

Mountsett Crematorium Joint Committee

27 September 2024

Financial Monitoring Report – Position at 31/08/24, with Projected Outturn at 31/03/25



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 provides Members of the Mountsett Crematorium Joint Committee with details of the provisional outturn position for 2024/25 and the projected level of reserves and balances at 31 March 2025.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2024 to 31 August 2024, together with a forecast revenue outturn position for 2024/25, 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 2024 and forecast position at 31 March 2025, taking into account actuals to date and forecasts to the year end.
- 4 The projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £393,676 against a budgeted surplus of £388,983, which is £4,693 more than the budgeted position.
- 5 Contributions to earmarked reserves are forecast as £4,693 more than originally budgeted.

- 6 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 £53,204 is required. This is partly offset by a contribution from the revenue surplus of (£28,676), resulting in a net transfer from the Cremator Replacement Reserve of £24,528.
- 7 The retained reserves of the MCJC at 31 March 2025 are forecast to be £486,338 along with a General Reserve of £389,084, giving a forecast total reserves and balances position of £875,422 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to August 2024 financial monitoring report and associated forecast outturn position at 31 March 2025, including the projected year end position with regards to the reserves and balances of the Joint Committee.

Background

- 9 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

- 10 Budgetary control reports, incorporating outturn projections, are considered by the 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 projections for the Mountsett Crematorium are included within this report.
- 11 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 provisional revenue outturn financial performance of the Mountsett Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2024/25 £	Year to Date Actual April – August £	Provisional Outturn 2024/25 £	Variance Over/ (Under) £
Employees	241,305	66,122	239,434	(1,871)
Premises	515,430	264,937	482,441	(32,989)
Transport	1,400	142	425	(975)
Supplies & Services	111,016	25,946	111,016	0
Agency & Contracted	5,361	2,581	5,442	81
Capital Charges	0	0	0	0
Central Support Costs	33,450	0	33,450	0
Gross Expenditure	907,962	359,728	872,208	(35,754)
Income	(1,296,945)	(400,191)	(1,265,885)	31,060
Net Income	(388,983)	(40,463)	(393,676)	(4,693)
Transfer to / (from) Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	23,983	0	28,676	4,693
- General Reserve	0	0	0	0
Distributable Surplus	(350,000)	0	(350,000)	0
65% Durham County Council	227,500	227,500	227,500	0
35% Gateshead Council	122,500	122,500	122,500	0

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2024 £	Transfers To Reserve £	Transfers From Reserve £	Balance @ 31 March 2025 £
Repairs Reserve	(129,370)	(15,000)	0	(144,370)
Cremator Reserve	(366,496)	0	24,528	(341,968)
General Reserve	(335,880)	(403,204)	350,000	(389,084)
Total	(831,746)	(418,204)	374,528	(875,422)

Explanation of Significant Variances between Original Budget and Forecast Outturn

12 As can be seen from the table above, the projected revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £393,676 against a budgeted surplus of £388,983, which is £4,693 more than the budgeted position.

The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

12.1 *Employees*

The outturn shows an underspend of **(£1,871)**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to underspend by **(£1,871)** mainly due the projected outturn for pensions and NI being less than budgeted.

12.2 *Premises*

The outturn shows a forecast underspend of **(£32,989)** in relation to premises costs. The reasons for this are identified below:

- Expenditure on one off SAMP works relating to energy improvements which were carried out in previous years has resulted in a small overspend of **£336** in 2024/25.
- Energy and water budgets are forecast to underspend by **(£53,496)**. The budgets for utilities have been overestimated after the global increase in the cost of gas and electricity in 2022/23.
- Rates are forecasting an overspend of **£20,271**. The increased rates charges are due to the 2023 revaluation of non-domestic premises by the Valuation Office Agency.
- Other general premises costs such as fire alarms are forecast to underspend by **(£100)**.

12.3 *Agency & Contracted*

The outturn shows a forecast overspend of **£81** in relation to agency and contracted services costs. The reasons for this are identified below:

- Trade refuse charges for the year have overspent by **£81**.

12.4 Income

The 2024/25 income budget is forecast to underachieve by **£31,060** for the reasons identified below:

- The outturn includes an decrease of 25 cremations compared to the budget, resulting in reduced income compared to budget of **£20,425**. The outturn is based on a projected total of 1,325 cremations against a budgeted 1,350 during 2024/25.
- Interest received is forecast to underachieve by **£8,885** due to interest rates being lower than those assumed at budget setting.
- Other income is collectively forecast to overachieve by **(£1,750)**.

Earmarked Reserves

- 13 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the Cremator Replacement Reserve to the General Reserve of **£53,204** is required. This is partly offset by a contribution from the revenue surplus of **(£28,676)**, resulting in a net transfer from the Cremator Replacement Reserve of **£24,528**.
- 14 The retained reserves of the MCJC at 31 March 2024 are forecast to be **£486,338** along with a General Reserve of **£389,084**, giving a forecast total reserves and balances position of **£875,422** at the year end.

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 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 MCJC.

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 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 Bereavement Services Manager, should mitigate the risks associated with achievement of the forecast outturn position.

Procurement

None.