

Central Durham Crematorium Joint Committee

29 June 2023



Revenue Outturn & Joint Committees Annual Return for the Financial Year Ended 31 March 2023

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 2023. It also includes details of the final outturn position against the approved budgets for 2022/23.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2022 to 31 March 2023, 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 2022 and final position at 31 March 2023, 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 £1,076,344 against a budgeted surplus of £996,425, £79,919 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 26 April 2023, with only

minor changes across a number of budget heads resulting in a £2,798 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 £16,500 was required from the Major Capital Works Reserve 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 from the Major Capital Works Reserve of £57,123.
- 7 The retained reserves of the CDCJC at 31 March 2023 are £1,701,168 along with a General Reserve of £548,175, giving a total reserves and balances position of £2,249,343 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 2023, including the year end position with regards to the reserves and balances of the Joint Committee.
 - Approve Section 1 – Annual Governance Statement 2022/23 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023 (attached at Appendix 3).
 - Approve Section 2 – Accounting Statements 2022/23 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023 (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 2023 (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 2023. 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 2023.

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 2023.

Subjective Analysis (Type of Expenditure)	Base Budget 2022/23 £	Outturn 2022/23 £	Variance Over/ (Under) £	MEMO – Provisional Outturn (26.04.23) 2022/23 £
Employees	326,530	402,393	75,863	402,393
Premises	308,130	390,879	82,749	392,229
Transport	2,800	2,641	(159)	2,641
Supplies & Services	140,715	180,031	39,316	181,109
Agency & Contracted	10,465	25,691	15,226	25,691
Capital Charges	0	0	0	0
Central Support Costs	42,185	42,185	0	42,185
Gross Expenditure	830,825	1,043,820	212,995	1,046,247
Income	(1,827,250)	(2,120,165)	(292,915)	(2,119,793)
Net Income	(996,425)	(1,076,344)	(79,919)	(1,073,546)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	108,175	188,094	79,919	185,296
- Cremator Reline Reserve	25,000	25,000	0	25,000
- Small Plant	2,000	2,000	0	2,000
Distributable Surplus	(856,250)	(856,250)	0	(856,250)
80% Durham County Council	685,000	685,000	0	685,000
20% Spennymoor Town Council	171,250	171,250	0	171,250

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2022 £	Transfers to Reserve £	Transfers from Reserve £	Balance @ 31 March 2023 £
General Reserve	(531,675)	(872,750)	856,250	(548,175)
Masterplan Memorial Garden	(76,250)	(5,000)	0	(81,250)
Major Capital Works	(1,480,881)	(188,094)	245,217	(1,423,758)
Cremator Reline Reserve	(157,755)	(25,000)	0	(182,755)
Small Plant	(11,405)	(2,000)	0	(13,405)
Total	(2,257,966)	(1,092,844)	1,101,467	(2,249,343)

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 26 April 2023, with only minor changes across a number of budget levels at the final outturn (£2,798 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 **£75,863** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£28,631** mainly due to the national pay settlement for 2022/23 and average holiday entitlement back pay.
- The staffing restructure approved in January 2022 has resulted in a one off overspend of **£47,232** due to ERVR costs as mentioned in the September 2022 report

14.2 *Premises*

The outturn shows an overspend of **(£82,749)** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are overspent by **£48,712** due to the global increase in the cost of gas and electric.
- One off SAMP budgets relating to redecoration works in 2021/22 were delayed until the current year and it is therefore overspent by **£16,599**.
- One off SAMP budget for the improvements to cremator charging operations is no longer required and therefore underspent by **(£3,075)**.
- One off SAMP budgets for the replacement sweeper, improvements to shrub beds and re-lining of a hearth are underspent by **(£5,134)**.
- Grounds Maintenance is overspent by **£17,959** due to increased winter maintenance costs and Green Flag works.
- Other premises costs such as general cleaning, cremator repairs and servicing are overspent by **£7,689**

14.3 *Supplies and Services*

The outturn shows an overspend of **£39,316** 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 is overspent by **£8,295**.
- The Wesley music system is overspent by **£7,581** as it required a total re-wire along with the purchase of a new rack and speaker.
- Refreshments are overspent by **£5,166** due to the purchase of a new coffee machine.
- Masterplan costs are overspent by **£9,261** due to an increase in plaque sales.
- Other general office costs such as purchase of urns, cremator additives and sundries are overspent by **£9,013**.

14.4 *Income*

An increase in income of **(£292,915)** from the 2022/23 budget is included within the updated outturn. The reasons for this are identified below:

- The outturn includes an increase of 313 cremations compared to the budget, totalling increased income to budget of **(£201,809)**. The outturn allows for a total of 2,513 cremations against a budgeted 2,200 during 2022/23.
- Book of Remembrance, plaques, webcasting and use of chapel have overachieved by **(£37,539)**.
- Interest received has overachieved by **(£53,566)** due to rising 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) £
Redevelopment Works				
Carry out installation of charging points	24,000	24,000	17,834	(6,166)
Carry out feasibility into excess heat regeneration	50,000	50,000	2,981	(47,019)

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Outturn 2021/22 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works				
Carry out enlargement of cremator 2	67,650	67,650	72,812	5,162
Repairs to Chapel Dome	0	20,000	3,148	(16,852)
Replacement of Cooler Cassettes	0	132,000	131,109	(891)
Feasibility Fountain works - 23/24	0	0	834	834
Total	141,650	293,650	228,717	(64,933)

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve. The outturn shows an underspend of **(£64,933)** and the main reasons for this are identified below:

- The installation of the charging points was completed within budget, resulting in an underspend of £6,166.
- The feasibility into excess heat was reported to the Committee in September 2022 and has resulted in an underspend of £47,019.
- The enlargement of cremator 2 was completed during the year, however it resulted in an overspend of £5,162.
- The chapel dome repairs were originally planned for 20/21 but the works were delayed and carried forward to 22/23. The project was completed during the year and resulted in an underspend of £16,852.
- The replacement of the 3 cooler cassettes was approved in 20/21 but the work was delayed and instead replaced in the current year, resulting in a small underspend of £891.
- The fountain works are due to be completed in 23/24, however the feasibility study for this has already commenced in the current year, costing £834 to date

Earmarked Reserves

- 16 Contributions to earmarked reserves are £23,648 less than originally budgeted.

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 £16,500 was required from the Major Capital Works Reserve 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 from the Major Capital Works Reserve of £57,123

The retained reserves of the CDCJC at 31 March 2023 are £1,701,168 along with a General Reserve of £548,175, giving a total reserves and balances position of £2,249,343 at the year end.

Joint Committees Annual Governance and Accountability Return and Balance Sheet

- 17 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 £3,846m at 31 March 2023 funded by reserves.

Contact:	Philip Curran	Tel: 03000 261967
	Cathy Mallam	Tel: 03000 268580

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 2022

Central Durham Crematorium Joint Committee

Balance Sheet as at 31st March 2023

31 March 2022 £000		31 March 2023 £000
1,433	Property, Plant & Equipment	1,597
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
1,433	Long Term Assets	1,597
500	Short term Investments	500
11	Inventories	4
69	Short Term Debtors	70
1,764	Cash & Cash Equivalents	1,789
2,344	Current Assets	2,363
0	Short Term Borrowing	0
(86)	Short Term Creditors	(114)
0	Provisions	0
(86)	Current Liabilities	(114)
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Long Term Liabilities	0
3,691	NET ASSETS	3,846
2,258	Usable Reserves	2,249
1,433	Unusable Reserves	1,597
3,691	TOTAL RESERVES	3,846