

# Central Durham Crematorium Joint Committee

29 June 2022

## Revenue Outturn & Joint Committees Annual Return for the Financial Year Ended 31 March 2022



### Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change**

**Paul Darby, Corporate Director of Resources 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 2022. It also includes details of the final outturn position against the approved budgets for 2021/22.

### Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2021 to 31 March 2022, 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 final position at 31 March 2022, 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 £1,109,194 against a budgeted surplus of £1,022,157, £87,037 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 April 2022, with only

minor changes across a number of budget heads resulting in a £2,482 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 £13,905 was required at year end. This transfer, in addition to the transfer in of the revenue surplus, combined with the funding of the capital programme results in a net transfer to the Major Capital Works Reserve of (£57,734).
- 7 The retained reserves of the CDCJC at 31 March 2022 are £1,726,291 along with a General Reserve of £531,675, giving a total reserves and balances position of £2,257,966 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 2022, including the year end position with regards to the reserves and balances of the Joint Committee.
  - Approve Section 1 – Annual Governance Statement 2021/22 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2022 (attached at Appendix 3).
  - Approve Section 2 – Accounting Statements 2021/22 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2022 (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 2022 (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 2022. 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 Member's attention at Appendix 2 is the Balance Sheet as at 31 March 2022.

## **Financial Performance**

- 11 Budgetary control reports, incorporating outturn projections, are considered by 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 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 2022.

<b>Subjective Analysis (Type of Expenditure)</b>	<b>Base Budget 2021/22 £</b>	<b>Outturn 2021/22 £</b>	<b>Variance Over/ (Under) £</b>	<b>MEMO – Provisional Outturn (28.04.22) 2021/22 £</b>
Employees	295,151	302,822	7,671	302,834
Premises	270,622	255,269	(15,353)	254,171
Transport	2,800	3,134	334	3,134
Supplies & Services	131,351	146,638	15,287	144,369
Agency & Contracted	9,184	8,831	(353)	8,831
Capital Charges	0	0	0	0
Central Support Costs	40,985	40,985	0	40,985
<b>Gross Expenditure</b>	<b>750,093</b>	<b>757,679</b>	<b>7,586</b>	<b>754,324</b>
<b>Income</b>	<b>(1,772,250)</b>	<b>(1,866,873)</b>	<b>(94,623)</b>	<b>(1,866,000)</b>
<b>Net Income</b>	<b>(1,022,157)</b>	<b>(1,109,194)</b>	<b>(87,037)</b>	<b>(1,111,676)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	133,907	220,944	87,037	223,426
- Cremator Reline Reserve	25,000	25,000	0	25,000
- Small Plant	2,000	2,000	0	2,000
<b>Distributable Surplus</b>	<b>(856,250)</b>	<b>(856,250)</b>	<b>0</b>	<b>(856,250)</b>
<b>80% Durham County Council</b>	<b>685,000</b>	<b>685,000</b>	<b>0</b>	<b>685,000</b>
<b>20% Spennymoor Town Council</b>	<b>171,250</b>	<b>171,250</b>	<b>0</b>	<b>171,250</b>

<b>Central Durham 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>
General Reserve	(517,770)	(870,155)	856,250	(531,675)
Masterplan Memorial Garden	(71,250)	(5,000)	0	(76,250)
Major Capital Works	(1,423,147)	(220,944)	163,210	(1,480,881)
Cremator Reline Reserve	(132,755)	(25,000)	0	(157,755)
Small Plant	(9,405)	(2,000)	0	(11,405)
<b>Total</b>	<b>(2,154,327)</b>	<b>(1,123,099)</b>	<b>1,019,460</b>	<b>(2,257,966)</b>

## 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 April 2022, with only minor changes across a number of budget levels at the final outturn (£2,482 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 **£7,671** in relation to employee costs. The reasons for this are identified below:

- Staffing costs overspent by **£7,671** due to increased overtime.

### 14.2 *Premises*

The outturn shows an underspend of **(£15,353)** in relation to premises costs. The reasons for this are identified below:

- It was decided not to replace the floral tribute stand, which resulted in an underspend of **(£2,500)** in the one off SAMP budgets.
- One off SAMP budgets relating to the redecoration work and relining of the cremator hearth have been delayed until 2022/23 resulting in an underspend of **(£23,000)**.
- Utilities overspent by **£10,606** mainly due to rising gas and electricity prices.
- Tree works overspent by **£2,778** due to storm damage during the year.
- Cleaning overspent by **£5,094** due to additional cleans to ensure Covid compliance.
- Cremator servicing, repairs and equipment underspent by **(£8,331)**

### 14.3 *Supplies and Services*

The outturn shows an overspend of **£15,287** 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 **£2,968**.
- Purchasing of webcasts overspent by **£14,360** due to the initial limited chapel capacity and continued high demand. These costs are offset by additional income received, highlighted later in the report.
- Other general costs such as purchase of urns, cremator additives, telephones and vending machines underspent by **(£541)**.
- The conference and seminars budget underspent by **(£1,500)** due to the cancellation of the annual conference.

