

Mountsett Crematorium Joint Committee

25 June 2010



Financial Monitoring Report – Position at 31/5/10, with Projected Outturn at 31/03/11



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Stuart Crowe – Corporate Director: Resources

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 May 2010, with a projection of the anticipated outturn to 31 March 2011, 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 2010 and estimated position at 31 March 2011, taking into account the forecast financial outturn.

Background

3. Prior to Local Government Reorganisation the Crematorium's budget was held within Derwentside District Council's General Services budget area and was monitored as part of the Authority's monthly budgetary control process. However, as the Crematorium Committee has, in the past, only met 2-3 times a year, budget reports were generally only presented to members at the year-end.
4. The 2008-09 external audit "issues arising" letter recommends that, in order to improve financial governance, regular budgetary control reports are presented to Members of the Joint Committee, on at least a quarterly basis. Members will note that the Treasurer's forward plan and suggested meeting schedule considered earlier has incorporated quarterly financial monitoring reporting.

Financial Performance

5. In terms of this budgetary control report, the year to date actual position has been extracted directly from the general ledger in Oracle, through which all former County Council transactions are processed.
6. As members may be aware, the former District Council financial management systems continue to be used for accounts payable and accounts receivable transactions. All these transactions are interfaced into Oracle on a daily basis, in accordance with mapping work undertaken in March, which effectively replicated the District cost centres within Oracle. All payroll costs are processed via the County Council's Northgate Resourcelink System and is interfaced directly into Oracle.

7. 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 / Scrutiny Committee. The year to date and outturn projections for the Mountsett Crematorium are included within these reports.
8. The projections have been calculated using income and expenditure for the year to date, consideration of expenditure patterns in previous years and information supplied by the Superintendent Registrar. The following table highlights the year to date actual and projected outturn financial performance.

Subjective Analysis	Original Base Budget 2010/11 £	Year to Date Actual (Apr-May) £	Probable Outturn 2010/11 £	Variance Over/ (Under) £
Employees	115,615	20,916	114,515	(1,100)
Premises	119,100	(5,248)	119,100	0
Transport	300	0	300	0
Supplies & Services	68,250	1,629	68,250	0
Agency & Contracted	17,415	0	17,415	0
Transfer Payments	0	0	0	0
Capital Charges	0	0	0	0
Central Support Costs	8,330	0	8330	0
Gross Expenditure	329,010	17,297	327,910	(1,100)
Income	(573,900)	(46,044)	(573,900)	0
Net Income	(244,890)	(28,747)	(245,990)	(1,100)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	65,000	0	66,100	1,100
Distributable Surplus	(164,890)	0	164,890	0
35% to Gateshead	57,712	0	57,712	0
65% to Durham County	107,178	0	107,178	0
Mountsett Crematorium Earmarked Reserves	Balance @ 31 March 2010 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2009 £
Cremator Replacement Reserve	(160,412)	(66,100)	0	(226,512)
Major Repairs Reserve	(37,547)	(15,000)	0	(52,547)
Total	(197,959)	(81,100)	0	(279,059)

Explanation of Significant Variances Between Original Budget and Forecast Outturn

9. The following section outlines the reasons for significant variances by subjective analysis area.

9.1 Employees

The probable outturn is projecting a £1,100 saving based on current staffing levels. The base budget assumed a 1.00% pay award, however, it is anticipated that this will not materialise

9.2 Premises

No Variance to budget.

9.3 Supplies and Services

No Variance to budget

9.4 Income

No Variance to budget.

9.5 Earmarked Reserves

Contributions from the revenue surplus towards earmarked reserves are forecast as £1,100 additional to be as per budget. This is due to the saving on Employees.

Recommendations and reasons

10 It is recommended that:-

- Members note the April to May 2010 Revenue spend financial monitoring report and associated forecasts in terms of the outturn position 2010/11; and
- Quarterly reports continue to be submitted to Members for consideration, in line with the Forward Plan.

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Appendix 1: Implications

Finance

Full details of the year to date and projected outturn financial performance of the Mountset Crematorium are included within the body of the report.

Staffing

There are no staffing implications associated with this report.

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Sustainability

None

Human rights

None

Localities and Rurality

None

Young people

None

Consultation

Officers of Gateshead Council were consulted on the contents of this report.

Health

None