

Mountsett Crematorium Joint Committee

2 July 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 Mountsett 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 / underspend against the revenue 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 the final position at 31 March 2024, taking into account the updated financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £420,098 against a budgeted surplus of £225,474, which is £194,624 more than the budgeted position.
- 5 The final outturn position was broadly in line with the forecast position reported to the Joint Committee on 29 April 2024, with only minor changes across a number of budget levels at the final outturn, which resulted in a £9,390 decrease to the overall net income for the year.

- 6 Contributions to the earmarked reserves are £194,624 more than originally budgeted.
- 7 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 £16,905 was required at year end. A transfer of £194,624 to the Cremator Replacement Reserve is required due to the underspend in year. This results in a net transfer to the Cremator Replacement Reserve of £38,193.
- 8 The retained reserves of the MCJC at 31 March 2024 are £495,866 along with a General Reserve of £335,880, giving a total reserves and balances position of £831,746 at the year end.

Recommendation(s)

- 9 It is recommended that Members of the Central Durham Crematorium 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

- 10 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 in July 2024. Upon completion, the auditor's report will be presented to the Joint Committee and will be made available online, along with the Return.
- 11 The attached Joint Committees Annual Return (Appendix 3) is not a compulsory requirement for the Mountsett Crematorium Joint Committee but is good practice. Also attached for Members attention at Appendix 2 is the Balance Sheet as at 31 March 2024.

Financial Performance

- 12 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 Mountsett Crematorium is included within this report.
- 13 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 Mountsett Crematorium as at 31 March 2024.

| Subjective Analysis (Type of Expenditure) | Base Budget 2023/24 £ | Outturn 2023/24 £ | Variance Over/ (Under) £ | MEMO – Provisional Outturn (29.04.24) 2023/24 £ |
|--|--------------------------------------|----------------------------------|---|--|
| Employees | 227,682 | 229,357 | 1,675 | 229,357 |
| Premises | 533,475 | 579,809 | 46,334 | 570,929 |
| Transport | 1,400 | 377 | (1,023) | 373 |
| Supplies & Services | 92,462 | 111,517 | 19,056 | 110,347 |
| Agency & Contracted | 7,117 | 5,367 | (1,750) | 5,367 |
| Capital Charges | 0 | 0 | 0 | 0 |
| Central Support Costs | 31,990 | 31,990 | 0 | 31,990 |
| Gross Expenditure | 894,126 | 958,417 | 64,291 | 948,363 |
| Income | (1,119,600) | (1,378,515) | (258,915) | (1,377,851) |
| Net Income | (225,474) | (420,098) | (194,624) | (429,488) |
| Transfer to / (from) Reserves | | | | |
| - Repairs Reserve | 15,000 | 15,000 | 0 | 15,000 |
| - Cremator Reserve | (139,526) | 55,098 | 194,624 | 64,488 |
| Distributable Surplus | (350,000) | (350,000) | 0 | (350,000) |
| 65% Durham County Council | 227,500 | 227,500 | 0 | 227,500 |
| 35% Gateshead Council | 122,500 | 122,500 | 0 | 122,500 |

| Mountsett Crematorium Earmarked Reserves | Balance @ 1 April 2023 £ | Transfers to Reserve £ | Transfers from Reserve £ | Balance @ 31 March 2024 £ |
|---|---|---------------------------------------|---|--|
| Repairs Reserve | (114,370) | (15,000) | 0 | (129,370) |
| Cremator Reserve | (328,303) | (55,098) | 16,905 | (366,496) |
| General Reserve | (318,975) | (366,905) | 350,000 | (335,880) |
| Total | (761,648) | (437,003) | 366,905 | (831,746) |

Explanation of Significant Variances between Original Budget and Forecast Outturn

- 14 The final outturn position is broadly in line with the provisional outturn position reported to the Joint Committee on 25 April 2024, with only minor changes across a number of budget levels at the final outturn £9,390 decrease to the overall net income for the year.

15 The following section outlines the reasons for significant variances by subjective analysis area comparing the outturn position against the budget.

15.1 **Employees**

The outturn shows an overspend of **£1,675**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£1,675** mainly due to the national pay settlement for 2023/24.

