

# **Mountsett Crematorium Joint Committee**



**28 September 2021**

## **Financial Monitoring Report – Position at 31/08/21, with Projected Outturn at 31/03/22**



### **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 provides members of the Mountsett Crematorium Joint Committee with details of the provisional outturn position for 2021/22 and the projected level of reserves and balances at 31 March 2022.

### **Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2021 to 31 August 2021, together with a forecast revenue outturn position for 2021/22, 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 2021 and forecast position at 31 March 2022, taking into account expenditure to date and forecasts to the year end.
- 4 The projected revenue outturn is a loss (before transfers to reserves and distribution of surpluses to the partner authorities) of £5,417 against a budgeted surplus of £24,662, £30,079 less than the budgeted position.
- 5 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of

£10,358 is required. This results in a net transfer from the Cremator Replacement Reserve of £380,775.

- 6 The retained reserves of the MCJC at 31 March 2022 are forecast to be £243,583 along with a General Reserve of £308,686, giving a forecast total reserves and balances position of £552,269 at the year end.

### **Recommendation(s)**

- 7 It is recommended that Members note the April to August 2021 financial monitoring report and associated provisional outturn position at 31 March 2022, including the projected year position with regards to the reserves and balances of the Joint Committee.

## **Background**

- 8 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**

- 9 Budgetary control reports, incorporating outturn projections, are considered by the Neighbourhoods and Climate Change Management Team on a quarterly 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 Mountsett Crematorium are included within this report.
- 10 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 Mountsett Crematorium.

<b>Subjective Analysis (Type of Expenditure)</b>	<b>Base Budget 2021/22 £</b>	<b>Year to Date Actual April – August £</b>	<b>Provisional Outturn 2021/22 £</b>	<b>Variance Over/ (Under) £</b>
Employees	186,184	60,446	184,987	(1,197)
Premises	543,913	73,497	654,038	110,125
Transport	900	1,120	3,357	2,457
Supplies & Services	79,545	33,040	91,796	12,251
Agency & Contracted	13,385	2,252	5,429	(7,956)
Capital Charges	150,641	0	150,641	0
Central Support Costs	29,720	0	29,720	0
<b>Gross Expenditure</b>	<b>1,004,288</b>	<b>170,355</b>	<b>1,119,967</b>	<b>115,679</b>
<b>Income</b>	<b>(1,028,950)</b>	<b>(444,936)</b>	<b>(1,114,550)</b>	<b>(85,600)</b>
<b>Net Income</b>	<b>(24,662)</b>	<b>(274,581)</b>	<b>5,417</b>	<b>30,079</b>
<b>Transfer to / (from) Reserves</b>				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	(340,338)	0	(370,417)	(30,079)
- General Reserve	0	0	0	0
<b>Distributable Surplus</b>	<b>(350,000)</b>	<b>0</b>	<b>(350,000)</b>	<b>0</b>
<b>65% Durham County Council</b>	<b>227,500</b>	<b>113,750</b>	<b>227,500</b>	<b>0</b>
<b>35% Gateshead Council</b>	<b>122,500</b>	<b>61,250</b>	<b>122,500</b>	<b>0</b>

<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2021 £</b>	<b>Transfers To Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2022 £</b>
Repairs Reserve	(84,370)	(15,000)	0	(99,370)
Cremator Reserve	(524,988)	0	380,775	(144,213)
General Reserve	(298,328)	(360,358)	350,000	(308,686)
<b>Total</b>	<b>(907,686)</b>	<b>(375,358)</b>	<b>730,775</b>	<b>(552,269)</b>

## Explanation of Significant Variances between Original Budget and Forecast Outturn

- 11 As can be seen from the table above, the projected revenue outturn is indicating a loss (before transfers to reserves and distribution of surpluses to the partner authorities) of £5,417 against a budgeted surplus of £24,662, £30,079 less than the budgeted position.
- 12 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

### 12.1 *Employees*

The outturn shows an underspend of **(£1,197)**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to underspend by **(£1,197)** due to reduced NI costs.

### 12.2 *Premises*

The outturn shows a forecast overspend of **£110,125** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets of £125,000 relating to energy improvements in 2020/21 were unspent due to project delays. It is therefore forecast to overspend by **£125,000** in 2021/22.
- One off SAMP budgets relating to the replacement of the pathway is forecast to underspend by **(£116)**.
- One off SAMP budgets relating to the replacement of the existing curtain track is forecast to underspend by **(£6,000)** as it is no longer required.
- Cremator servicing and repairs is forecast to underspend by **(£4,859)** as the new cremators will be maintained within the new contract agreement for the first 2 years.
- General office costs such as equipment and utilities are forecast to underspend by **(£3,900)**.

### 12.3 *Supplies and Services*

The outturn shows a forecast overspend of **£12,251** 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 **£2,783**.

- Purchasing of webcasts is forecast to overspend by **£11,800** due to the initial limited chapel capacity and continued high demand.
- The conference and seminars budget will underspend by **(£1,000)** due to the cancellation of the annual conference.
- General office costs are forecast to underspend by **(£1,332)**.

#### 12.4 Agency & Contracted

The outturn shows a forecast underspend of **(£7,956)** in relation to agency and contracted services costs. The reasons for this are identified below:

- Due to the cremator replacement, EPA testing will not be needed as it is included in the price of the replacements, resulting in a forecast underspend of **(£7,956)**

#### 12.5 Income

An increase in income of **(£85,600)** from the 2021/22 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 105 cremations compared to the budget, totalling increased income to budget of **(£77,700)**. The outturn allows for a total of 1,405 cremations against a budgeted 1,300 during 2021/22.
- Miscellaneous sales and Book of Remembrance entries are expected to be higher than budget resulting in additional of income of **(£8,800)**.
- Interest received is forecast to be underachieved by **£1,500** as the bank accounts are not accruing any interest due to the current interest rates,
- Income from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) is forecast to overachieve by **(£600)**.

### Earmarked Reserves

- 13 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the Cremator Replacement Reserve to the General Reserve of **£10,358** is required. An additional transfer of **£30,079** is required due to the forecast overspend in year. This results in a net transfer from the Cremator Replacement Reserve of **£380,775**.

- 14 The retained reserves of the MCJC at 31 March 2022 are forecast to be **£243,583** along with a General Reserve of **£308,686**, giving a forecast total reserves and balances position of **£552,269** at the year end.

---

<b>Contact:</b>	Philip Curran	Tel: 03000 261967
	Ed Thompson	Tel: 03000 263481

---

---

## **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 Mountsett Crematorium are included within the body of the report.

### **Consultation**

None. However, Officers of Gateshead 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 MCJC.

### **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 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.