

Central Durham Crematorium Joint Committee

26 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 and Treasurer to the Joint Committee

Purpose of the Report

- 1 The purpose of the report is to seek out approval of the Small Bodies in England Annual Return (attached at appendix 2) and supporting Statement of Accounts (attached at Appendix 3) for Central Durham Crematorium Joint Committee for the financial year ended 31 March 2013. The report 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 15th 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 Durham Crematorium Joint Committee.

The Statement of Accounts

- 4 The Annual Return and Statement of Accounts have been prepared in accordance with 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 24 April 2013.
- 7 The table below shows the final outturn position (as incorporated into the Statement of Accounts), together with comparative data against the provisional outturn report considered 24 April 2013:-

Subjective Analysis	Original Base Budget 2012/13 £	Final Outturn 2012/13 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [24.4.13] £
Employees	204,137	207,810	3,673	207,862
Premises	231,340	251,755	20,415	254,971
Transport	3,300	2,581	(719)	2,880
Supplies & Services	105,085	100,715	(4,370)	99,728
Agency & Contracted	31,350	15,213	(16,137)	16,539
Capital Charges	213,738	213,737	(1)	213,737
Central Support Costs	34,000	34,000	0	34,000
Gross Expenditure	822,950	825,811	2,861	829,718
Income	(1,136,200)	(1,284,280)	(148,080)	(1,282,374)
Net Income	(313,250)	(458,469)	(145,219)	(452,656)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	0	145,219	145,219	139,406
- Small Plant	2,000	2,000		2,000
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

Durham Crematorium Earmarked Reserves	Balance @ 1 April 2012 £	Transfers to Reserve @ £	Transfers From Reserve £	Balance @ 31 March 2013 £
General Reserve	(424,060)	(306,250)	345,770	(384,540)
Masterplan Memorial Garden	(26,250)	(5,000)	0	(31,250)
Major Capital Works *	(531,731)	(184,739)	0	(716,470)
Small Plant	(0)	(2,000)	0	(2,000)
Total	(982,041)	(497,989)	345,770	(1,134,260)

* Includes £39,520 transfer from general reserve in line with the approved Reserve Policy

- 8 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 24th April 2013 with only a minor change (**£5,813 increase**) 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 reflects a **£3,673** employee over spend (this takes into consideration the impact of the job evaluation exercise). Additional overtime totalling **£9,923** resulted from the Cremator replacement project, this has been as a consequence of running with two cremators rather than three during the transition period early in the year. In addition, the environmental measures installed have increased the average time taken per cremation. This overspend has however been offset by a (**£6,250**) saving against the Pandemic Cremator Operator Training budget.

Premises

- 9.2 The final outturn shows an over spend of **£20,415**. The main variances to budget are detailed below:-
- **£12,989** unbudgeted spend regarding Fire Alarm upgrades and Fire Safety requirements in order to comply with Building Regulations as reported to, and approved by the Committee at the 27 June 2012 meeting
 - **£724** additional spend in relation to additional alarm call out charges following the break-ins at the Crematorium
 - **£16,756** unbudgeted spend regarding alterations to the Catafalque Doors (including fire shutter, smoke curtain and fire alarm interface) and Integrated Heating Controls as previously reported to , and approved by the Committee
 - **£6,500** unbudgeted spend regarding buildings maintenance including the disabled toilet upgrade following complaints from the public/service users as reported to and approved by the Committee at the 27 June 2012 meeting
 - (**£8,018**) under spend relating to the NNDR budget. The budget was set including an estimated increase in consideration of the larger facility from 2012/13. The rateable value and subsequent charge has been received from the Valuation Offices which is lower than the estimated level
 - (**£12,000**) of the redecoration budget has not been required as a result of the Cremator replacement programme undertaken during 2012/13
 - **£13,540** additional/unbudgeted cremator equipment and servicing costs following the installation of the new cremators

- **£1,322** additional spend on bungalow repairs and furniture and fittings
- **(£6,518)** under spend on utilities
- **(£4,880)** saving within the Hedge Trimming and Tree Works budget. These services have not been required during the 2012/13 financial year.

Supplies and Services

9.3 The **(£4,370)** under spend on the supplies and services budget is due to a combination of the following reasons:-

- As a consequence of reduced Masterplan sales (highlighted later in the report) the costs for Masterplan memorials are also lower than budgeted. This has resulted in a saving of **(£4,397)**
- The BACAS licence charge for 2012/13 has been received at **(£150)** less than budgeted
- As a result of increased cremation numbers (highlighted under the income section of the report), the Medical Referees Costs have also increased resulting in an over spend against this budget of **£5,594**
- The Public Book of Remembrance Visual Reference System has not been completed during this financial year resulting in an under spend of **(£4,490)** against this budget
- The Service Booklets were purchased during the previous financial year therefore the **(£1,000)** budget has not been utilised in 2012/13
- Due to involvement in the capital project, the attendance by the Superintendent & Registrar at various conferences has reduced this year. This has resulted in a saving of **(£2,240)**
- A net over spend of **£2,313** within the subscriptions £1,058, sundry operational (£407), hospitality (£825), Computer maintenance and electronic stationery £2,788 and clothing (£301) budgets has arisen.

