

Central Durham Crematorium Joint Committee

12 May 2010

Financial Monitoring Report – Provisional Outturn at 31/03/10



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 set out details of income and expenditure in the period 1 April to 31 March 2010, representing the provisional outturn position for 2009/10, 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 2009 and initial outturn position at 31 March 2010, taking into account the provisional financial outturn.

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 Councils 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 are provisional at this stage, given that the finance team are mid closure in terms of the production of the Statement of Accounts. The figures have been scrutinised and supplemented with information supplied by the Superintendent Registrar. The following table highlights the provisional outturn financial performance of the Central Durham Crematorium:

Subjective Analysis	Original Base Budget 2009/10 £	Provisional Outturn 2009/10 £	Variance Over/ (Under) £	
Employees	242,000	210,555	(31,445)	
Premises	177,683	137,611	(40,072)	
Transport	1,500	2,302	802	
Supplies & Services	52,584	32,985	(19,599)	
Agency & Contracted	33,733	14,550	(19,183)	
Transfer Payments	0	0	0	
Capital Charges	0	0	0	
Central Support Costs	32,000	32,000	0	
Gross Expenditure	539,500	430,003	(109,497)	
Income	(995,750)	(1,017,000)	(21,250)	
Net Income	(456,250)	(586,997)	(130,747)	
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	
- Major Capital Works	130,000	260,747	130,747	
- Small Plant	5,000	5,000	0	
- Central Heating Renewal Fund	10,000	10,000	0	
Distributable Surplus	(306,250)	(306,250)	0	
80% Durham County Council	245,000	245,000	0	
20% Spennymoor Town Council	61,250	61,250	0	
Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2009 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2010 £
Masterplan Memorial Garden	(13,875)	(5,000)	0	(18,875)
Major Capital Works	(421,111)	(260,747)	0	(681,858)
Small Plant	(13,002)	(5,000)	0	(18,002)
Central Heating Renewal Fund	(13,000)	(10,000)	0	(23,000)
Total	(460,988)	(280,747)	0	(741,735)

Explanation of Significant Variances between Original Budget and Forecast Outturn

9. The probable outturn reported for the period 1st April 2009 to 31st December 2009 gave a very prudent approach to the anticipated position with regards to expenditure and income. The provisional outturn shows a favourable improvement in terms of year end net income generated. The following section outlines the reasons for significant variances by subjective analysis area.

9.1 *Employees*

The probable outturn is projecting a £31,445 saving based on current staffing levels. The base budget assumed a 1.50% pay award, however, the outturn projections factor in the agreed 1% pay award.

9.2 *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.

9.3 *Supplies and Services*

This is mainly due to an underspend on computer maintenance for contracts which have not been required.

9.4 *Agency and Contracted*

This is mainly due to the delay of the installation of the Deceased Online Reference System which will be carried out in future years.

9.5 *Income*

The projected additional income of £21,250 is due to a number of factors.

An increase in actual cremations (over the level assumed in the budget / previous probable outturn projections) resulting in an additional income of £17,128. Medical Reference fees (net of expenditure) are anticipated to result in an additional £3,470. Miscellaneous income is projected to achieve an additional £3,535.

These additional income streams offset unachievable income in relation to interest on investments (due to a reduction in interest rates) over the level budgeted.

9.6 *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.£32K. The provisional outturn shows that additional net income to transfer to earmarked reserves is £130,747. The retained reserves of the CDCJC at 31 March 2010 is forecast to be £642,670.

Recommendations and reasons

10 It is recommended that:-

- a) Members note the April to March 2010 Revenue spend financial monitoring report and associated provisional outturn position 2009/10; and
- b) That the Committee approve the transfer of surplus funds to the earmarked Major Capital Works Reserves as part of the preparation of the Statement of Accounts 2009/10.

Contact: Paul Darby, Head of Finance, HR & Business Support
Tel: 0191 383 6594

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.