

Mountsett Crematorium Joint Committee

15 June 2012



Revenue Outturn & Statement of Accounts for the Year Ended 31 March 2012



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources

Purpose of the Report

- 1 The purpose of this report is to seek approval of the Small Bodies in England Annual Return (attached at Appendix 2) and supporting Statement of Accounts (attached at Appendix 3) for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2012. The report includes details of the outturn position against the approved budgets for 2011/12.

Background

- 2 The Annual Return will be subject to external audit by the Joint Committee's appointed external Auditors – BDO LLP. The audit will commence 13 July 2011. On completion, the auditor's report will be reported to the Joint Committee and will be incorporated into a published Statement of Accounts document which will be made available online.
- 3 The attached Annual Return is the statutory requirement for the Mountsett Crematorium Joint Committee.

The Statement of Accounts

4. The Annual Return and Statement of Accounts have been prepared considering the requirements of the 2011/12 'Code of Practice on Local Authority Accounting in Great Britain' as updated and published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and in accordance with the Governance and Accountability for Local Councils in England – Practitioners Guidance.
5. There are five Core Statements that provide fundamental information on the financial activities and position of the Joint Committee.
 - The Income and Expenditure Account
 - The Statement of Movement on the General Fund Balance
 - The Balance Sheet
 - The Cash Flow Statement
 - The Annual Governance Statement

Financial Outturn 2011 / 12

6. Members will recall that regular (quarterly) budgetary control reports have been considered throughout the year, which incorporated forecast year end outturn positions. A provisional outturn report was presented to Members at the meeting of 27 April 2012.
7. The following table shows the final outturn position (as incorporated into the Statement of Accounts), together with comparative data against the provisional outturn report considered 27 April 2012:

Subjective Analysis	Original Base Budget 2011/12 £	Outturn 2011/12 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [27.4.12] 2011/12 £
Employees	114,615	126,529	11,914	126,529
Premises	110,935	99,209	(11,726)	99,051
Transport	300	142	(158)	142
Supplies & Services	50,685	47,408	(3,277)	48,124
Agency & Contracted	17,415	9,445	(7,970)	8,950
Transfer Payments	0	0	0	0
Capital Charges	0	0	0	0
Central Support Costs	22,700	22,700	0	22,700
Gross Expenditure	316,650	305,433	(11,217)	305,496
Income	(561,540)	(622,652)	(61,112)	(624,749)
Net Income	(244,890)	(317,219)	(72,329)	(319,253)
Transfer to Reserves				
- Repairs Reserve	15,000	15,069	69	15,000
- Cremator Reserve	65,000	137,260	72,260	139,363
Distributable Surplus	(164,890)	(164,890)	0	(164,890)
65% Durham County Council	107,178	107,178	0	107,178
35% Gateshead Council	57,712	57,712	0	57,712

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2011 £	Transfers to Reserve ® £	Transfers From Reserve £	Estimated Balance @ 31 March 2012 £
Cremator Replacement Reserve	(279,239)	(137,260)	0	(416,499)
Major Repairs Reserve	(14,215)	(15,069)	0	(29,284)
Total	(293,454)	(152,329)	0	(445,783)

8. The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 27 April 2012 with only a minor change (£2,034 reduction) in the overall net income for the year.
9. The following sections outline the reasons for significant variances by subjective analysis area (most of which was disclosed in the provisional outturn report), comparing the outturn position against the budget and highlighting the reasons for variances between the actual and provisional outturn position previously reported:

Employees

- 9.1 The outturn was an **£11,914** over spend against the approved budget. This over spend follows a review of the Cremator operatives terms and conditions resulting in additional employee costs to the Crematorium of **£17,868**. This over spend is however slightly reduced by the **(£5,954)** under spend relative to revised working patterns not reflected in the 2011/12 budget.

