

Mountsett Crematorium Joint Committee

22 June 2015

Revenue Outturn & Small Bodies Annual Return for the Year Ended 31 March 2015



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 3) for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2015. The report also includes details of the final outturn position against the approved budgets for 2014/15.

Background

- 2 The Annual Return will be subject to external audit by the Joint Committee's appointed external auditors, BDO LLP and the audit will commence on 13 July 2015. Upon completion, the auditor's report will be reported to the Joint Committee and will be made available online, along with the Annual Return.
- 3 The attached Annual Return is a statutory requirement for the Mountsett Crematorium Joint Committee.
- 4 Members will however recall that it was agreed at the January 2015 meeting to discontinue the production of a full Statement of Accounts for the 2014/15 financial year onwards and instead merely provide a Balance Sheet (attached at Appendix 2) along with the Annual Return and the supporting outturn report.

Financial Outturn 2014/15

- 5 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 2015.
- 6 The following table shows the final outturn position together with comparative data against the provisional outturn report considered on 24 April 2015:-

Subjective Analysis	Base Budget 2014/15 £	Outturn 2014/15 £	Variance Over/ (Under) £	MEMO - Provisional Outturn [24.04.15] 2014/15 £
Employees	123,215	120,773	(2,442)	119,675
Premises	200,350	179,140	(21,210)	180,730
Transport	400	538	138	546
Supplies & Services	115,765	44,650	(71,115)	45,618
Agency & Contracted	8,000	6,165	(1,835)	6,289
Central Support Costs	26,075	26,075	0	26,075
Gross Expenditure	473,805	377,341	(96,464)	378,933
Income	(750,500)	(865,865)	(115,365)	(860,597)
Net Income	(276,695)	(488,524)	(211,829)	(481,664)
Transfer to Reserves				
- Repairs Reserve	15,000	15,210	210	15,000
- Cremator Reserve	96,805	308,424	211,619	301,774
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 2014 £	Transfers To Reserve £	Transfers From Reserve £	Balance @ 31 March 2015 £
Repairs Reserve	59,558	15,210	0	74,768
Cremator Reserve	363,397	308,424	(10,200)	661,621
General Reserve	214,950	10,200	0	225,150
Total	637,905	333,834	(10,200)	961,539

The Outturn

- 7 The final outturn position is broadly in line with the provisional outturn reported to the Joint Committee on 24 April 2015 with only a minor change (£6,860 increase) to the overall net income for the year.
- 8 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:-

Employees

8.1 The outturn shows an under spend of **(£2,442)** in relation to employee costs. The reasons for this are highlighted below:

- A further member of staff was enrolled on the Institute of Cemetery and Crematorium Diploma Course in year which resulted in additional unbudgeted expenditure of **£1,785**.
- The recent appointment to the Modern Apprentice post has resulted in a saving of **(£4,227)**. (This is due to a change in age profile and subsequent Modern Apprentice payments applied).

Premises

8.2 The outturn shows an under spend of **(£21,210)** in relation to premises costs. The reasons for this are identified below:-

- Utility expenditure underspent by **(£2,383)**.
- Business Rates were **£121** more than budget.
- The replacement seating works undertaken within the chapel area were underspent by **(£1,507)**.
- Following an inspection of the Crematorium, redecoration works have been delayed and will be carried out during 2015/16, saving **(£7,500)**.
- The relining of the cremator hearth was not completed during 2014/15 and will now be carried out during 2015/16 saving **(£2,000)**.
- A replacement grass cutting machine costing **£13,995**, agreed at the 4 October 2013 meeting to be purchased from reserves, has now been purchased.
- Improvement works to the pedestrian paved areas underspent by **(£1,510)**.
- Renewal of the South Perimeter fence has been delayed until 2015/16, saving **(£6,300)**.
- Works to tarmac the roads underspent by **(£10,027)**.
- Improvements to the catafalque doors were not carried out, saving **(£2,000)**
- The cremator reline and repairs budget overspent by **£3,199**
- General repairs and equipment repairs underspent by **(£5,298)**.

