

Central Durham Crematorium Joint Committee



28 June 2024

Revenue Outturn & Joint Committees Annual Return for the Financial Year Ended 31 March 2024



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 2024. It also includes details of the final outturn position against the approved budgets for 2023/24.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2023 to 31 March 2024, 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 2023 and final position at 31 March 2024, 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 £1,085,164 against a budgeted surplus of £1,018,062, which is £67,102 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 24 April 2024, with only

minor changes across a number of budget heads resulting in a £5,675 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 £33,225 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 to the Major Capital Works Reserve of £90,116.
- 7 The retained reserves of the CDCJC at 31 March 2023 are £1,791,759 along with a General Reserve of £581,400, giving a total reserves and balances position of £2,373,159 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 2024, including the year end position with regards to the reserves and balances of the Joint Committee.
 - Approve Section 1 – Annual Governance Statement 2023/24 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024 (attached at Appendix 3).
 - Approve Section 2 – Accounting Statements 2023/24 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024 (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 2024 (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 2024. 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 2024.

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 2024.

Subjective Analysis (Type of Expenditure)	Base Budget 2023/24 £	Outturn 2023/24 £	Variance Over/ (Under) £	MEMO – Provisional Outturn (24.04.23) 2023/24 £
Employees	351,439	381,389	29,950	381,195
Premises	363,444	516,962	153,518	505,167
Transport	2,800	1,386	(1,414)	1,373
Supplies & Services	147,532	203,546	56,015	203,091
Agency & Contracted	10,563	10,101	(462)	10,101
Capital Charges	0	0	0	0
Central Support Costs	44,160	44,160	0	44,160
Gross Expenditure	919,938	1,157,544	237,606	1,145,087
Income	(1,938,000)	(2,242,708)	(304,708)	(2,235,926)
Net Income	(1,018,062)	(1,085,164)	(67,102)	(1,090,839)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	129,812	196,914	67,102	202,588
- 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 2023 £	Transfers to Reserve £	Transfers from Reserve £	Balance @ 31 March 2024 £
General Reserve	(548,175)	(889,475)	856,250	(581,400)
Masterplan Memorial Garden	(81,250)	(5,000)	31,524	(54,726)
Major Capital Works	(1,423,758)	(196,914)	106,799	(1,513,874)
Cremator Reline Reserve	(182,755)	(25,000)	0	(207,755)
Small Plant	(13,405)	(2,000)	0	(15,405)
Total	(2,249,343)	(1,118,389)	994,573	(2,373,159)

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 24 April 2024, with only minor changes across a number of budget heads at the final outturn resulting in a £5,675 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 **£29,950** in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£29,950** mainly due to the national pay settlement for 2023/24 and increased overtime which is difficult to predict.

14.2 *Premises*

The outturn shows an overspend of **£153,518** in relation to premises costs. The reasons for this are identified below:

- Energy budgets are overspent by **£18,878** due to an underestimation in the gas budget.
- Rates have overspent by **£23,872** due to an increase in rates following the 2023 revaluation of non-domestic properties by the Valuation Office Agency.
- One-off SAMP budget for the re-lining of a hearth will be included in the re-line of the cremator works, therefore the budget is no longer required and showing an underspend of **(£6,000)**.
- One-off SAMP works for the purchase of an additional memorial leaf tree is showing an overspend of **£200** due to the actuals being higher than expected when setting the budget.
- One-off SAMP works for carrying out improvements to walls has underspent by **(£1,210)** due to the actuals being lower than expected when setting the budget.
- Cremator repairs are overspent by **£90,139**, mainly due to the reline of a cremator which was £70,211, as well as other necessary removals/replacements within the crematorium.

- Grounds maintenance is overspent by **£21,182** due to increased winter maintenance costs, as well as maintenance work such as gutter cleaning and pond work.
- Other premises costs such as general cleaning, plant and equipment replacement, and building maintenance are overspent by **£6,456**.

14.3 *Supplies and Services*

The outturn shows an overspend of **£56,015** 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 overspent by **£5,990**.
- The Wesley music system is overspent by **£2,829** as it required a replacement screen and installation.
- Software licences overspent by **£20,052** due to licence costs for the new Plotbox software system being paid in 2023/24, alongside licences for the BACAS system.
- Printing and stationery are overspent by **£3,712** due to £5,000 being charged for children's books which were distributed to schools across Durham.
- Customer CDs DVDs and Web Casting, and book of remembrance costs are overspent by **£10,086** due to the increase in cremations, which increases costs associated with webcasts and visual tributes.
- Identity tokens are showing an overspend of **£3,500**, as they have been re-introduced during the current financial year, therefore no budget was included for 2023/24.
- The cost of plaques is overspent by **£2,445** due to an increase in sales.
- Other general office costs such as purchase of urns, postages and subscriptions are overspent by **£7,401**.

14.4 *Income*

An increase in income of **(£304,708)** from the 2023/24 budget is included within the updated outturn. The reasons for this are identified below:

- The outturn includes an increase of 233 cremations compared to the budget, totalling increased income to budget of **(£137,234)**. The outturn allows for a total of 2,433 cremations against a budgeted 2,200 during 2023/24.
- Income from the Book of Remembrance, plaques, webcasting and use of chapel have overachieved by **(£45,944)** due to the increase in the number of creations.
- Interest received has overachieved by **(£121,530)** due to rising interest rates.

Capital Programme

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

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Outturn 2023/24 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works				
Installation of resin pathway around memorial garden	18,370	18,370	18,370	0
Carry out improvements to garden fountain	40,000	40,000	1,876	(38,124)
Creation of new memorial garden	12,000	12,000	10,918	(1,082)
Excess heat works	83,874	83,874	66,600	(17,274)
Resomation	0	0	6,974	6,974
Total	154,604	154,604	105,098	(49,506)

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve. The outturn shows an underspend of **(£49,506)** and the main reasons for this are identified below:

- The creation of the new memorial garden was completed within budget, resulting in an underspend of (£1,082).
- The improvement works to the garden fountain were stopped, therefore showing an underspend of (£38,124).
- The excess heat works have presented an underspend of (£17,274).
- The resomation works are due to commence in 2024/25, however the feasibility study for this has already commenced in the current year, costing £6,974 to date.

Earmarked Reserves

- 16 Contributions to earmarked reserves are £67,102 more 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 £33,225 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 to the Major Capital Works Reserve of £90,116.

The retained reserves of the CDCJC at 31 March 2023 are £1,791,759 along with a General Reserve of £581,400, giving a total reserves and balances position of £2,373,159 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 £3.968m at 31 March 2024 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 2024

Central Durham Crematorium Joint Committee

Balance Sheet as at 31st March 2024

31 March 2023 £000		31 March 2024 £000
1,597	Property, Plant & Equipment	1,595
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
1,597	Long Term Assets	1,595
500	Short term Investments	500
4	Inventories	5
70	Short Term Debtors	61
1,789	Cash & Cash Equivalents	2,132
2,363	Current Assets	2,697
0	Short Term Borrowing	0
(114)	Short Term Creditors	(324)
0	Provisions	0
(114)	Current Liabilities	(324)
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Long Term Liabilities	0
3,846	NET ASSETS	3,968
2,249	Usable Reserves	2,373
1,597	Unusable Reserves	1,595
3,846	TOTAL RESERVES	3,968