

**Central Durham Crematorium  
Joint Committee**

**24 June 2015**

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



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**Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee**

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**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 Central Durham 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 Central Durham 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 22 April 2015.
6. The following table shows the final outturn position together with comparative data against the provisional outturn report considered on 22 April 2015:-

<b>Subjective Analysis</b>	<b>Base Budget 2014/15 £</b>	<b>Outturn 2014/15 £</b>	<b>Variance Over/ (Under) £</b>	<b>MEMO – Provisional Outturn [22.04.15] 2014/15 £</b>
Employees	212,189	219,737	7,548	220,643
Premises	446,460	598,583	152,123	597,365
Transport	1,900	2,538	638	2,604
Supplies & Services	105,740	101,073	(4,667)	100,910
Agency & Contracted	13,111	14,586	1,475	15,658
Transfer Payments	0	0	0	0
Capital Charges	213,738	213,737	(1)	213,738
Central Support Costs	35,975	35,975	0	35,975
<b>Gross Expenditure</b>	<b>1,029,113</b>	<b>1,186,229</b>	<b>157,116</b>	<b>1,186,893</b>
<b>Income</b>	<b>(1,480,000)</b>	<b>(1,686,936)</b>	<b>(206,936)</b>	<b>(1,684,369)</b>
<b>Net Income</b>	<b>(450,887)</b>	<b>(500,707)</b>	<b>(49,820)</b>	<b>(497,475)</b>
<b>Transfer to Reserves</b>				
- Masterplan Memorial Garden	5,000	5,000	0	5,000
- Major Capital Works	12,637	62,457	49,820	59,225
- Cremator Reline Reserve	25,000	25,000	0	25,000
- Small Plant	2,000	2,000	0	2,000
<b>Distributable Surplus</b>	<b>(406,250)</b>	<b>(406,250)</b>	<b>0</b>	<b>(406,250)</b>
<b>80% Durham County Council</b>	<b>325,000</b>	<b>325,000</b>	<b>0</b>	<b>325,000</b>
<b>20% Spennymoor Town Council</b>	<b>81,250</b>	<b>81,250</b>	<b>0</b>	<b>81,250</b>

<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2014 £</b>	<b>Transfers To Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2015 £</b>
General Reserve	(384,540)	(465,710)	406,250	(444,000)
Masterplan Memorial Garden	(36,250)	(5,000)	0	(41,250)
Major Capital Works	(915,386)	(62,457)	59,460	(918,383)
Cremator Reline Reserve	(25,000)	(25,000)	0	(50,000)
Small Plant	(4,000)	(2,000)	0	(6,000)
<b>Total</b>	<b>(1,365,176)</b>	<b>(560,167)</b>	<b>465,710</b>	<b>(1,459,633)</b>

## The Outturn

7. The final outturn position is broadly in line with the provisional outturn reported to the Joint committee on 22 April 2015 with only a minor change (£3,232 increase) to the overall net income for the year.
8. The following sections outline the reasons for any significant variances by subjective analysis area (most of which was disclosed in the provisional outturn report), comparing the outturn position against the budget.

### 8.1 *Employees*

The outturn shows an over spend of **£7,548** in relation to employee costs. The reasons for this are highlighted below:

- The Pandemic Operator training and general training budgets were not required during 2014/15 resulting in an underspend of **(£3,500)**.
- Additional National Insurance and Pension contributions not included in the original budget of **£6,422** was incurred.
- Additional overtime not included in the original budget of **£4,626** was incurred.

### 8.2 *Premises*

The outturn shows an over spend of **£152,123** in relation to premises costs. The reasons for this are identified below:

- Detailed contractor discussions for Phase 1 of the Crematorium Redevelopment Works identified a re-profiling of works with elements brought forward to 2014/15 from later phases. This resulted in additional costs of **£42,769** in year.
- Phase 2 of the Crematorium Redevelopment Works had an initial budget of £30,000 for 2014/15. Due to the mild winter, the works were brought forward and completed in 2014/15, resulting in additional unbudgeted spend of **£141,464** in year.
- Maintenance and replacement works (canopy/guttering replacements, path/road repairs, general roof repairs and buildings maintenance) originally budgeted to be undertaken during 2014/15 have been re-profiled and will be undertaken during 2015/16. This resulted in an underspend of **(£13,502)**.
- Utility expenditure underspent by **(£13,074)**.
- Cremator abatement & equipment servicing, cremator repairs and plant and equipment servicing overspent by **£4,543**.
- Path, road and general building repairs underspent by **(£10,077)**.