Supplies and Services

8.3 The outturn shows an under spend of **(£71,115)** in relation to supplies and services costs. The reasons for this are identified below:-

- The Wesley Annual Music and Broadband Service charge for the year was **£132** more than budget.
- Telephones, clothing and sundry items such as stores issues, subscriptions and general cleaning materials underspent by **(£555)**.
- Due to the increase in Masterplan sales the associated costs were overspent by **£126**.
- Due to the increase in cremations (highlighted later within the income section of the report) medical referee expenditure overspent by **£2,639**.
- Equipment purchase and rental underspent by **(£6,707)**.
- The budget provisions made for the environmental surcharges payable for tradable mercury abated cremations from the CAMEO scheme have proved to be overstated. This has resulted in an under spend of **(£66,750)** in year, £38,699 of which relates to an overprovision in 2013/14. If the abatement charges remain at this level, the budget in 2015/16 will be £31,000 overstated and an underspend will materialise in 2015/16 also.

Agency and Contracted

8.4 The outturn shows an under spend of **(£1,835)** in relation to agency and contracted services costs. The reasons for this are identified below:-

- Grounds Maintenance works underspent by **(£1,135)**.
- An underspend of **(£700)** in relation to the External Auditors fees charged by BDO LLP during 2014/15.

Income

8.5 An increase in income of **(£115,365)** from the 2014/15 budget is included within the final outturn. The main reasons are detailed below:-

- The outturn has taken into consideration 170 more cremations compared to budget, totalling an increased income to budget of **(£104,525)**. The outturn includes 1,320 cremations against a budget estimate of 1,150 during the 2014/15 financial year.
- Book of Remembrance entries are slightly lower than budget by **£317**.
- Miscellaneous income from vending and organ fees etc. was higher than budget by **(£3,425)**

- Interest earned on surplus funds invested via Durham County Council was **(£3,029)** during 2014/15.
- Plaque sales were also higher than budget resulting in an increased income of **(£4,703)**.

Earmarked Reserves

- 9 Contributions to the earmarked reserves were **(£211,829)** more than originally budgeted, primarily due to the increase in cremation income during the year and the over provision of CAMEO abatement payments in the current and previous years.

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)** was required as part of the final accounts process. This resulted in a net transfer to the Cremator Replacement Reserve of **£298,224**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2015, is **£736,389** along with a General Reserve of **£225,150** giving a forecast total reserves and balances position of **£961,539** at the year end. This represents an in year increase of **£323,634** (approximately 51% over the balances held at 31 March 2014).

Recommendations and Reasons

- 10 It is recommended that:-

- Members note the revenue outturn position as at 31 March 2015, including the year end position with regards to the reserves and balances of the Joint Committee.
- Members of the Joint Committee approve the Small Bodies in England Annual Return for the year ended 31 March 2015 (attached at Appendix 3).
- The Chair and Treasurer sign the Small Bodies in England Annual Return (attached at Appendix 3).

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Appendix 1: Implications

Finance

Full details of the 2014/15 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.

Appendix 2

Mountsett Crematorium Joint Committee
Balance Sheet as at 31st March 2015

31st March 2014 £000		31st March 2015 £000
0	Property, Plant & Equipment	0
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
0	Long Term Assets	0
200	Short term Investments	773
0	Inventories	0
6	Short Term Debtors	7
517	Cash & Cash Equivalents	237
723	Current Assets	1,017
0	Short Term Borrowing	0
(85)	Short Term Creditors	(55)
0	Provisions	0
(85)	Current Liabilities	(55)
0	Long Term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Long Term Liabilities	0
638	NET ASSETS	962
638	Usable Reserves	962
0	Unusable Reserves	0
638	TOTAL RESERVES	962