

Central Durham Crematorium Joint Committee

30 June 2010

Revenue Outturn & Statement of Accounts for the Year ended 31 March 2010



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to seek approval of the Statement of Accounts for the Central Durham Crematorium Joint Committee for the financial year ended 31 March 2010, as attached at Appendix 2.
2. The report also summarises the final outturn for 2009/10, providing members with details of areas of over and under spending (against the approved budget) in 2009/10, and highlighting any changes from the provisional outturn report considered by the Joint Committee on 12 May 2010.

Background

3. The 'Accounts and Audit Regulations 2003' as amended by the Accounts and Audit (Amendment) (England) Regulations set out the requirements for the production and publication of the annual Statement of Accounts. The Regulations require the Statement of Accounts to be approved by the Joint Committee on or before 30 June 2010.
4. The Statement of Accounts is subject to audit by external auditors – the Audit Commission. The audit of the accounts is currently ongoing, having commenced in April 2010. On completion, the auditor's report will be incorporated into the published version of the Statement of Accounts.
5. The attached Statement of Accounts is the statutory published accounts for the Central Durham Crematorium Joint Committee for the year ended 31 March 2010.

The Statement of Accounts

6. The Statement of Accounts has been prepared in accordance with the requirements of the 2009 'Code of Practice on Local authority Accounting in Great Britain' as updated and published by the Chartered Institute of Public Finance and Accountancy (CIPFA). As a result, the document contains a great deal of detailed financial information, which is unavoidably technical and complex

7. 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 Statement of Total Recognised Gains and Losses
 - The Balance Sheet
 - The Cash Flow Statement
8. Additional explanations on the contents of the Statement of Accounts will be provided at the meeting

Financial Outturn 2009/10

9. Members will recall that regular (quarterly) budgetary control reports have been considered throughout the year, which incorporated forecast year end outturn positions. A provisional final outturn report was presented to the Joint Committee on 12 May 2010.
10. The following table shows the final outturn position (as incorporated into the Statement of Accounts):

Subjective Analysis	Original Base Budget 2009/10	Outturn 2009/10	Variance Over/ (Under)	MEMO - Provisional Outturn [12/05/10] 2009/10
	£	£	£	£
Employees	242,000	216,768	(25,232)	210,555
Premises	177,683	136,068	(41,615)	137,611
Transport	1,500	2,726	1,226	2,302
Supplies & Services	52,584	92,341	39,757	32,985
Agency & Contracted	33,733	39,370	5,637	14,550
Transfer Payments	0	0	0	0
Capital Charges	0	0	0	0
Central Support Costs	32,000	32,000	0	32,000
Gross Expenditure	539,500	519,273	(20,227)	430,003
Income	(995,750)	(1,080,376)	(84,626)	(1,017,000)
Net Income	(456,250)	(561,103)	(104,853)	(586,997)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	130,000	234,853	104,853	260,747
- Small Plant	5,000	5,000	0	5,000
- Central Heating Renewal Fund	10,000	10,000	0	10,000
Distributable Surplus	(306,250)	(306,250)	0	(306,250)
80% Durham County Council	245,000	245,000	0	245,000
20% Spennymoor Town Council	61,250	61,250	0	61,250

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2009	Transfers to Reserve	Transfers From Reserve	Balance @ 31 March 2010	Balance @ 31 March 2010 Provisional Outturn [12/05/10]
	£	£	£	£	£
General Reserve	(424,060)	(306,250)	(306,250)	(424,060)	-
Masterplan Memorial Garden	(13,875)	(5,000)	2,625	(16,250)	(18,875)
Major Capital Works	(421,111)	(234,853)	0	(655,964)	(681,858)
Small Plant	(13,001)	(5,000)	0	(18,001)	(18,002)
Central Heating Renewal Fund	(13,001)	(10,000)	0	(23,001)	(23,000)
Total	(885,048)	(254,853)	303,625	(1,137,276)	(741,735)

11. The following sections outline the reasons for significant variances by subjective analysis area, comparing the outturn position against the budget and highlighting reasons for variances between the actual and provisional outturn position:

Employees

The final outturn shows a £25,232 saving against the approved budget. The base budget assumed a 1.50% pay award, however, the outturn projections factor in the agreed 1% pay award. In addition, further savings were made from the removal of the honorarium payment to the Treasurer and reduced sickness and holiday cover during the year.

The provisional outturn showed an underspend of £31,445, the difference between the provisional and final position mainly being the inclusion of added years pensions cost provided at the year end.

Premises

This is mainly due to a predicted underspend on gas and electricity due to charges being lower than anticipated. Expected cremator repairs and general equipment, repairs and replacement were all significantly lower than anticipated.

Supplies and Services

This is mainly due to overspends totalling £58,965 on Medical Reference fees, Book of Remembrance and Masterplan expenditure. The budget in line with previous practice, has netted off such expenditure against income. The change in reporting also shows a corresponding increase within income. Offsetting this are underspends on conferences, vase, blocks and columbaria units, replacement computers and microchips for remains (which will be undertaken in future years)

The previous outturn showed an underspend of £19,599 on Supplies and Services. The change in position from that reported previously is as a result of the Medical Reference Fees, Book of Remembrance and Masterplan expenditure mentioned above.

Agency and Contracted

This overspend is two fold. Unbudgeted Audit Commission fees incurred in the year totalled £25,000. These costs were as a result of the additional work carried out in 2008/2009 which has impacted on revised charges for 2009/2010. This is offset by an underspend of £12,000 due to the delay in the installation of the Deceased Online Reference System which will now be carried out in future years. Other underspends included reduced independent monitoring costs £2,000 and the non production of brochures £5,000.

The provisional outturn did not include the additional audit fees

Income

The additional income of £84,626 is due to a number of factors.

As mentioned above within Supplies and Services, the outturn includes an additional £55,965 due to the reporting changes regarding Medical Reference fees, Book of Remembrance and Masterplan.

An increase in actual cremations (over the level assumed in the budget / previous probable outturn projections) also results in an additional income of £31,700

These additional income streams offset unachievable income in relation to interest on investments of approx £3,000 (due to a reduction in interest rates) over the level budgeted.

Earmarked Reserves

In line with the previous report, it has been assumed that the additional surplus will be retained within the CDCJC. The previous probable outturn projection estimated that the additional net income (over the level budgeted) would be c.£131K. The actual outturn shows that the net income to transfer to earmarked reserves is £104,853. The difference being the inclusion of additional Audit Commission charges which were omitted/ not included when calculating the provisional outturn. The retained reserves of the CDCJC, as at 31 March 2010, are therefore £713,216 along with a General Reserve of £424,060.

Recommendations and reasons

12. It is recommended that:

- a) The Joint Committee note the outturn position set out in the report;
- b) The Joint Committee approve the Statement of Accounts for the year ended 31 March 2010, attached at Appendix 2; and
- c) The Chair and Treasurer sign the Statement of Accounts.

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Appendix 1: Implications

Finance

The Statement of Accounts includes full details of the financial performance, assets and liabilities and reserves / balances held by the Joint Committee during 2009/10 and at 31 March 2010, together with full details of movements in the year. The Statement of Accounts has been prepared in accordance with statements of recommended practice and will be subject to an External Audit / Audit Opinion in due course. The report sets out full details of under and overspending in the year against the approved budget.

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Sustainability

None

Human rights

None

Localities and Rurality

None

Young people

None

Consultation

Officers of Spennymoor Town Council have been consulted on the content of this report.

Health

None