

Mountsett Crematorium Joint Committee



27 January 2012

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



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 2011 to 31 December 2011, together with the forecast outturn position for 2011/12, 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 2011 and the projected position at 31 March 2012, taking into account the forecast 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 outturn projections for the Mountsett Crematorium are 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 projected outturn financial performance of the Mountsett Crematorium at 31 March 2012:

Subjective Analysis	Base Budget 2011/2012 £	Year to Date Actual April – Dec £	Projected Outturn 2011/2012 £	Variance Over/ (Under) £
Employees	114,615	79,470	108,661	(5,954)
Premises	110,935	27,051	97,545	(13,390)
Transport	300	142	189	(111)
Supplies & Services	50,685	36,375	48,239	(2,446)
Agency & Contracted	17,415	2,850	10,415	(7,000)
Central Support Costs	22,200	21,200	22,200	0
Gross Expenditure	316,150	167,088	287,249	(28,901)
Income	(561,540)	(393,887)	(599,060)	(37,520)
Net Income	(245,390)	(226,799)	(311,811)	(66,421)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	65,500	0	131,921	66,421
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	57,712	0	57,712	0
35% Gateshead Council	107,178	28,856	107,178	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2011 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2012 £
Repairs Reserve	14,215	15,000	0	29,215
Cremator Reserve	279,239	131,921	0	411,160
Total	293,454	146,921	0	440,375

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen above, the projected outturn is showing a forecast surplus (before transfers to reserves and distribution of surpluses to the partners authorities) of £311,811 at the year end against a budgeted surplus of £245,390 (before transfers to reserves and distribution of surpluses to the partners authorities), £66,421 more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis area:

6.1 Employees

The forecast outturn shows an under spend of (£5,954), based on current staffing levels. These savings are a result of the revised working patterns that were not reflected in the 2011/12 budget.

6.2 Premises

The forecast is a **(£13,390)** under spend. The main variances to budget are detailed below:

- As previously reported, the **(£6,000)** budget in relation to Water Seepage Repairs will not be required during 2011/12. This budget has not been required for a number of years therefore will be removed during the 2012/13 budget round. General Repairs and Maintenance are also expected to slightly under spend by **(£280)**, and;
- Utility costs of gas, electricity and water are anticipated to result in an under spend against budget of **(£7,110)**.

6.3 Supplies and Services

The **(£2,446)** forecasted under spend on supplies and services expenditure is due to the following reasons:

- The Wesley Music system has cost **£1,450** additional to the budgeted sum, arising from unbudgeted maintenance costs. These additional charges were identified during the 2010/11 closedown period but after the 2011/12 budget was set (consideration has been given to this issue during the 2012/13 budget round);
- Equipment, postage, printing and stationery budgets are collectively expected to under spend by **(£3,345)**;
- Expenditure in relation to Licences and subscriptions is **(£550)** lower than budgeted

6.4 Agency and Contracted

As a result of the revised working practices/ duties undertaken by crematorium staff during 2010/11, an element of the Grounds Maintenance budget will not be required during this financial year. It should be noted however, that capacity has been retained to cover the anticipated costs in relation to Winter Maintenance and snowing clearing. The outturn therefore indicates a prudent anticipated saving of **(£7,000)**.

6.5 Income

- The 2011/2012 budget assumes a total of 1,133 cremations. The projected outturn (based on historic trend data for the remaining 3 months and cremations to date), assumes a total of 1,195 cremations during 2011/12, resulting in an increase of 62 from original budget and an additional income of **(£29,760)** this year;
- The Book of Remembrance income is projected to be **(£5,190)** over budget, and;
- Miscellaneous sales, including Organ Fees and Urns, are anticipated to exceed budget by **(£2,570)**.

The net impact of this is additional income of **(£37,520)** in 2011/12.

6.6 Earmarked Reserves

There is forecast to be a £131,921 contribution into the earmarked Cremator Replacement reserve, which is £66,421 more than originally budgeted.

Overall, the earmarked reserves projection at 31 March 2012 is £440,375, an in year increase of £146,921 or approximately 50% in year. This is in line with the previously agreed strategy of the Joint Committee.

Recommendations and Reasons

7 It is recommended that:-

- Members note the April to December 2011 revenue spend financial monitoring report and associated projected outturn position 2011/12;

Background Documents

2011/12 Revenue Budget and Fees and Charges Report – As approved by the Mountsett Crematorium Joint Committee

Previous 2011/12 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 projected outturn financial performance of the Mountset 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 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 Superintendent and Registrar, should mitigate the risks associated with achievement of the forecast outturn position.

Equality and Diversity / Public Sector Equality Duty

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

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 Joint Committee.

Procurement

None

Disability Issues

None

Legal Implications

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