

Central Durham Crematorium Joint Committee

25 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 and Treasurer to the Joint Committee

Purpose of the Report

- 1 The purpose of the report is to seek out approval of the Small Bodies in England Annual Return (attached at Appendix 2) and supporting Statement of Accounts (attached at Appendix 3) for Central Durham Crematorium Joint Committee for the financial year ended 31 March 2014. The report includes details of the outturn position against the approved budgets for 2013/14, together with comparisons against the provisional outturn reported in April.

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 14th July 2014. On completion, the auditor's report will be presented 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 Durham Crematorium Joint Committee.

The Statement of Accounts

- 4 The Annual Return and Statement of Accounts have been prepared in accordance with the 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 on Reserves
 - The Comprehensive 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 23 April 2014.
- 7 The table below shows the final outturn position (as incorporated into the Statement of Accounts), together with comparative data against the provisional outturn report considered 24 April 2013:-

Subjective Analysis	Original Base Budget 2013/14 £	Final Outturn 2013/14 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [23.4.14] £
Employees	204,915	215,602	10,687	219,354
Premises	279,840	202,546	(77,294)	220,132
Transport	3,900	2,248	(1,652)	2,379
Supplies & Services	124,225	104,062	(20,163)	104,700
Agency & Contracted	46,011	36,418	(9,593)	43,191
Capital Charges	213,738	213,738	0	213,738
Central Support Costs	34,800	34,800	0	34,800
Gross Expenditure	907,429	809,414	(98,015)	838,294
Income	(1,281,800)	(1,346,580)	(64,780)	(1,348,535)
Net Income	(374,371)	(537,166)	(162,795)	(510,241)
Transfer to Reserves				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	36,121	198,916	162,795	171,991
- Cremator Reline Reserve	25,000	25,000	0	25,000
- Small Plant	2,000	2,000	0	2,000
Distributable Surplus	(306,250)	(306,250)	0	(306,250)
80% Durham County Council	245,000	245,000	0	245,000
20% Spennymoor Town Council	61,250	61,250	0	61,250

Durham Crematorium Earmarked Reserves	Balance @ 1 April 2013 £	Transfers to Reserve @ £	Transfers From Reserve £	Balance @ 31 March 2014 £
General Reserve	(384,540)	(306,250)	306,250	(384,540)
Masterplan Memorial Garden	(31,250)	(5,000)	0	(36,250)
Major Capital Works *	(716,470)	(198,916)	0	(915,386)
Cremator Reline Reserve	0	(25,000)	0	(25,000)
Small Plant	(2,000)	(2,000)	0	(4,000)
Total	(1,134,260)	(537,166)	306,250	(1,365,176)

- 8 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 23rd April 2014 with the final outturn showing a **(£26,925)** improved position in terms of the overall net income for the year. This has been added to the Major capital Works reserve at the year end.
- 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 reflects a **£10,687** employee over spend. The reasons for this are set out below.
- The approved appointment of The Business Administration Modern Apprentice has resulted in a **£3,386** unbudgeted cost in the year.
 - Long Term sickness cover has resulted in additional staffing/overtime payments of **£12,833** in the year.
 - Savings within the Pandemic Operator Training budget of **(£1,715)**
 - The revised management arrangements for the Crematorium has resulted in savings of **(£10,051)** being achieved.
 - The additional cremator cover previously agreed by the Joint Committee has totalled **£10,434** for the year.
 - The Employee insurance budget has not been fully utilised during the year resulting in a saving of **(£4,200)**.

The provisional outturn reported to the Committee in April indicated a projected overspend on Employee related expenditure of **£14,439**, the changed position being **(£3,752)** less than previously reported. The main reasons for the movement are as a result of the Employee Insurance costs recharged from DCC being less than expected along with March overtime actually paid to staff being less than previously estimated.