Agency & Contracted

9.4 The **(£16,137)** under spend on agency & contracted relates to following reasons:-

- The cost of the Environmental Protection Licence Fee was **(£339)** lower than originally budgeted
- The budget of **(£8,000)** for the Independent Testing of the Cremator & Abatement Equipment has not been required in the current financial year. The installation of the new Cremators has included such testing and the costs have therefore been funded via the Cremator Replacement Capital budget

- A delay in the waste energy feasibility study being undertaken has resulted in an under spend for 2012/13 of **(£10,000)** the remaining feasibility study requirements are currently being undertaken and will be a cost in 2013/14. Members should note this will require a transfer from reserves to offset these costs as there is no budget provision for this in 2013/14
- The Medical Referee Post Mortem budget of **(£1,000)** has not been required during this financial year (members should note the requirement for this budget cannot be easily identified in advance and therefore it is subject to subsequent variances)
- The payment to the FSA in connection with the Prepayment Bond Application is **(£750)** less than budgeted. The total charge of £1500 was made to both Central Durham and Mountsett Crematoria resulting in a shared cost. This saving has, however, been offset by the additional charges, **£3,000** from Bovill's following additional legal advice undertaken. As members will recall from the previous meeting, these are now abortive costs as the scheme will no longer proceed
- Unexpected Cremator Operator fees paid to Spennymoor Town Council at the beginning of the year have resulted in an over spend of **£313**
- Refuse collection charges have exceeded budget by **£639**.

Income

9.5 Additional income was realised totalling **(£148,080)** for the year.

The additional cremation fee income is shown in the following elements:-

- Income from memorial sales for 2012/13 was considerably lower than in previous years and therefore a net reduction in the sale of large plaques, vase blocks, columbaria units and seats of **£21,606** was experienced during the year. Members will recall a similar position in the 2011/12 final outturn and as such the 2013/14 budget has reduced in consideration of this
- Cremation numbers have increased to 2,379 during 2012/13, an additional 339 to budget. This has resulted in additional cremation fee income (inc Medical Referee fees) of **(£168,798)**
- Whilst there has been an increase in cremation numbers during 2012/13, entries to the Book of Remembrance have not followed the same trend. Income from Book of Remembrance Fees is lower than budget by **£698**
- Income for miscellaneous items such as the scattering of ashes and webcasting, DVD and CD sales are higher than budget by **(£1,443)**
- Interest receivable was higher than budget by **(£143)**.

10 ***Earmarked Reserves***

- 10.1 In line with previous practice and the Financial Strategy agreed by the Joint Committee any additional surpluses are transferred to the Major Repairs Reserve at the year end.
- 10.2 The earmarked reserves of the CDCJC at 31 March 2013 total **£749,720**, along with the General Reserve of **£384,540**, giving a total reserve of **£1,134,260**. The outturn reflects the Reserves Policy adopted by the Joint Committee at the meeting on 24 April 2013.
- 10.3 In line with previous recommendations by the Treasurer, it is proposed that the Joint Committee continue to re-distribute a fixed surplus amount of £306,250 to the constituent authorities, retaining and transferring any additional surplus to the Major Repairs Reserve in order to fund future required capital works.

11 ***Reconciliation of Account Balances***

- 11.1 The table below highlights the transactions between Durham County Council and the Joint Committee, reconciling the account balances between the two parties providing assurance to both the Joint Committee and External Audit of the transactions carried out between the two bodies. These reconciliation statements are required as part of the annual Statement of Accounts.

Amount owed to Central Durham Crematorium Joint Committee as at 31 March 2012.	£ (128,435)
Expenditure paid by DCC on behalf of the Joint Committee during 2012/13.	362,117
Reimbursement payments to DCC from the Joint Committee.	(200,000)
Amount owed by Central Durham Crematorium Joint Committee as at 31 March 2013.	33,682

11.2 The following table provides a reconciliation of the items paid by DCC on behalf of the Joint Committee to the Gross expenditure shown with the revenue outturn above.

	£
Expenditure paid by DCC on behalf of the Joint Committee during 2012/13.	362,118
NNDR , Refuse collection and Petty cash payments paid direct by the Joint Committee	249,956
Borrowing – Loan repayment (principal and interest)	213,738
Gross Expenditure	825,812

Recommendations and Reasons

12 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
- Members of the Joint Committee approve the Annual Return and Statement of Accounts for the year ended 31st March 2013 (attached at Appendix 2)
- The Chair and Treasurer sign the Annual Return and Statement of Accounts (attached at Appendix 2).

Appendix 1: Implications

Finance

Full details of the year to date and 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.

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 Equality 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, Officer's of Spennymoor Town 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 CDCJC.

Procurement

None

Disability Issues

None

Legal Implications

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