

# Central Durham Crematorium Joint Committee



29 June 2011

## Financial Monitoring Report – Position at 31/05/11, with Projected Outturn at 31/03/12



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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 2011 to 31 May 2011, representing the provisional outturn position for 2011/12, 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 2011 and initial outturn position at 31 March 2012, taking into account the provisional financial outturn.

#### Background

3. Scrutinising the financial performance of the Central Durham 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 Central Durham 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 outturn projections for the Central Durham 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, given that the finance team have been heavily involved in the 2010/2011 closedown, in terms of the production of the Small Bodies Annual Return and supporting Statement of Accounts, and the fact that the year to date position only reflects activity in the first two months of the financial year. The figures have been scrutinised and supplemented with information supplied by the Superintendent Registrar. The following table highlights the provisional outturn financial performance of the Central Durham Crematorium:

<b>Subjective Analysis</b>	<b>Base Budget 2011/12 £</b>	<b>Year to Date Actual – April – May £</b>	<b>Probable Outturn 2011/2012 £</b>	<b>Variance Over/ (Under) £</b>
Employees	209,450	33,655	209,450	0
Premises	200,300	23,079	200,300	0
Transport	2,000	710	2,800	800
Supplies & Services	96,300	11,340	95,500	(800)
Agency & Contracted	29,900	506	17,900	(12,000)
Transfer Payments	0	0	0	0
Capital Charges	214,000	0	213,738	(262)
Central Support Costs	32,000	0	32,000	0
<b>Gross Expenditure</b>	<b>783,950</b>	<b>69,290</b>	<b>771,688</b>	<b>(12,262)</b>
<b>Income</b>	<b>(1,095,200)</b>	<b>(183,228)</b>	<b>(1,095,200)</b>	<b>0</b>
<b>Net Income</b>	<b>(311,250)</b>	<b>(113,938)</b>	<b>(323,512)</b>	<b>(12,262)</b>
<b>Transfer to Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	0	0	12,262	12,262
<b>Distributable Surplus</b>	<b>(306,250)</b>	<b>0</b>	<b>(306,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>245,000</b>	<b>0</b>	<b>245,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>61,250</b>	<b>0</b>	<b>61,250</b>	<b>0</b>
<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2011 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2012 £</b>
General Reserve	(424,060)	(306,250)	306,250	(424,060)
Masterplan Memorial Garden	(21,250)	(5,000)	0	(26,250)
Major Capital Works	(393,384)	(12,262)	0	(405,646)
Cremator Replacement	(600,000)	0	600,000	0
<b>Total</b>	<b>(1,438,694)</b>	<b>(323,512)</b>	<b>906,250</b>	<b>(855,956)</b>

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

9. The 2011/2012 probable outturn, based on transactions to 30<sup>th</sup> May 2011, gives a very prudent approach to the anticipated position with regards to expenditure and income.

#### **9.1 Employees**

There is no anticipated variance to budget at this stage

## 9.2 Premises

There is no anticipated variance to budget at this stage

## 9.4 Transport

In line with the 2010/2011 outturn it is anticipated that the transport budget will over spend by **£800** in the current year.

## 9.3 Supplies and Services

The **(£800)** projected under spend relates to a saving within the Printing and Stationery budget.

## 9.4 Agency and Contracted

As a result of the revised classification of the Joint Committee to a smaller relevant body and subsequent change in auditors, the full £15,000 Audit fee budget provision is not required. As reported to the Committee previously, the Limited Assurance audit fees are based on fixed income and expenditure bands. The fee for the Central Durham Crematorium Joint Committee is £3,000 therefore saving **(£12,000)** against the original budget.

## 9.5 Income

There is no anticipated variance to budget at this stage.

## 9.6 Earmarked Reserves

Contributions from the revenue surplus towards earmarked reserves are forecast as £12,262 additional to budget. This is due to the £12,000 saving on Audit fees and a £262 saving regarding the loan repayment for the Cremator Replacement programme.

The Cremator Replacement Reserve balance of £600,000 will be paid over to DCC in October 2011, as a contribution to the capital financing costs of the Cremator Replacement and Redevelopment Project.

The retained reserves of the CDCJC at 31 March 2012 are forecast to be £431,896 along with a General Reserve of £424,060, giving a forecast total reserves and balances position of £855,956 at year end.

## Recommendations and reasons

10 It is recommended that:-

- Members note the April to May 2011 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2012.

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

### **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 Spennymoor Town 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 CDCJC.

### **Procurement**

None

### **Disability Discrimination Act**

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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