

Legal Implications

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

Finance

Full details of the year to date and projected outturn financial performance of the Central Durham Crematorium are included within the body of the report.

Consultation

None. However, Officers of Spennymoor Town Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the CDCJC.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

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 Bereavement Services Manager. The projected outturn has been produced taking into consideration the spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager, should mitigate the risks associated with achievement of the forecast outturn position.

Procurement

None.