

**Central Durham Crematorium
Joint Committee**

29 September 2010

**Financial Monitoring Report –
Position at 31/08/10, with
Projected Outturn at 31/03/11**



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; and Jeff Garfoot – Head of Finance: Resources and Interim Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to set out details of income and expenditure in the period 1 April 2010 to 31 August 2010, together with the forecast outturn position for 2010/11, and highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2010 and initial outturn position at 31 March 2011, taking into account the forecast financial outturn this year.

Background

3. Scrutinising the financial performance of the Central Durham 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 Central Durham Crematorium.

Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Neighbourhood Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers monthly budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Central Durham Crematorium are included within this report.
5. 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 following table highlights the projected outturn financial performance of the Central Durham Crematorium at 31 March 2011:

Subjective Analysis	Base Budget 2009/10 £	Year to Date Actual – April – Aug £	Projected Outturn 2010/2011 £	Variance Over/ (Under) £
Employees	220,000	84,788	214,800	(5,200)
Premises	189,700	48,519	187,900	(1,800)
Transport	1,500	1,166	2,000	500
Supplies & Services	132,990	65,831	129,990	(3,000)
Agency & Contracted	50,230	6,839	48,318	(1,912)
Central Support Costs	32,000	0	32,000	0
Gross Expenditure	626,420	207,143	615,008	(11,412)
Income	(1,094,530)	(481,906)	(1094,530)	0
Net Income	(468,110)	(274,763)	(479,522)	(11,412)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	141,860	0	153,272	11,412
- Small Plant	5,000	0	5,000	0
- Central Heating Renewal Fund	10,000	0	10,000	0
Distributable Surplus	(306,250)	0	(306,250)	0
80% Durham County Council	245,000	0	245,000	0
20% Spennymoor Town Council	61,250	0	61,250	0
Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2010 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2011 £
General Reserve	(424,060)	(306,250)	306,250	(424,060)
Masterplan Memorial Garden	(16,250)	(5,000)	0	(21,250)
Major Capital Works	(655,964)	(153,272)	0	(809,236)
Small Plant	(18,001)	(5,000)	0	(23,001)
Central Heating Renewal Fund	(23,001)	(10,000)	0	(33,001)
Total	(1,137,276)	(479,522)	306,250	(1,310,548)

Explanation of Significant Variances between Original Budget and Forecast Outturn

9. As can be seen above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partners authorities) of £479,422, against a forecast surplus of £468,110, £11,412 more than the budgeted position.

The following section outlines the reasons for any significant variances by subjective analysis area:

9.1 *Employees*

The probable outturn is projecting a £5,200 underspend based on current staffing levels. The base budget assumed a 1.0 % pay award (£2,200), however, it is anticipated that this will not materialise. In addition to this, are forecast savings totalling £3,000 within the training and staff advertising budgets.

9.2 *Premises*

A NNDR Refund of £1,800 (relating to a rateable value adjustment) has been received from Durham County Council, reducing the 2010/11 costs. This refund dates back a number of years and is a one off saving in 2010/11.

9.3 *Supplies and Services*

It is anticipated that £3,000 of the Public BOR Visual Reference system budget will not be spent during 2010/11.

9.4 *Agency and Contracted*

The underspend on Agency and Contracted is two fold, the on- line referencing system budget of £11,912 is not now required, however the Audit Commission have advised that their costs for 2010/11 will be £13,500. This is an additional £10,000 to the current budgeted level. The external audit fee budget will need to be increased in 2011/12 to reflect these significantly higher costs.

9.5 *Income*

No variance to budget are expected / reported at this stage.

9.6 *Earmarked Reserves*

In line with previous practise the additional surplus generated is to be transferred to the Major Repairs Reserve at the year end.

The earmarked reserves of the CDCJC at 31 March 2011 are forecast to be £886,488, along with a General Reserve of £424,060, giving a forecast total reserve projection £1,310,548 at the year end.

Recommendations and reasons

10 It is recommended that:-

- Members note the April to August 2010 Revenue spend financial monitoring report and associated provisional outturn position 2010/11;

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Appendix 1: Implications

Finance

Full details of the year to date and projected outturn financial performance of the Durham Crematorium are included within the body of the report.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

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.

Sustainability

There are no Sustainability implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Localities and Rurality

There are no Localities and Rurality implications associated with this report.

Young People

There are no Young People implications associated with this report.

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Health

There are no Health implications associated with this report.