

Mountsett Crematorium Joint Committee

13 June 2014

**Revenue Outturn & Statement of Accounts
for the Year Ended 31 March 2014**



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

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 2014. The report also includes details of the Final outturn position against the approved budgets for 2013/14.

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 7 July 2014. 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 certain requirements of the 2013/14 '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 Statement of Movement in Reserves
 - The Income and Expenditure Account
 - The Balance Sheet
 - The Cash Flow Statement
 - The Annual Governance Statement.

Financial Outturn 2013/14

- 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 2014.
- 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 24 April 2014:-

Subjective Analysis	Original Base Budget 2013/14 £	Outturn 2013/14 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [24.4.14] 2013/14 £
Employees	108,051	112,886	4,835	117,067
Premises	233,480	190,031	(43,449)	193,214
Transport	400	512	112	400
Supplies & Services	83,828	131,703	47,875	131,776
Agency & Contracted	10,915	6,419	(4,496)	9,020
Central Support Costs	25,300	25,300	0	25,300
Gross Expenditure	461,974	466,851	4,877	476,777
Income	(716,500)	(683,044)	33,456	(682,620)
Net Income	(254,526)	(216,193)	38,333	(205,843)
Transfer to Reserves				
- Repairs Reserve	15,000	15,158	158	15,000
- Cremator Reserve	74,636	36,145	(38,491)	25,953
Distributable Surplus	(164,890)	(164,890)	0	(164,890)
35% Gateshead Council	57,712	57,712	0	57,712
65% Durham County Council	107,178	107,178	0	107,178

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2013 £	Transfers to Reserve ® £	Transfers From Reserve £	Balance @ 31 March 2014 £
Repairs Reserve	(44,400)	(15,158)	0	(59,558)
Cremator Reserve	(327,252)	(36,145)	0	(363,397)
General Reserve	214,950	0	0	(214,950)
Total	(586,602)	(51,303)	0	(637,905)

The Outturn

- 8 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 24 April 2014 with only a minor change (£10,350 increase) to 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 shows an overspend of **£4,835**. The main variances are shown below:
- The vacant Superintendent & Registrar post has resulted in a saving of (£31,607). Alternative arrangements regarding the management of the Crematorium via the Bereavement Services Manager has however resulted in additional spend to original budget of £8,144. A net saving of **(£23,463)** is therefore relative to this post.
 - The approved appointment of the additional Cremator Attendant, has resulted in a spend additional to the original budget of **£18,019**.
 - The approved appointment of the Business Administration Modern Apprentice has resulted in a spend additional to the original budget of **£2,145**.
 - A member of staff undertaking studies via the Institute of Cemetery and Crematorium Diploma Course. The cost of this training was not included in the original budget and has resulted in additional expenditure of **£1,785**.
 - Honorarium payments to the Cremator Attendant in relation to holiday cover totalling £1,706 along with additional overtime costs (to ensure cover for the current opening hours and weekend hours) of £7,293 have resulted in total enhancement payments over budget of **£8,999**.
 - The Employees insurance budget has not been fully utilised during 2013/14 resulting in a saving of **(£2,650)**.

The provisional outturn reported to the Joint Committee in April, indicated a projected overspend for employees of **£9,016**, the change in outturns being **(£4,181)** less than previously reported. The main reasons for this movement are as a result of employees insurance recharged from DCC being less than expected and a delay in the commencement of the Institute of Cemetery and Crematorium Diploma Course for one member of staff (this course will be undertaken during 2014/15)

Premises

- 9.2 The final outturn shows a **(£43,449)** under spend in relation to premises expenditure. The main variances to budget are detailed below:-

- Utility costs for gas, electricity and water are lower than those originally budgeted by **(£2,012)**.
- NNDR charges for 2013/14 were **£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.
- SAMP works originally scheduled for completion during 2013/14 have been carried forward and provision made within the 2014/15 budget totalling **(29,700)**. These works include the upgrading of external handrails, the renewal of the south perimeter fence and the scheduled cremator reline.
- The BACAS booking system was purchased and installed earlier than anticipated. Completion took place during 2012/13 (following the 2013/14 budget approval) thus resulting in a saving against budget of **(£4,000)**.
- Works in the Chapel to replace units, wall tiling and water damage repairs have cost **(1,836)** less than those originally budgeted within the SAMP.
- Repairs to the Crematorium paths and roads (additional to those identified originally via the SAMP) have resulted in a **£5,036** overspend to budget.
- Tribute screens costing **£4,642** in addition to those originally budgeted within the SAMP have been purchased.
- Works undertaken as part of the SAMP have resulted in elements of the general repairs budget not being required during 2013/14. This has resulted in an under spend of **(£12,655)**.
- The Premises insurance budget has not been fully utilised during 2013/14 resulting in a saving of **(£4,100)**.

