

Central Durham Crematorium Joint Committee

29 June 2021

Revenue Outturn and Joint Committees Annual Return for the Financial Year Ended 31 March 2021



Joint Report of

Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change

Paul Darby, Corporate Director of Resources (Interim) and Treasurer to the Joint Committee

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report seeks approval of the Joint Committees Annual Return (attached at Appendix 3) for Central Durham Crematorium Joint Committee for the financial year ended 31 March 2021. It also includes details of the final outturn position against the approved budgets for 2020/21.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2020 to 31 March 2021, 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 2020 and final position at 31 March 2021, taking into account the updated financial outturn.
- 4 The revenue outturn was a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £983,402 against a budgeted surplus of £761,132, £222,270 more than the budgeted position.

- 5 The final outturn position is broadly in line with the forecast outturn position reported to the Joint Committee on 28 January 2021, with only minor changes across a number of budget heads resulting in a £2,009 decrease to the overall net income for the 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 £20,100 was required at year end. This results in a net transfer to the Major Capital Works Reserve of (£275,724).
- 7 The retained reserves of the CDCJC at 31 March 2021 are £1,636,557 along with a General Reserve of £517,770, giving a total reserves and balances position of £2,154,327 at the year end.

Recommendation(s)

- 8 It is recommended that Members of the Central Durham Joint Committee:
 - Note the revenue outturn position as at 31 March 2021, including the year end position with regards to the reserves and balances of the Joint Committee.
 - Approve Section 1 – Annual Governance Statement 2020/21 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2021 (attached at Appendix 3).
 - Approve Section 2 – Accounting Statements 2020/21 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2021 (attached at Appendix 3).
 - The Chair, Clerk and Treasurer sign the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2021 (attached at Appendix 3).

Background

- 9 The Joint Committees Annual Return will be subject to external audit by the Joint Committee's appointed external auditors, Mazars LLP and the limited assurance audit will commence on 1 July 2021. Upon completion, the auditor's report will be reported to the Joint Committee and will be made available online, along with the Return.
- 10 The attached Joint Committees Annual Return (Appendix 3) is not a compulsory requirement for the Central Durham Crematorium Joint Committee but is good practice. Also attached for Members attention at Appendix 2 is the Balance Sheet as at 31 March 2021.

Financial Performance

- 11 Budgetary control reports, incorporating outturn projections, are considered by Neighbourhoods and Climate Change 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 for the Central Durham Crematorium is included within this report.
- 12 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 revenue outturn financial performance of the Central Durham Crematorium as at 31 March 2021.

Subjective Analysis (Type of Expenditure)	Base Budget 2020/21 £	Outturn 2020/21 £	Variance Over/ (Under) £	MEMO – Provisional Outturn (28.04.21) 2020/21 £
Employees	285,430	329,431	44,001	329,431
Premises	277,255	281,312	4,057	279,069
Transport	2,800	3,390	590	3,390
Supplies & Services	136,051	183,061	47,010	183,154
Agency & Contracted	9,184	11,719	2,535	11,719
Capital Charges	213,738	213,738	0	213,738
Central Support Costs	40,310	40,310	0	40,310
Gross Expenditure	964,768	1,062,962	98,194	1,060,812
Income	(1,725,900)	(2,046,364)	(320,464)	(2,046,223)
Net Income	(761,132)	(983,402)	(222,270)	(985,411)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	91,632	313,902	222,270	315,911
- Cremator Reline Reserve	25,000	25,000	0	25,000
- Small Plant	2,000	2,000	0	2,000
Distributable Surplus	(637,500)	(637,500)	0	(637,500)
80% Durham County Council	510,000	510,000	0	510,000
20% Spennymoor Town Council	127,500	127,500	0	127,500

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2020 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2021 £
General Reserve	(497,670)	(657,600)	637,500	(517,770)
Masterplan Memorial Garden	(66,250)	(5,000)	0	(71,250)
Major Capital Works	(1,147,423)	(313,902)	38,178	(1,423,147)
Cremator Reline Reserve	(107,755)	(25,000)	0	(132,755)
Small Plant	(7,405)	(2,000)	0	(9,405)
Total	(1,826,503)	(1,003,502)	675,678	(2,154,327)

Explanation of Significant Variances between Original Budget and Forecast Outturn

- 13 The final outturn position is broadly in line with the provisional outturn position reported to the Joint Committee on 28 January 2021, with only minor changes across a number of budget levels at the final outturn (£2,009 decrease) to the overall net income for the year.
- 14 The following section outlines the reasons for significant variances by subjective analysis area comparing the outturn position against the budget.

14.1 *Employees*

The outturn shows an overspend of **£44,001** in relation to employee costs. The reasons for this are identified below:

- Staffing costs overspent by **£44,001** due to staff redeployment, increased overtime and additional training costs.

