

# Central Durham Crematorium Joint Committee



28 September 2017

## Financial Monitoring Report – Position at 31/08/17, with Projected Revenue and Capital Outturn at 31/03/18



---

### Joint Report of Ian Thompson - Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources & Treasurer to the Joint Committee

---

#### Purpose of the Report

1. This report sets out details of income and expenditure in the period 1 April 2017 to 31 August 2017, together with a forecast revenue and capital outturn position for 2017/18, highlighting areas of over / underspends against the approved budgets at a service expenditure analysis level.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2017 and the forecast outturn position at 31 March 2018, taking into account expenditure to date and forecasts to the year end.

#### Background

3. Scrutinising the financial performance of the Central Durham 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 Central Durham Crematorium.

#### Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Regeneration and Local 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 Central Durham 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 revenue outturn financial performance of the Central Durham Crematorium:

<b>Subjective Analysis</b>	<b>Base Budget 2017/18 £</b>	<b>Year to Date Actual April – August £</b>	<b>Forecast Outturn 2017/18 £</b>	<b>Variance Over/ (Under) £</b>
Employees	254,004	99,629	244,257	(9,747)
Premises	322,643	179,558	347,193	24,550
Transport	2,700	678	1,628	(1,072)
Supplies & Services	108,650	40,051	110,395	1,745
Agency & Contracted	8,800	2,246	8,742	(58)
Transfer Payments	0	0	0	0
Capital Charges	213,738	0	213,738	0
Central Support Costs	37,800	0	37,800	0
<b>Gross Expenditure</b>	<b>948,335</b>	<b>322,162</b>	<b>963,753</b>	<b>15,418</b>
<b>Income</b>	<b>(1,558,500)</b>	<b>(603,065)</b>	<b>(1,589,760)</b>	<b>(31,260)</b>
<b>Net Income</b>	<b>(610,165)</b>	<b>(280,903)</b>	<b>(626,008)</b>	<b>(15,842)</b>
<b>Transfer to / (from) Reserves</b>				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	180,915	0	196,353	15,438
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	(7,000)	0	(6,595)	405
<b>Distributable Surplus</b>	<b>(406,250)</b>	<b>0</b>	<b>(406,250)</b>	<b>0</b>
<b>80% Durham County Council</b>	<b>325,000</b>	<b>162,500</b>	<b>325,000</b>	<b>0</b>
<b>20% Spennymoor Town Council</b>	<b>81,250</b>	<b>40,625</b>	<b>81,250</b>	<b>0</b>

<b>Central Durham Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2017 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2018 £</b>
General Reserve	(465,225)	(408,575)	406,250	(467,550)
Masterplan Memorial Garden	(51,250)	(5,000)	0	(56,250)
Major Capital Works	(851,667)	(196,353)	68,205	(979,815)
Cremator Reline Reserve	(56,500)	(25,000)	14,340	(67,160)
Small Plant	(10,000)	(2,000)	8,595	(3,405)
<b>Total</b>	<b>(1,434,642)</b>	<b>(636,928)</b>	<b>497,390</b>	<b>(1,574,180)</b>

## Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen from the table above, the projected revenue outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £626,008 against a budgeted surplus of £610,165, £15,842 more than the budgeted position.

7. The following section outlines the reasons for any significant variances by subjective analysis area:

### 7.1 *Employees*

The outturn shows an underspend of **(£9,747)**, in relation to employee costs. The reasons for this are identified below:

- Employer pension contributions are forecast to underspend by **(£6,057)** due to some staff not joining the pension scheme
- Employer national insurance relating to medical practitioner fees is projected to underspend by **(£3,690)**

### 7.2 *Premises*

The outturn shows a forecast overspend of **£24,550** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to redecoration works and the purchase of a lectern and mowing machine will be underspent by **(£1,155)**
- The cremator hearth reline budget of **(£3,890)** will not to be utilised as the works will now be completed within the main Cremator reline.
- Drainage works are forecast to overspend by **£29,595**. Members approved unbudgeted spending of £25,945 for these emergency works at the June 2017 meeting, but some additional works were required following the removal of tree roots from the pipework, resulting in a final cost of £29,595.

### 7.3 *Supplies and Services*

The outturn shows a forecast overspend of **£1,745** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£759**.
- Other general office costs such as telephones, printing and vending supplies are expected to overspend by **£1,904**
- One off SAMP budgets relating to the purchase of a weed ripping machine and coffee machine will be underspent by **(£918)**

#### 7.4 Income

An overachievement of income of **(£31,260)** from the 2017/18 budget is included within the outturn forecasts. The reasons for this are identified below:

- The sale of large plaques, vase blocks, columbaria units and seats etc. is forecast to be greater than budgeted, generating additional income of **(£1,360)**;
- The outturn includes a forecast additional 46 cremations compared to the budget, totalling an increased income to budget of **(£29,900)**. The outturn allows for an estimated 2,246 cremations against a budgeted 2,200 during 2017/18.

#### 8. Capital Programme

The following table highlights the forecast capital outturn for the Central Durham Crematorium:

Phase 3 Redevelopment Works	Base Budget 2017/18 £	Year to Date Actual April - Aug £	Forecast Outturn 2017/18 £	Variance Over/ (Under) £
Tarmac roads and car park bays	38,850	0	38,850	0
Carry out Re-lining of cremators x 1	31,800	0	14,340	(17,460)
Carry out creation of staff car parking area	27,030	0	27,030	0
<b>Total</b>	<b>97,680</b>	<b>0</b>	<b>80,220</b>	<b>(17,460)</b>

The cost of the Redevelopment Works is being financed from the Major Capital Works and Cremator Reline Earmarked Reserves. The outturn shows a projected underspend of **(£17,460)** and the reason for this is identified below:

- A full relining of cremator 3 is not yet required following a survey and it will instead be repaired, resulting in an underspend of **(£17,460)**

#### 9. Earmarked Reserves

Contributions to the earmarked reserves are forecast as **(£32,577)** less than originally budgeted, primarily due to phase 3 redevelopment works being carried forward from 2016/17.

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 **£2,325** is required. This results in a net transfer to the Major Capital Works Reserve of **£128,148**.

The retained reserves of the CDCJC at 31 March 2017 are forecast to be **£1,106,630** along with a General Reserve of **£467,550**, giving a forecast total reserves and balances position of **£1,574,180** at the year end.

## **Recommendations and Reasons**

10. It is recommended that:-

- Members note the April to August 2017 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2018, including the projected year position with regards to the reserves and balances of the Joint Committee.

---

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

---

---

## **Appendix 1: Implications**

---

### **Finance**

Full details of the year to date and projected 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 Bereavement Services Manager. 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 Bereavement Services Manager, 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 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.

.