#### 14.4 Income

An increase in income of **(£94,623)** from the 2021/22 budget is included within the updated outturn. The reasons for this are identified below:

- The outturn includes an increase of 106 cremations compared to the budget, totalling increased income to budget of **(£49,059)**. The outturn allows for a total of 2,306 cremations against a budgeted 2,200 during 2021/22.
- Book of Remembrance, plaque and Webcast receipts were higher than budget resulting in additional income of **(£48,404)**.
- Organ fee income was **£1,229** under budget as playing of the organ was not permitted due to Covid-19.
- Interest received was under budget by **£1,611** as the bank accounts were not accruing any interest for much of the year due to the low bank interest rates.

#### Capital Programme

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

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Outturn 2021/22 £	Variance to Revised Budget Over/ (Under) £
<b>Redevelopment Works</b>				
Replacement of chapel dome	0	20,000	0	(20,000)
Enlarging of cremator 1	0	70,000	61,500	(8,500)
Replacement ride on grass cutter	25,000	25,000	10,762	(14,238)

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Outturn 2021/22 £	Variance to Revised Budget Over/ (Under) £
<b>Redevelopment Works</b>				
Install new gates and adjust roadway to allow 2 way passing	57,257	57,257	68,165	10,908
Re-lining of cremators x2	71,300	71,300	0	(71,300)
Install lighting to the crematorium	10,000	10,000	8,878	(1,122)
Replacement for cooler cassettes	88,000	88,000	0	(88,000)
<b>Total</b>	<b>251,557</b>	<b>341,557</b>	<b>149,305</b>	<b>(192,252)</b>

16 The cost of the Redevelopment Works was financed from the Major Capital Works reserves. The outturn shows an underspend of **(£192,252)** and the main reasons for this are identified below:

- The replacement of the chapel dome is now planned to be completed in 22/23 resulting in an underspend of **(£20,000)**.
- The enlarging of cremator 1 is complete and cost £61,500, resulting in an underspend of **(£8,500)**.
- The replacement ride on grass cutter was purchased in August 2021 and underspent by **(£14,238)**.
- The widening of the roadway entrance and new gates overspent by **£10,908**.
- The re-lining of 2 cremators was not required and underspent by **(£71,300)**.
- The lighting installation is complete and underspent by **(£1,122)**.
- The replacement of the 3 cooler cassettes was not carried out and they are now to be replaced in 22/23 resulting in an underspend of **(£88,000)**.

### **Earmarked Reserves**

17 Contributions to earmarked reserves are £189,289 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.

18 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

£13,905 was required at year end. This results in a net transfer to the Major Capital Works Reserve of (£57,734).

- 19 The retained reserves of the CDCJC at 31 March 2022 are £1,726,291 along with a General Reserve of £531,675, giving a total reserves and balances position of £2,257,966 at the year end.

### **Joint Committees Annual Governance and Accountability Return and Balance Sheet**

- 20 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 £3,691m at 31 March 2022 funded by reserves.

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## **Appendix 1: Implications**

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### **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 2022

### Central Durham Crematorium Joint Committee

#### Balance Sheet as at 31<sup>st</sup> March 2022

31 March 2021 £000		31 March 2022 £000
1,278	Property, Plant & Equipment	1,433
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
<b>1,278</b>	<b>Long Term Assets</b>	<b>1,433</b>
500	Short term Investments	500
2	Inventories	11
76	Short Term Debtors	69
2,206	Cash & Cash Equivalents	1,764
<b>2,784</b>	<b>Current Assets</b>	<b>2,344</b>
0	Short Term Borrowing	0
(629)	Short Term Creditors	(86)
0	Provisions	0
<b>(629)</b>	<b>Current Liabilities</b>	<b>(86)</b>
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
<b>0</b>	<b>Long Term Liabilities</b>	<b>0</b>
<b>3,433</b>	<b>NET ASSETS</b>	<b>3,691</b>
2,154	Usable Reserves	2,258
1,279	Unusable Reserves	1,433
<b>3,433</b>	<b>TOTAL RESERVES</b>	<b>3,691</b>