15.2 **Premises**

The outturn shows an overspend **£46,334** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to energy improvement work overspent by **£114,161**. This work was budgeted to take place in 2020/21 but was delayed.
- One off SAMP works relating to the replacement of the chapel doors have been delayed until the next year due to the project not being complete in the current year. It is therefore underspent by **(£7,000)** in 2023/24.
- One off SAMP works relating to the replacement of chapel curtains and the installation of memorial towers are now completed and the actuals have a slight variance to the budget, therefore forecast to underspend by **(£1,008)**.
- One off SAMP work relating to office improvements has come in significantly lower than budget, due to the costing of the improvements being overestimated when setting the budget, which is therefore showing an underspend of **(£75,775)**.
- Major works have overspent by **£23,518** due to the removal of a temporary cremator.
- Cremator abatement and equipment servicing are showing an underspend of **(£19,200)** as this is still included in the 24 month warranty.
- Energy budgets are underspent by **(£5,462)**. The budgets for utilities have been overestimated after the global increase in the cost of gas and electricity last year.
- Rates have overspent by **£10,090** due to an increase in rates following the 2023 revaluation of non-domestic properties by the Valuation Office Agency.

- Grounds maintenance costs overspent by **£7,878** mainly due to increased winter maintenance costs.
- Other premises costs such as general repairs and cremator repairs underspent by **(£868)**.

15.3 **Supplies and Services**

The outturn shows an overspend of **£19,056** 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 **£2,253**.
- Software licences overspent by **£19,031** due to licence costs for the new Plotbox software system being paid in 2023/24, alongside licences for the BACAS system.
- General office and admin costs are underspent by **(£1,121)**.
- Other supplies and services such as the cost of plaques and sundries are underspent by **(£1,108)**.

15.5 **Income**

An increase in income of **(£258,915)** from the 2023/24 budget is included within the updated outturn. The reasons for this are identified below:

- The outturn includes an increase of 70 cremations compared to the budget, totalling increased income to budget of **(£32,290)**. The outturn allows for a total of 1,370 cremations against a budgeted 1,300 during 2023/24.
- Miscellaneous Income is overachieved by **(£165,545)** due to the return of unspent capital funding relating to the work for Crematorium Extension and Cremator Replacement, as well as income from EV charging.
- Other income streams such as plaques, webcasting and use of the chapel have overachieved by **(£18,277)** due to the higher interest in these services linked to the increase in the number of cremations.
- Interest received is overachieved by **(£42,803)** due to rising interest rates since the budget was set.

Earmarked Reserves

- 16 Contributions to the earmarked reserves are **£194,624** more than originally budgeted.
- 17 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 £16,905 was required at year end. A transfer of £194,624 to the Cremator Replacement Reserve is required due to the underspend in year. This results in a net transfer to the Cremator Replacement Reserve of £38,193.
- 18 The retained reserves of the MCJC at 31 March 2024 are £495,866 along with a General Reserve of £335,880, giving a total reserves and balances position of £831,746 at the year end.

Joint Committees Annual Governance and Accountability Return and Balance Sheet

19. 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 £0.832m at 31 March 2024 funded by reserves.

| | | |
|-----------------|---------------|-------------------|
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| | 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 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 Joint Committee.

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 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

Mounstett Crematorium Joint Committee

Balance Sheet as at 31 March 2024

| 31 March 2023 £000 | | 31 March 2024 £000 |
|-----------------------|------------------------------|-----------------------|
| 0 | Property, Plant & Equipment | 0 |
| 0 | Intangible Assets | 0 |
| 0 | Long Term Investments | 0 |
| 0 | Long Term Debtors | 0 |
| 0 | Long Term Assets | 0 |
| 0 | Short term Investments | 0 |
| 4 | Inventories | 5 |
| 30 | Short Term Debtors | 50 |
| 900 | Cash & Cash Equivalents | 1,066 |
| 934 | Current Assets | 1,066 |
| 0 | Short Term Borrowing | 0 |
| (173) | Short Term Creditors | (290) |
| 0 | Provisions | 0 |
| (173) | Current Liabilities | (290) |
| 0 | Long term Creditors | 0 |
| 0 | Provisions | 0 |
| 0 | Long Term Borrowing | 0 |
| 0 | Other Long Term Liabilities | 0 |
| 0 | Long Term Liabilities | 0 |
| 762 | NET ASSETS | 832 |
| (762) | Usable Reserves | (832) |
| 0 | Unusable Reserves | 0 |
| (762) | TOTAL RESERVES | (832) |