

Mountsett Crematorium Joint Committee



30 January 2015

**Financial Monitoring Report – Position at
31/12/14, with Projected Outturn to 31/03/15**



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. This report details income and expenditure in the period 1 April 2014 to 31 December 2014, together with the updated projected outturn position for 2014/15, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2014 and forecast outturn position at 31 March 2015, taking into account the updated projected financial outturn.

Background

3. Scrutinising the financial performance of the Mountsett 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 Mountsett 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 Mountsett Crematorium are included within this report.
5. 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 following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2014/15 £	Year to Date Actual April – December £	Probable Outturn 2014/2015 £	Variance Over/ (Under) £
Employees	123,215	83,996	121,184	(2,031)
Premises	200,350	103,825	184,794	(15,556)
Transport	400	409	613	213
Supplies & Services	115,765	31,820	118,715	2,950
Agency & Contracted	8,000	5,687	6,995	(1,005)
Central Support Costs	26,075	25,800	26,075	0
Gross Expenditure	473,805	251,537	458,376	(15,429)
Income	(750,500)	(610,564)	(841,703)	(91,203)
Net Income	(276,695)	(359,027)	(383,327)	(106,632)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	96,805	0	203,437	106,632
- General Reserve	0	0	0	0
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	0	107,178	0
35% Gateshead Council	57,712	43,284	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2014 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2015 £
Repairs Reserve	59,558	15,000	0	74,558
Cremator Reserve	363,397	203,437	(10,200)	556,634
General Reserve	214,950	175,090	(164,890)	225,150
Total	637,905	393,527	(175,090)	856,342

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen from the table above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £383,327 against a budgeted surplus of £276,695, (£106,632) more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

6.1 **Employees**

The projected outturn reflects a **(£2,031)** underspend, based on current spending. The reasons for this underspend are highlighted below:

- A further member of staff has been enrolled on the Institute of Cemetery and Crematorium Diploma Course which has resulted in additional unbudgeted expenditure of **£1,785**.
- The recent appointment to the Modern Apprentice post has resulted in a saving of **(£5,537)**. (This is due to a change in age profile and subsequent Modern Apprentice payments applied).
- The termination of the Crematorium Assistant contract has resulted in a slight underspend to budget of **(£502)**. The outturn includes overtime worked by other employees to cover the post until it was filled in December.
- Additional National Insurance and Pension contributions of **£2,223**

6.2 **Premises**

An under spend of **(£15,556)** is projected in relation to the Crematorium premises costs. The reasons for this are identified below:

- Utility expenditure is expected to underspend by **(£2,243)**.
- NNDR Charges for 2014/15 are **£121** more than budget.
- The replacement seating works undertaken within the chapel area underspent by **(£1,507)**.
- Following an inspection of the Crematorium, redecoration works have been delayed and will now be carried out during 2015/16, resulting in a saving to budget of **(£7,500)**.
- The relining of the cremator hearth will not be completed in 2014/15 saving of **(£2,000)**
- A replacement grass cutting machine totalling **£13,995**, agreed at the 4 October 2013 meeting to be purchased from Reserves, has now been purchased.
- Improvements works to the pedestrian paved areas underspent by **(£1,510)**.
- Renewal of the South Perimeter fence has been delayed until 2015/16 resulting in a saving to budget of **(£6,300)**.
- Works to tarmac the roads have underspent by **(£10,027)**

- Improvement to the catafalque doors have not been carried out this year saving of **(£2,000)**.
- The Cremator reline and repairs budget overspent by **£11,295**.
- General repairs and equipment repairs under spent by **(£7,880)**.

6.3 **Supplies and Services**

An over spend of **£2,950** is projected in relation to Supplies and Services. The reasons for this are highlighted below:

- The Wesley Annual Music and Broadband Service charge for the year is **£132** more than budget.
- Telephones, clothing and sundry items such as stores issues, subscriptions and general cleaning materials are expected to underspend by **(£1,220)**.
- Due to the projected increase in Masterplan sales it is anticipated that associated costs will be overspent by **£1,194**.
- Due to the projected increase in cremations (highlighted later within the income section of the report) medical referee expenditure is projected to overspend by **£2,178**.
- Equipment purchase and rental is expected to underspend by **(£6,000)**.
- Due to the increase in cremations the fee to the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) is anticipated to be overspent by **£6,666**.

6.4 **Income**

It is anticipated that there will be an increase in income from the 2014/15 budget totalling **(£91,203)**. The main reasons are detailed below:

- The updated outturn projection has taken into consideration a forecast 132 more cremations compared to budget, totalling an increased income to budget of **(£83,160)**. The outturn allows for a total of 1,282 cremations against a budget estimate of 1,150 during the 2014/15 financial year.
- Book of Remembrance entries are anticipated to be slightly lower than budget by **£33**.
- Miscellaneous income from vending and Organ fees etc are anticipated to be higher than budget by **(£1,427)**.
- Plaque sales are also projected to be higher than budget resulting in an increased income of **(£6,649)**.

6.5 ***Earmarked Reserves***

Contributions to the earmarked reserves are forecast as **(£106,632)** more than originally budgeted, primarily due to the increase in cremation income during the year.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£10,200)** is required. This results in a net transfer to the Cremator Replacement Reserve of **£193,237**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2015 are forecast to be **£631,192** along with a General Reserve of **£225,150** giving a forecast total reserves and balances position of **£856,342** at the year end.

Recommendations and reasons

7. It is recommended that:-

- Members note the April to December 2014 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2015.

Contact(s): Paul Darby 03000 261930
Ed Thompson 03000 263481

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.

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

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, Officers of Gateshead 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 Joint Committee.

Procurement

None

Disability Issues

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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