

## **Mountsett Crematorium Joint Committee**

**4 October 2013**



**Financial Monitoring Report – Position at 31/08/13, with Projected Outturn to 31/03/14**



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**Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee.**

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### **Purpose of the Report**

1. The purpose of this report is to set out details of income and expenditure in the period 1 April 2013 to 31 August 2013, together with the provisional outturn position for 2013/14, 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 2013 and forecast outturn position of reserves at 31 March 2014, taking into account the provisional financial outturn.

### **Background**

3. Scrutinising the financial performance of the Mountsett 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 Mountsett 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 surplus distribution outturn projections for the Mountsett 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, they have been scrutinised and supplemented with information supplied by the Bereavement Services Manager and the Assistant Superintendent & Registrar. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

| <b>Subjective Analysis</b>                          | <b>Base Budget<br/>2013/14<br/>£</b>    | <b>Year to Date<br/>Actuals<br/>April –<br/>August<br/>£</b> | <b>Probable<br/>Outturn<br/>2013/2014<br/>£</b> | <b>Variance<br/>Over/<br/>(Under)<br/>£</b> |
|---|---|--|---|---|
| Employees   | 108,051                                 | 35,450   | 120,446   | 12,395                                      |
| Premises  | 233,480                                 | 105,742  | 233,758   | 278   |
| Transport   | 400                                     | 0  | 400   | 0   |
| Supplies & Services                                 | 83,828                                  | 27,808   | 87,804  | 3,976                                       |
| Agency & Contracted                                 | 10,915                                  | 3,495  | 7,910   | (3,005)                                     |
| Central Support Costs                               | 25,300                                  | 19,800   | 25,300  | 0   |
| <b>Gross Expenditure</b>                            | <b>461,974</b>                          | <b>192,295</b>   | <b>475,618</b>                                  | <b>13,644</b>                               |
| <b>Income</b>                                       | <b>(716,500)</b>                        | <b>(284,424)</b>   | <b>(730,911)</b>                                | <b>(14,411)</b>                             |
| <b>Net Income</b>                                   | <b>(254,526)</b>                        | <b>(92,129)</b>  | <b>(255,293)</b>                                | <b>(767)</b>                                |
| <b>Transfer to Reserves</b>                         |   |  |   |   |
| - Repairs Reserve                                   | 15,000                                  | 0  | 15,000  | 0   |
| - Cremator Reserve                                  | 74,636                                  | 0  | 75,403  | 767   |
| - General Reserve                                   | 0                                       | 0  | 0   | 0   |
| <b>Distributable Surplus</b>                        | <b>(164,890)</b>                        | <b>0</b>   | <b>(164,890)</b>                                | <b>0</b>                                    |
| <b>65% Durham County Council</b>                    | <b>107,178</b>                          | <b>0</b>   | <b>107,178</b>                                  | <b>0</b>                                    |
| <b>35% Gateshead Council</b>                        | <b>57,712</b>                           | <b>0</b>   | <b>57,712</b>                                   | <b>0</b>                                    |
|   |   |  |   |   |
| <b>Mountsett Crematorium<br/>Earmarked Reserves</b> | <b>Balance @<br/>1 April 2013<br/>£</b> | <b>Transfers<br/>to Reserve<br/>£</b>                        | <b>Transfers<br/>From<br/>Reserve<br/>£</b>     | <b>Balance @<br/>31 March 2014<br/>£</b>    |
| Repairs Reserve                                     | 44,400                                  | 15,000   | 0   | 59,400                                      |
| Cremator Reserve                                    | 327,252                                 | 75,403   | 0   | 402,655                                     |
| General Reserve                                     | 214,950                                 | 0  | 0   | 214,950                                     |
| <b>Total</b>  | <b>586,602</b>                          | <b>90,403</b>  | <b>0</b>  | <b>677,005</b>                              |

### Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen from the table above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £255,293 against a budgeted surplus of £254,526, (£767) more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

## 6.1 **Employees**

The probable outturn is showing an anticipated overspend of **£12,395** against the approved budget. This overspend is mainly as a result of the previously approved Cremator attendant appointment (it should be noted that additional income shown further in the report will cover this expenditure). The Projected outturn also shows an overspend Modern Apprentice post which was approved post budget setting. The budget will be amended at Quarter 3 to take into consideration these changes.

In addition, two members of staff have requested to undertake the Institute of Cemetery and Crematorium Diploma Course. This training is not included in the original budget and has resulted in additional expenditure of £3,750.

The outturn also takes into consideration the saving from the Superintendent and Registrar post net of the temporary cover from the Bereavement Services Manager , the Assistant Superintendent and Registrar and overtime undertaken by Cremator Attendants

## 6.2 **Premises**

An over spend of **£278** is projected in relation to the Crematorium premises costs.

- Utility costs for gas, electricity and water are anticipated to result in an under spend against budget of **(£898)**.
- NNDR Charges for 2013/14 have been received at **£1,176** more than budget. This is as a result of a re- assessment and increase in the rateable value of the Crematorium undertaken during the year.

## 6.3 **Supplies and Services**

An over spend of **£3,976** is projected in relation to Supplies and Services. The reasons for this are identified below:

- An anticipated increase in the Book of Remembrance entries (identified in the income element below) has resulted in a corresponding increase in Calligraphy Costs **£1,278**.
- Telephones, clothing and sundry items such as subscriptions to the Institute and conference fees are collectively anticipated to over spend by **£2,089**.
- The projected increase in cremations (identified in the Income element below) has resulted in anticipated additional medical referee costs of **£609**

## 6.4 **Agency and Contracted**

An under spend of **(£3,005)** is reported. Grounds Maintenance Contract works previously undertaken by DCC's Street Scene Clean and Green Service are now being completed by Crematorium staff resulting in a saving of (£3,005);

## 6.5 **Income**

An additional income of **(£14,411)** is projected within the 2013/14 outturn. The reasons are as follows:

- The base budget assumes a total of 1250 cremations during 2013/14. Taking into consideration the numbers to date along with previous years trends, it is prudently anticipated that a further 32 cremations (additional to budget) will be undertaken during the year. This results in an additional **(£17,600)** income against the base budget.
- Entries into the Book of Remembrance are considered to be higher than budget by **(£1,360)**.
- Miscellaneous income from vending and Organ fees etc are projected to exceed budget by **(£744)**
- It is however, projected that plaque sales will be significantly lower than budget resulting in a reduced income of **£5,293**.

## 6.6 **Earmarked Reserves**

Contributions from the revenue surplus towards earmarked reserves are forecast to be **£767** additional to budget. This has resulted in a projected contribution to the Cremator Reserve of £75,403

The contribution to the Repairs Reserve is in line with budget at £15,000

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2014 are forecast to be **£677,005**, representing a £90,403 (15%) increase over the opening position at 1 April 2013.

## **Recommendations and reasons**

7. It is recommended that:-

- Members note the April to August 2013 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2014.

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|-----------------|---|
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## **Appendix 1: Implications**

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### **Finance**

Full details of the year to date and projected 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 Bereavement Services Manager and Assistant Superintendent and Registrar. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager and Assistant Superintendent and Registrar, should mitigate the risks associated with achievement of the forecast outturn position.

### **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, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the Joint Committee.

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**

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

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