

Mountsett Crematorium Joint Committee



30 September 2011

Financial Monitoring Report – Position at 31/08/11, with Projected Outturn at 31/03/12



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 this report is to set out details of income and expenditure in the period 1 April 2011 to 31 August 2011, together with 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 forecast outturn position at 31 March 2012, taking into account the provisional 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 are provisional at this stage, they have been scrutinised and supplemented with information supplied by the Superintendent & Registrar. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2011/12 £	Year to Date Actual – April – August £	Probable Outturn 2011/2012 £	Variance Over/ (Under) £
Employees	114,615	44,233	109,565	(5,050)
Premises *	110,935	18,526	98,700	(12,235)
Transport	300	0	100	(200)
Supplies & Services *	50,685	16,297	50,010	(675)
Agency & Contracted	17,415	14,569	10,415	(7,000)
Central Support Costs	22,200	0	22,200	0
Gross Expenditure	316,150	93,625	290,990	(25,160)
Income	(561,540)	(198,865)	(586,980)	(25,440)
Net Income	(245,390)	(105,240)	(295,990)	(50,600)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	65,500	0	116,100	50,600
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	0	107,178	0
35% Gateshead Council	57,712	14,428	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2011 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2012 £
Repairs Reserve	14,215	15,000	0	29,215
Cremator Reserve	279,239	116,100	0	395,339
Total	293,454	131,100	0	424,554

- * A budget transfer of £4,100 has been undertaken in relation to Premises Insurance. The original budget incorrectly included these costs within Supplies and Services, however this is now included under the premises Subjective Analysis heading.

Explanation of Significant Variances between Original Budget and Forecast Outturn

9. 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 £295,990 against a budgeted surplus of £245,390, £50,600 more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

9.1 **Employees**

The probable outturn is showing an anticipated **saving of (£5,050)** against the approved budget. These savings are as a result of the revised working patterns (including the change in working requirements during the winter months) that were implemented last year but which are not reflected in the 2011/12 base employees budget.

9.2 **Premises**

An under spend of (£12,235) is projected in relation to Crematorium premises costs. This is as a result of the following:

- Utility costs of gas, electricity and water are anticipated to result in an under spend against budget of **(£6,235)**.
- The historic **(£6,000)** budget in relation to Water Seepage Repairs will not be required during 2011/12. (This budget has not been utilised for a number of years, therefore it may be prudent to remove during the 2012/13 budget setting process)

9.3 **Supplies and Services**

An under spend of (£675) is projected in relation to Supplies and Services. The reasons for this are identified below:

- The collective equipment, postage, printing and stationery budgets are anticipated to under spend by **(£3,000)**
- The Wesley Music system has cost **£1,450** additional to the budgeted sum as a result of maintenance costs. Additional charges to the previous year's budget were identified during the 2010/11 closedown period. This variance was identified after the 2011/12 budget was set
- The projected increase in cremations (identified in the Income element below) has resulted in anticipated additional medical referee costs of **£875**

9.4 **Agency and Contracted**

As a result of the revised working practices/ duties undertaken by crematorium staff during 2010/2011, it is anticipated that an element of the Grounds Maintenance budget will not be required during this financial year. It should be noted however, an element has been retained to cover the anticipated costs in relation to Winter Maintenance and snowing clearing. The outturn therefore indicates a prudent anticipated saving of **(£7,000)**.

9.5 **Income**

The base budget assumes a total of 1133 cremations during 2011/12. Taking into consideration the numbers to date and also previous years trends in relation to the forthcoming months, it is anticipated that a further 53 cremations (to budget) will be undertaken during the year. This results in an additional **(£25,440)** income against the base budget.

Members will recall the approval for the development of a Memorial Garden at Mountsett Crematorium at the meeting held on 29th July 2011. Whilst it is anticipated that an income from the sale of memorials will materialise during the 2011/12 financial year, it has not, at this point been factored into the provisional outturn.

9.6 ***Earmarked Reserves***

Contributions from the revenue surplus towards earmarked reserves are forecast to be **£50,600** additional to budget. This is as a result of the net savings and additional income identified above.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2012 are forecast to be **£424,554**, representing a £131,100 (45%) increase over the opening position at 1 April 2011.

Recommendations and reasons

10 It is recommended that:-

- Members note the budget virement regarding the Premises Insurance costs.
- Members note the April to August 2011 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2012.

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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.

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 / 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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