Premises

- 9.2 The final outturn shows an **(£11,726)** under spend in relation to premises expenditure. The main variances to budget are detailed below:
 - The **(£6,000)** budget in relation to Water Seepage Repairs was not required during 2011/12.
 - General Repairs and Maintenance under spent by **(£8,700)**
 - Utility costs (Gas, Electricity and Water) exceeded budget by **£87**
 - Non Domestic Rates exceeded the budget by **£2,887**

The provisional outturn indicated a projected under spend of **(£11,884)**. The resultant variance between outturns being **£158**.

Supplies and Services

- 9.3 The **(£3,277)** under spend on the supplies and services budget is mainly due to a combination of the following reasons:
 - The Wesley Music System cost **£1,422** more than the budget sum as a result of extra maintenance costs
 - The increased number of cremations during 2011/12 resulted in additional medical referee costs of **£1,147** being incurred.
 - Collective under spends on the equipment, postage, printing, stationery and telephones budgets totalling **(£5,846)**

The previous outturn showed an under spend of **(£2,561)**. The difference of **£716** between the two outturns being the Book of Remembrance Calligraphy costs which were estimated at the last meeting higher than the final actual requirement.

Agency and Contracted

9.4 The (£7,970) under spend in relation to Agency and Contracted services related to two issues:

- As a result of the revised working practices/ duties undertaken by crematorium staff, an element of the Grounds Maintenance budget was not required during the year, resulting in a saving of **(8,465)**.
- Slightly offsetting this saving however, were the Independent Testing fees which have exceeded budget by **£495**

The difference between the actual and provisional outturn relates to the Independent Testing fee element, which was **£495** more than previously forecast.

Income

9.5 Members will recall, based on the 2010/11 trend, the 2011/12 budget was set on a very prudent basis, however due to the significant increased demand for cremations during this financial year, additional income has been realised totalling **(£61,112)**. This income is shown by the following elements:

- Cremation numbers have increased to a total of 1,258, including non chargeable cremations during 2011/12, an additional 125 on budget resulting in additional income of **(£54,720)** attributable to cremation fees.
- Inserts into the Book of Remembrance have increased, providing additional income of **(£3,082)**
- The introduction of plaque sales during Qtr 4 of 2011/12 resulted in additional income of **(£945)**
- Miscellaneous sales, including Organ Fees and the sale of memorial urns, have resulted in additional income of **(£1,402)**.
- Interest earned on investment of surplus funds with Durham County Council was **(£963)** more than budgeted.

The previous outturn showed an additional income of **(£63,209)**. The difference of **£2,097** between the two outturns being the interest earned of **(£963)** which was not factored into the provisional outturn along with VAT relative to the Book of Remembrance which had previously been incorporated into the outturn figures.

Earmarked Reserves

10. The provisional outturn showed an additional net income (over the budgeted contribution to reserves) to transfer to the Cremator Reserve of **£74,363**. The actual outturn shows a slightly lower net income transfer of **£72,260** due to the combined movements reported earlier within the report.

The additional transfer to the Repairs Reserve is **£69**. This additional amount represents the Interest receivable relative to the reserve.

The retained reserves of the Joint Committee as at 31 March 2012, is **£445,783**. This represents an in year increase of **£152,329** (approximately 52% over the balances held at 31 March 2011).

Recommendations and Reasons

11. It is recommended that:
- Members of the Joint Committee note the April 2011 to March 2012 Income and Expenditure within the Revenue Financial Monitoring Report and subsequent year balance of reserves.

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Appendix 1: Implications

Finance

Full details of the year to date and outturn financial performance of the Mountsett 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 outturn has been produced taking into consideration all spend to date and year end accounting requirements. This, together with the information supplied by the Superintendent and Registrar, should mitigate any risks with regards to challenge and review of the financial outturn position of the Joint Committee.

Equality and Diversity / Public Sector 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 comment / raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium.

Procurement

None

Disability Discrimination Act

None

Legal Implications

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