### 8.3 *Supplies and Services*

The outturn shows an under spend of **(£4,667)** in relation to supplies and services costs. The reasons for this are identified below:

- The upgrade of the cremator software was not required in 2014/15, resulting in a saving of **(£4,500)**.
- The servicing of the Public Visual Reference System was not required in 2014/15, therefore saving **(£5,290)**.
- Due to the increase in cremations (highlighted later within the income section of the report), medical referee expenditure overspent by **£1,436**.
- General Admin budgets overspent by **£3,040**.
- Due to the increase in Masterplan sales, associated costs overspent by **£2,139**.
- Due to the increase in Book of Remembrance sales, associated costs overspent by **£1,029**.
- Hospitality and advertising budgets underspent by **(£2,000)**.
- Computer replacements underspent by **(£521)**

### 8.4 *Agency and Contracted*

The outturn shows an over spend of **£1,475** in relation to agency and contracted services costs. The reasons for this are identified below:

- Refuse collection costs overspent by **£3,825** due to the replacement of the previous contract.
- External audit fees were **(£1,500)** less than budgeted.
- The legionella contract, medical referee fees for post mortems and cremation register budgets were underspent by **(£850)**.

### 8.5 *Income*

An increase in income of **(£206,936)** from the 2014/15 budget is included within the final outturn. The main reasons are detailed below.

- An increase in the sale of large plaques, vase blocks, columbaria units and seats etc. resulted in additional income of **(£31,637)**.
- The outturn has taken into consideration 87 more cremations compared to budget, totalling an increased income to budget of **(£44,810)**. The outturn includes 2,287 cremations against a budget 2,200 during the 2014/15 financial year.

- Miscellaneous sales and Book of Remembrance entries were **(£4,888)** higher than budget.
- Interest receivable on the Crematorium current account and investments was **(£779)** higher than budget.
- A one off backdated VAT claim resulted in additional income of **(£29,823)**.
- A new unbudgeted annual cremation abatement payment from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) has resulted in additional income of (£42,779) relating to 2013/14. It is also anticipated that the 2014/15 payment will be (£52,220), resulting in additional unbudgeted CAMEO abatement income of **(£94,999)** in year.

## 8.6 Earmarked Reserves

Contributions to the earmarked reserves are **£49,820** more than originally budgeted. Although the re-phasing (bringing forward) of the redevelopment works originally planned for completion in 2015/16 increased the expenditure for 2014/15, the additional unbudgeted income and the increased number of cremations resulted in a net additional contribution to earmarked reserves.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£59,460)** was required as part of the final accounts process. This resulted in a net transfer to the Major Capital Works Reserve of **£2,997**.

The retained reserves of the CDCJC at 31 March 2015 is **£1,015,633** along with a General Reserve of **£444,000**, giving a forecast total reserves and balances position of **£1,459,633** at the year end. This represents an in-year increase of **£94,457** (approximately 7% over the balances held at 31 March 2014).

## Recommendations and Reasons

9. 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, together with the Balance Sheet as at 31 March 2015 (Appendix 2)
- 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**

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### **Finance**

Full details of the 2014/15 outturn financial performance of the Central 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 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 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 Spennymoor Town 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 CDCJC.

### **Procurement**

None

### **Disability Discrimination Act**

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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**Appendix 2**


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**Central Durham Crematorium Joint Committee**
**Balance Sheet as at 31<sup>st</sup> March 2015**

<b>31st March 2014 £000</b>		<b>31st March 2015 £000</b>
2,705	Property, Plant & Equipment	2,899
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
<b>2,705</b>	<b>Long Term Assets</b>	<b>2,899</b>
502	Short Term Investments	500
0	Inventories	0
31	Short Term Debtors	249
891	Cash & Cash Equivalents	731
<b>1,424</b>	<b>Current Assets</b>	<b>1,480</b>
(170)	Short Term Borrowing	(176)
(59)	Short Term Creditors	(21)
0	Provisions	0
<b>(229)</b>	<b>Current Liabilities</b>	<b>(197)</b>
0	Long Term Creditors	0
0	Provisions	0
(1,152)	Long Term Borrowing	(975)
0	Other Long Term Liabilities	0
<b>(1,152)</b>	<b>Long Term Liabilities</b>	<b>(975)</b>
<b>2,748</b>	<b>NET ASSETS</b>	<b>3,207</b>
1,365	Usable Reserves	1,459
1,383	Unusable Reserves	1,748
<b>2,748</b>	<b>TOTAL RESERVES</b>	<b>3,207</b>