14.2 *Premises*

The outturn shows an overspend of **£4,057** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to the new viewing screens, new catafalque and memorial trees underspent by **(£2,845)**.
- Relining of a hearth and the re-surfacing of the memorial garden were not carried out and will instead be completed in 21/22, resulting in an underspend of **(£8,450)**.
- Cremator servicing and repairs overspent by **£14,669** due to repairs to damaged flue ducts.
- Mortuary refrigerator packs overspent by **£1,648**.
- Grounds maintenance and building maintenance underspent by **(£2,034)**
- Contract cleaning overspent by **£1,069** due to extra cleans for Covid-19.

14.3 *Supplies and Services*

The outturn shows an overspend of **£47,010** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the increase in cremations (highlighted later within the income section of the report), medical referee expenditure overspent by **£15,363**.
- Purchasing of webcasts overspent by **£27,390** due to the free provision until November 2020.
- The Book of Remembrance budget overspent by **£6,846** mainly due to the purchase of a new book.
- Other general office costs such as subscriptions and vending machines underspent by **(£889)**.
- The conference and seminars budget underspent by **(£1,700)** due to the cancellation of the annual conference.

14.4 Income

An increase in income of **(£320,464)** from the 2020/21 budget is included within the updated outturn. The reasons for this are identified below:

- The sale of large plaques, vase blocks, columbaria units and seats etc. was more than budget, resulting in an overachievement of income of **(£25,547)**.
- The outturn includes an additional 538 cremations compared to the budget, totalling an increased income to budget of **(£325,839)**. The outturn allows for a total of 2,738 cremations against a budgeted 2,200 during 2020/21.
- Sale of urns underachieved by **£17,710**. It was agreed at the January 2020 meeting to increase the cost of urns to £10 and to sell them with every cremation, however this had not commenced.
- Organ fee income underachieved by **£1,255** as the organ was not permitted to be used due to Covid-19.
- Interest received was **£11,957** lower than the budget as the bank accounts were not accruing any interest due to the interest rate of 0.1%.

Capital Programme

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

	Base Budget 2020/21 £	Revised Budget 2020/21 £	Outturn 2020/21 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works				
Energy improvement works	0	0	5,769	5,769
Office accommodation improvements	0	25,503	12,309	(13,194)
Improvements to roadway	0	7,473	0	(7,473)
Replacement of chapel dome	20,000	20,000	0	(20,000)
Re-lining of 2 cremators	71,300	71,300	0	(71,300)
Enlarging of cremator 1	70,000	70,000	0	(70,000)
Total	161,300	194,276	18,078	(176,198)

- 16 The cost of the Redevelopment Works is being financed from the Major Capital Works reserves. The outturn shows an underspend of **(£176,198)** and the main reasons for this are identified below:
- 17 The majority of the energy improvement works were carried out in 2019/20 and the **£5,769** costs in 2020/21 relate to unbudgeted final account claims.
- 18 The office accommodation improvements were included in the 2019/20 budget, but the works were not completed by the year end, so the budgets were carried forward into 2020/21. The improvements have now been completed with an underspend of **(£13,194)**.
- 19 The roadway improvements were included in the 2019/20 budget, but the works were not completed so the remaining budget was carried forward into 2020/21. However, the budget was not spent resulting in an underspend of **(£7,473)** and a larger project to widen the access road and gates has been included in the 2021/22 SAMP.
- 20 The replacement of the chapel dome did not commence in 2020/21, resulting in an underspend of **(£20,000)**, which will be carried forward into 2021/22.
- 21 The re-lining and enlarging of the cremators were rescheduled to the new financial year, resulting in underspends of **(£71,300)** and **(£70,000)**, which will both be carried forward into 2021/22.

Earmarked Reserves

- 22 Contributions to earmarked reserves are £365,492 more than originally budgeted, mainly due to the additional cremations (to budget) carried out throughout the year and a number of capital schemes being carried forward into next year.

- 23 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 £20,100 was required at year end. This results in a net transfer to the Major Capital Works Reserve of (£275,724).
- 24 The retained reserves of the CDCJC at 31 March 2020 are £1,636,557 along with a General Reserve of £517,770, giving a total reserves and balances position of £2,154,327 at the year end.

Joint Committees Annual Governance and Accountability Return and Balance Sheet

- 25 The Joint Committees Annual Governance and Accountability return is attached at Appendix 3 and is supported by the Balance Sheet information contained in Appendix 2 to this report. This shows that the Crematorium had net assets of £3.433m at 31 March 2021 funded by reserves.

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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.

Climate Change

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 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.

Appendix 2: Balance Sheet as at 31 March 2021

Central Durham Crematorium Joint Committee

Balance Sheet as at 31st March 2021

31 March 2020 £000		31 March 2021 £000
2,164	Property, Plant & Equipment	1,278
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
2,164	Long Term Assets	1,278
500	Short term Investments	500
4	Inventories	2
88	Short Term Debtors	76
1,693	Cash & Cash Equivalents	2,206
2,285	Current Assets	2,784
(208)	Short Term Borrowing	0
(459)	Short Term Creditors	(629)
0	Provisions	0
(667)	Current Liabilities	(629)
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Long Term Liabilities	0
3,782	NET ASSETS	3,433
1,827	Usable Reserves	2,154
1,955	Unusable Reserves	1,279
3,782	TOTAL RESERVES	3,433