

# Mountsett Crematorium Joint Committee

17 June 2011

Revenue Outturn & Statement of Accounts  
for the Year Ended 31 March 2011



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## Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources

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### 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 2011.

### 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 2011. 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 2010/11 'Code of Practice on Local Authority Accounting in Great Britain' as updated and published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
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 2010/11

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 21<sup>st</sup> April 2011.
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 21<sup>st</sup> April 2011:

<b>Subjective Analysis</b>	<b>Original Base Budget 2010/11</b>	<b>Outturn 2010/11</b>	<b>Variance Over/ (Under)</b>	<b>MEMO - Provisional Outturn [21.4.11] 2010/11</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employees	115,615	110,461	(5,154)	111,747
Premises	119,100	139,349	20,249	140,007
Transport	300	78	(222)	78
Supplies & Services	68,250	53,024	(15,226)	49,147
Agency & Contracted	17,415	4,945	(12,470)	4,945
Transfer Payments	0	0	0	0
Capital Charges	0	0	0	0
Central Support Costs	8,330	8,330	0	8,330
<b>Gross Expenditure</b>	<b>329,010</b>	<b>316,187</b>	<b>(12,823)</b>	<b>314,254</b>
<b>Income</b>	<b>(573,900)</b>	<b>(576,572)</b>	<b>(2,672)</b>	<b>(572,195)</b>
<b>Net Income</b>	<b>(244,890)</b>	<b>(260,385)</b>	<b>(15,495)</b>	<b>(257,941)</b>
<b>Transfer to Reserves</b>				
- Repairs Reserve	15,000	(23,332)	(38,332)	(24,110)
- Cremator Reserve	65,000	118,827	53,827	117,161
<b>Distributable Surplus</b>	<b>(164,890)</b>	<b>(164,890)</b>	<b>0</b>	<b>(164,890)</b>
<b>65% Durham County Council</b>	<b>107,178</b>	<b>107,178</b>	<b>0</b>	<b>107,178</b>
<b>35% Gateshead Council</b>	<b>57,712</b>	<b>57,712</b>	<b>0</b>	<b>57,712</b>

<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2010</b>	<b>Transfers to Reserve ®</b>	<b>Transfers From Reserve</b>	<b>Estimated Balance @ 31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cremator Replacement Reserve	(160,412)	(118,827)	0	(279,239)
Major Repairs Reserve	(37,547)	(15,163)	38,495	(14,215)
<b>Total</b>	<b>(197,959)</b>	<b>(133,990)</b>	<b>38,495</b>	<b>(293,454)</b>

8. 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***

The outturn is showing a **£5,154** saving against the approved budget. The base budget assumed a 1.00% pay award, which has not materialised. In addition further savings have been made as a result of revised winter working patterns and reduction in holiday and sickness cover payments.

### ***Premises***

The overspend of **£20,249** is mainly due to the following reasons;

Additional / unbudgeted premises costs relating to car park resurfacing and replacement metal fencing have resulted in an overspend of **£19,450**;

Landscaping was overspent by **£2,340**. It should be noted however that this cost is substantially reduced following the Superintendant & Registrars decision not to construct a paved area.

Non Domestic rates have exceeded the budget by **£3,747**.

Cremator Reline costs have exceeded the approved budget by **£4,400**

Savings on the Utility costs for Gas, Electric and Water Budgets of approx **(£5,843)**

Insurance Recharge costs from Durham County Council were originally budgeted under the Supplies and Services Classification. This has resulted in an overspend within premises costs of **£4,100** (However members should be aware of a corresponding underspend within Supplies and Services)

The **(£6,000)** budget in relation to Water Seepage Repairs plus a number of other small general repairs budgets totalling **(£2,696)** have not been required during 2010/11

The remaining **£751** overspend relates to consumable items such as cleaning materials

The previous outturn indicated a projected overspend of **£20,907**. The resultant variance between outturns being **£658**.

### ***Supplies and Services***

The **(£15,226)** underspend on supplies and services is due to the following reasons:

The Mercury Abatement payment provision of **(£10,680)** is not required until 2013.

The Wesley Music System has cost **£2,300** additional to the budget sum as a result of extra maintenance costs

Insurance Recharge costs from Durham County Council that were originally budgeted under the Supplies and Services Classification have been charged under Premises. As highlighted above, this has resulted in an underspend of **(£4,100)** within Supplies and Services (offset by a corresponding overspend within Premises)

An increase in cremations has resulted in additional medical referee costs of **£2,300**

Collective underspends on equipment, postage, printing, stationery and telephones total **(£4,700)**

The remaining underspend is mainly in relation to savings within the uniforms budget

The previous outturn showed an underspend of **£19,103**. The difference between the previous outturn and the actual outturn being the increased spend on Book of Remembrance purchases and Calligraphy costs before the year end that were not previously factored in.

### ***Income***

The additional income over budget of **£2,672** relates to additional cremation fee income throughout the year as a result of increased cremation numbers and additional entries into the Book of Remembrance.

The previous outturn showed a budget pressure of **£1,705**. The actual outturn shows a higher number of cremation related receipts than previously anticipated. The movement is also as a result of Interest received on the investments, (cash balances of the Joint Committee) with Durham County Council, which had not been factored into the previous forecasts.

### ***Earmarked Reserves***

In line with previous approvals, any additional surpluses are retained within the Joint Committee. The additional premises costs in relation to car park resurfacing, replacement fencing and landscaping have required a contribution from the Repairs Reserve of **£23,495** rather than a contribution into the reserve of **£15,000** as originally budgeted.

The previous outturn projection estimated that the additional net income to transfer to the Cremator Reserve would be **£117,161**. The actual outturn shows a slightly higher net income transfer to the Cremator reserve of **£118,827** due to the combined movements reported earlier within the report

The retained reserves of the Joint Committee as at 31 March 2010, is **£293,454**.

## **Recommendations and Reasons**

9. It is recommended that:

- Members of the Joint Committee note the April 2010 to March 2011 Income and Expenditure within the Revenue Financial Monitoring Report and subsequent year balance of reserves.

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## **Appendix 1: Implications**

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### **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**

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.