

Mountsett Crematorium Joint Committee

14 June 2013

Revenue Outturn & Statement of Accounts
for the Year Ended 31 March 2013



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 2013. The report also includes details of the outturn position against the approved budgets for 2012/13.

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 8 July 2013. 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 2012/13 '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 2012 / 13

- 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 25 April 2013.
- 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 25 April 2013:-

Subjective Analysis	Original Base Budget 2012/13 £	Outturn 2012/13 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [25.4.13] 2012/13 £
Employees	108,900	131,454	22,554	127,242
Premises	124,609	196,490	71,881	195,636
Transport	300	289	(11)	300
Supplies & Services	59,828	70,074	10,246	68,248
Agency & Contracted	11,915	10,611	(1,304)	10,611
Central Support Costs	23,500	23,500	0	23,500
Gross Expenditure	329,052	432,418	103,366	425,537
Income	(599,500)	(738,127)	(138,627)	(737,121)
Net Income	(270,448)	(305,709)	(35,261)	(311,584)
Transfer to Reserves				
- Repairs Reserve	15,000	15,116	116	15,000
- Cremator Reserve	90,558	125,703	35,145	131,694
Distributable Surplus	(164,890)	(164,890)	0	(164,890)
35% Gateshead Council	57,712	57,712	0	57,712
65% Durham County Council	107,178	107,178	0	107,178

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2012 £	Transfers to Reserve ® £	Transfers From Reserve £	Estimated Balance @ 31 March 2013 £
Repairs Reserve	(29,284)	(15,116)	0	(44,400)
Cremator Reserve	(416,499)	(125,703)	214,950	(327,252)
General Reserve	0	(214,950)	0	(214,950)
Total	(445,783)	(355,769)	214,950	(586,602)

NB: Realign in line with the Reserves Policy adopted at the previous meeting.

- 8 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 25 April 2013 with only a minor change (£5,875 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 shows an overspend of **£22,554**. This over spend is mainly as a result of revised employee terms and conditions agreed in the latter part of 2011/12. The review had not been undertaken in time for the 2012/13 budget setting process thus resulting in a **£13,706** variance to budget. Overtime and additional cover undertaken to ensure business continuity (including staff transfers from Central Durham Crematorium) during the Superintendent & Registrar's long term sickness absence has totalled **£17,928**. The Superintendent & Registrar's employment ended on 19 December 2012 resulting in a saving of **(£9,080)**. As Members will recall the Committee have agreed the recruitment of a replacement Superintendent and Registrar and an additional Cremator Assistant in 2013/14.

Premises

- 9.2 The final outturn shows a **£71,881** under spend in relation to premises expenditure. The main variances to budget are detailed below:-
 - Additional works (including DDA works of £10,426) of **£60,828**, as highlighted in the Service Asset Management Plan reported to members in September 2012
 - Higher utility costs of gas, electricity and water than those budgeted have resulted in an over spend of **£6,843**
 - NNDR charges were **£4,210** higher than budget. This is due to a revaluation during 2012/13 and subsequent increase in the rateable value of the Crematorium.

Supplies and Services

- 9.3 The **£10,246** over spend on the supplies and services budget is mainly due to a combination of the following factors:-
 - Book of Remembrance costs are higher than budgeted by **£3,626** due to the purchase of the new Book of Remembrance Quarterly Volume
 - Medical referee costs were higher than budgeted by **£2,837** due to the increased number of cremations carried out during the year

- The requirements of the Cremation Abatement of Mercury Emissions Organisation (CAMEO) did not come into place until 1 January 2013. This has resulted in a saving on budget during 2012/13 of **(£7,185)**. Members should note again that the first charge will be levied by CAMEO in arrears during January 2014. The 2012/2013 outturn considers 50% of budgeted cremations at an estimated charge of £50 per cremation for the period January to March 2013 in lieu of the estimated payment requirement
- Overspend on equipment purchases and repairs totalling **£10,968**, £4,000 of this over spend is due to the BACAS installation, the remaining £6,968 is in relation to grasscutting equipment repairs, cremator replacement parts, flower display units and flagpoles (required for the Green Flag Award).

Agency and Contracted

9.4 The (£1,304) under spend in relation to Agency and Contracted services related to two issues:-

- The actual cost of the Independent Testing of the Cremator & Abatement Equipment was higher than budget by **£495**
- The payment to FSA in connection with the Prepayment Bond application was **(£750)** less than budgeted as the charge was made to both Mountsett and Durham Joint Committees resulting in a shared cost
- Actual external audit fees for the year were received at **(£50)** less than budgeted
- Grounds Maintenance charges were **(£999)** less than budgeted.

Income

9.5 Members will recall the 2012/13 budget was set on a prudent basis of 1,150 cremations, however due to the significant increased demand for cremations during this financial year, additional income has been realised totalling **(£138,627)**. This income is shown by the following elements:-

- The actual cremation numbers were 1413, (including non chargeable cremations) during 2012/13, this is an additional 263 from the original budgeted numbers (1,150) resulting in an additional income of **(£130,151)**
- The sale of plaques have exceeded budgeted expectations resulting in an additional income of **(£9,407)**
- Miscellaneous sales, including Organ Fees and Urns, have very slightly exceeded those budgeted by **(£301)**
- Offsetting these additional income amounts however, is a reduction in the Book of Remembrance entries, resulting in reduced income of **£2,026**
- Interest earned on investment of surplus funds with Durham County Council was **(£794)** more than budgeted.

Earmarked Reserves

- 10 The provisional outturn showed an additional net income (over the budgeted contribution to reserves) to transfer to the Cremator Reserve of **£41,136**. The actual outturn shows a slightly lower net income transfer of **£35,261**.

The additional transfer to the Repairs Reserve is **£116**. This additional amount represents the Interest receivable relative to the reserve.

The retained reserves of the Joint Committee as at 31 March 2013, is **£586,602**. This represents an in year increase of **£140,819** (approximately 32% over the balances held at 31 March 2012).

Recommendations and Reasons

- 11 It is recommended that:-

- Members of the Joint Committee note the April 2012 to March 2013 Income and Expenditure within the Revenue Financial Monitoring Report and subsequent year balance of reserves.

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.