The provisional outturn indicated a projected under spend of **(£40,266)**, the change in outturns being **(£3,183)** additional underspend to that previously reported in April. The change in outturns is due to the Insurance recharge from DCC being less than anticipated.

Supplies and Services

- 9.3 The **£47,875** over spend on the supplies and services budget is mainly due to a combination of the following factors:-
- Equipment, telephones, clothing and sundry items such as subscriptions to the Institute and conference fees are collectively underspent by a net **(£4,615)**.
 - The decrease in cremations to budget (identified within the Income element of the report below) has resulted in a corresponding under spend in the medical referee costs of **(£1,106)**.

- The requirement for the BACAS licence has been introduced during 2013/14 and as a result was not included in the original budget. This has therefore resulted in an overspend of **£1,588**.
- Masterplan costs not identified in the original budget has resulted in a spend of **£3,172**.
- The correspondence subsequently received from the Cremation Abatement of Mercury Emissions Organisation (CAMEO) has identified an environmental surcharge/Tmac value of £50.52 per cremation undertaken during the period of January to December 2013. The budget assumed a charge of £25.00 per cremation (based on best known information at the time). Taking into consideration the 2013/14 actual cremation numbers, the outturn identifies an over spend of **£48,836** against this budget. In line with Accounting Policies, the outturn includes provision for payments to CAMEO covering the period January 2013 to March 2014. An element of the costs relates to 2012/13 (393 cremations - £10,029).

Agency and Contracted

9.4 The **(£4,496)** under spend in relation to Agency and Contracted services relates to the following two issues:-

- A saving of **(£3,796)** as a result of Grounds Maintenance Contract works being undertaken by the Crematorium staff.
- A saving of **(£700)** against budget in relation to the External Auditors fees charged by BDO LLP during 2013/14.

The provisional outturn indicated a projected under spend of **(£1,895)**. The change in outturns being a further underspend of **(£2,601)**. The change relates to a reduced recharge than expected from DCC for Grounds Maintenance works.

Income

9.5 A reduction in income of **£33,456** over the amount budgeted is reported at Final outturn. This reduction in income is accounted for as follows:-

- The total cremation numbers have reduced to 1,191 (including non-chargeable cremations) from those originally budgeted at 1,250. This has resulted in a reduced income of **£35,620**.
- Fees received relating to Book of Remembrance entries are greater than budgeted by **(£2,258)**.
- Miscellaneous sales, including Organ Fees and Urns, have exceeded those budgeted by **(£996)**
- **(£710)** Interest earned on surplus funds invested via Durham County Council was received during 13/14.

- Plaque sales are lower than budgeted. This has resulted resulting in a reduced income to budget of **£1,800**.

Earmarked Reserves

- 10 Contributions from the Revenue surplus towards earmarked reserves are **(£38,333)** less than budgeted.

The provisional outturn reported at the April meeting, showed a transfer to reserves of £40,953. The final outturn highlights a slightly higher transfer to reserves of £51,303. In line with the Reserves Policy, £15,158 was transferred to the Repairs Reserve and £36,145 to the Cremator Reserve.

The additional transfer to the Repairs Reserve is **£158**. This additional amount represents the Interest receivable relative to the reserve.

The transfer to reserves are, however £38,333 less than budgeted as a result of the variances to various budgets detailed in the report.

The retained reserves of the Joint Committee as at 31 March 2014, is **£637,905**. This represents an in year increase of **£51,303** (approximately 9% over the balances held at 31 March 2013).

Recommendations and Reasons

- 11 It is recommended that:-

- Members of the Joint Committee note the April 2013 to March 2014 Income and Expenditure within the Revenue Financial Monitoring Report and subsequent year balance of reserves.

Contact: Paul Darby - 03000 261 930
Joanne McMahon – 03000 261 968

Appendix 1: Implications

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 Bereavement Services Manager. The outturn has been produced taking into consideration all spend in year and year end accounting requirements. This, together with the information supplied by the Bereavement Services Manager, should mitigate any risks with regards to challenge and review of the financial outturn position of the Joint Committee.

Equality and Diversity / Public Sector 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 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.