Premises

- 9.2 The final outturn shows an under spend of **(£77,294)**. The main variances to budget are detailed below:-
- General Repairs & Maintenance costs including internal decoration, fire and burglar alarms and cleaning have been less than budgeted, resulting in an underspend of **(£10,188)**.
 - Utility costs for gas, water and electricity are lower than originally budgeted by **(£10,020)**.

- The rateable value of the Crematorium and subsequent charge for 2013/14 was lower than the original budgeted estimate. This resulted in a **(£5,690)** saving within this budget.
- Following a review of the Crematorium Service Asset Management Plan (SAMP) the one off budget for the electric opening for the main gates has not been required, resulting in an underspend of **(£10,000)**.
- The SAMP Review identified works to carry forward into 2014/15. This has resulted in a **(£29,000)** saving in 2013/14. The works include the replacement of copper roofing and canopy, relining of concrete guttering, replacement outside lighting, exterior brickwork pointing and path and road repairs. These will now be undertaken in 2014/15.
- Following the resignation of the Superintendent & Registrar and the subsequent changes to terms and conditions/working arrangements attached to the post, the bungalow repairs and replacement budget of **(£4,200)** has not been required.
- General grounds maintenance & tree works have not been fully required during 2013/14 resulting in an under spend of **(£3,957)**.
- Cremator equipment servicing and repairs has exceeded budget by **£13,122**. This is as a result of the increased costs of service requirements.
- The premises insurance budget has not been fully utilised during 2013/14 resulting in an under spend of **(£16,000)**. The sundry creditor provision raised for the previous year has also not materialised during 2013/14.
- Expenditure on Furniture & Fittings has been lower than budget by **(£1,361)**.

The provisional outturn indicated a projected underspend on premises related expenditure of **(£59,708)**, the change in outturns being a further **(£17,586)** saving than that previously reported. The main reasons for this movement are as a result of the Premises Insurance costs recharged from DCC being much less than expected and the final costs for the cremator servicing being less than previously estimated.

A review of the DCC Insurance recharge to CDCJC is to be undertaken in the near future to ascertain the impact of future recharges upon the 2014/15 budget and to inform budget planning for 2015/16.

Supplies and Services

9.3 The **(£20,163)** under spend on the supplies and services budget is due to a combination of:-

- Expenditure on new Masterplan materials has reduced resulting in an under spend of **(£2,083)**.

- As a result of increased cremation numbers (highlighted under the income section of the report), the Medical Referees Costs have also increased resulting in an over spend against this budget of **£1,436**
- The Public Book of Remembrance Visual Reference System originally identified to be purchased during 2013/14 will now be purchased during 2014/15 resulting in an under spend of **(£4,850)**.
- Office, admin and other operational budgets such as conference, general advertising, postage, stationery and clothing have underspent by **(£2,996)**.
- The upgrade of the projector incorporated into the 2013/14 budget is no longer required, resulting in a saving of **(6,365)**.
- The requirement for Replacement Identity Tokens, Columbaria Units and Service Booklets has reduced this year by **(£3,826)**.
- Licences, software & webcasting budgets have underspent by **(£518)**.
- The requirement for Cremator solutions & additives have been less than expected resulting in an under spend of **(£961)**.

The provisional outturn indicated a projected under spend on Supplies and Services related expenditure of **(£19,525)** the change in outturns being a further **(£638)** underspend than that previously reported.

Agency & Contracted

9.4 The **(£9,593)** under spend on agency & contracted relates to following reasons:-

- The cost of the Refuse Collection is **£1,157** higher than that originally budgeted. This is as a result of a price increase by the service provider during 2013/14.
- The Independent Testing of the Cremator & Abatement Equipment for 2013/14 is **£760** higher than budget.
- External Audit fees from BDO LLP have been received at **(£1,000)** lower than budgeted.
- The combined Waste Energy and Public Area Alterations feasibility study budget have underspent by **(£8,512)**.
- The reduced number of replacement cremation registers purchased during the year have resulted in an underspend of **(£498)**.
- The Spennymoor Operators Contingency budget has not been required during the 2013/14 year, resulting in a saving of **(£500)**.

- The Medical Referee Post Mortem budget of **(£1,000)** has not been required during this financial year.

The provisional outturn indicated a projected underspend on Agency and Contracted related expenditure of **(£2,820)**. The change in outturns being a further **(£6,773)** underspend than that previously reported. The main reason for this movement is a result of reduced feasibility study costs recharged from DCC.

Income

9.5 Additional income was realised totalling **(£64,780)** for the year. The main reasons are detailed below.

- A backlog exercise has been undertaken at the crematorium regarding the renewal of Large Plaques and Vase Blocks. As a result, an additional **(20,355)** income has been received to budget. It should be noted however that this may have a slightly negative impact on the 2014/15 renewals and as such the 2014/15 budget has been amended to reflect this.
- Cremation numbers have increased to 2227 during 2013/14, an additional 87 to the 2013/14 budget. This has resulted in additional cremation fee income (inc Medical Referee fees) of **(£45,444)**
- Income from Book of Remembrance Fees is lower than budget by **£1,829**
- Income for miscellaneous items such as the scattering of ashes and webcasting, DVD and CD sales are higher than budget by **(£396)**
- Interest receivable was higher than budget by **(£414)**.

The final outturn reports a minimal change (£20 additional income) to that reported in the provisional outturn at the April meeting.

10 ***Earmarked Reserves***

- 10.1 It is proposed that the Joint Committee re-distribute a fixed surplus amount of £306,250 to the constituent authorities as budgeted for the 2013/14 financial year, retaining and transferring any additional surplus to the Major Repairs Reserve in order to fund future required capital works in line with previous practice and the Financial Strategy agreed by the Joint Committee.
- 10.2 Contributions from the revenue surplus towards earmarked reserves are reported as **£162,795** additional to budget.
- 10.3 The earmarked reserves of the CDCJC at 31 March 2014 total **£980,636**, along with the General Reserve of **£384,540**, giving a total reserve of **£1,365,176**. The Usable Reserves balances reflect the Reserves Policy adopted by the Joint Committee at the meeting on 24 April 2013.

11 **Reconciliation of Account Balances**

11.1 The table below provides a summary of transactions paid by Durham County Council on behalf the Joint Committee and the subsequent reimbursement payments made. The tables provides assurance to both the Joint Committee and External Audit of the transactions carried out between the two bodies and identifies the year end account balances between the two parties.

Amount owed by Central Durham Crematorium Joint Committee as at 31 March 2013.	£ 33,682
Expenditure paid by DCC on behalf of the Joint Committee during 2013/14	391,554
Reimbursement payments to DCC from the Joint Committee (including £33,682 opening balance)	(375,000)
Amount owed by Central Durham Crematorium Joint Committee as at 31 March 2014 for 2013/14 transactions	50,236

11.2 The following table summarises the Joint Committee's transactions via DCC and direct payments reconciling to the Gross Expenditure shown within the outturn above.

	£
Expenditure paid by DCC on behalf of the Joint Committee and reimbursed during 2013/14 in relation to 2013/14 transactions	391,554
Borrowing – Loan repayment (principal and interest) paid by the Joint Committee to DCC	213,738
NNDR, Refuse collection and petty cash payments paid direct by the Joint Committee	204,122
Gross Expenditure	809,414

Recommendations and Reasons

12 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
- Members of the Joint Committee approve the Annual Return and Statement of Accounts for the year ended 31st March 2014 (attached at Appendix 2)
- The Chair and Treasurer sign the Annual Return and Statement of Accounts (attached at Appendix 2).

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Appendix 1: Implications

Finance

Full details of the year to date and 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 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 / 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, Officer's of Spennymoor Town 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 CDCJC.

Procurement

None

Disability Issues

None

Legal Implications

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