

FAREHAM

BOROUGH COUNCIL

Report to Portchester Crematorium Joint Committee

Date: 15 June 2015

Report of: Treasurer to the Joint Committee

Subject: **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2014/15**

SUMMARY

This report reviews the Joint Committee's revenue income and expenditure for the year ending 31 March 2015.

RECOMMENDATION

The contents of this report be noted.

INTRODUCTION

1. This report sets out the actual revenue expenditure of Portchester Crematorium Joint Committee for 2014/15. Included within this report are details of the following:
 - Actual revenue income and expenditure
 - Repairs and Renewals Fund expenditure
 - Capital Works Fund expenditure
 - Garden Improvement Fund expenditure
2. Included elsewhere on today's agenda is the draft Annual Return for 2014/15 which includes the following sections:
 - Accounting Statement - recording financial transactions during the year for both revenue and capital schemes
 - Annual Governance Statement
 - Annual Internal Audit Report

In support of the Annual Return explanatory notes are set out to summarise the financial position at the end of the financial year 2014/15 which include a Balance Sheet to provide detail on the accounts and operational assets.

3. The final income and expenditure accounts for the Joint Committee show a breakeven outturn in line with the revised budget.
4. The number of cremations carried out during the year totalled 3,411. This represents a decrease of 549 (13.9%) compared with the previous financial year's total of 3,960, and a decrease of 691 (16.8%) compared with the total in 2012/13. Overall operational income of £1,926,894 exceeded the revised budget of £1,804,300 by £122,594. Expenditure of £1,317,408 was below the revised budget of £1,380,600 by £63,192.
5. A detailed analysis of actual expenditure and income for the year is detailed in Appendix A, including presentation in the format required for the Annual Return. Comparisons are made between actual expenditure for 2014/15 with that of 2013/14 and the revised estimate for 2014/15 with supporting explanations in the following paragraphs.

EXPENDITURE

6. **Employees.** Employee expenditure of £244,349 is above the revised estimate of £240,400 for 2014/15 by £3,949. Superannuation was £2,089 higher than anticipated and salaries were £1,251 higher than anticipated. Expenditure for a retirement gift and staff advertising costs have been also been incurred in this financial year.

PREMISES

7. **Repairs and Maintenance.** The total budget for premises repairs and maintenance, including grounds expenditure and energy costs, was £594,500. Actual expenditure of £481,427 was £113,073 below the revised budget level. Repairs and Maintenance is overspent by £45,859. This is largely as a result of Mercury Abatement Plant Service Maintenance Agreement invoices totalling £25,492 relating to 2013/14 not being received until June 2014. Expenditure against the repairs and renewals programme

has been lower than usual in this financial year as new working arrangements have been established and the main project for the year, the South Chapel refurbishment, has been delayed into 2015/16. Quotations have been received for the refurbishment of the waiting rooms and toilets and these works will also be completed in 2015/16. The nature of the expenditure in 2014/15 has meant that there has been no need to complete a drawdown from the Repairs and Renewals Reserve. The expenditure incurred, including £11,311 for acoustic louvres has been included in the premises account headings.

8. **Energy Costs.** Reduced energy consumption meant that actual expenditure of £117,259 was £7,241 lower than the revised budget provision of £124,500 for this area of expenditure and £10,219 lower than in the previous financial year.

SUPPLIES AND SERVICES

9. Expenditure of £261,976 in this area exceeded the revised budget of £235,700 by £26,276. Consultants Fees were £13,548 above budget. The completion of works for the main repairs and renewals project for the year, the South Chapel refurbishment, has been delayed into 2015/16 and there has been no need to complete a drawdown from the Repairs and Renewals Reserve. Fees incurred with the design consultant have therefore been included in this account heading.
10. Other areas that have contributed to the overall overspend against supplies and services include enabling web casting of services in 2014/15. The Book of Remembrance is now available to view on line, and an additional Book of Remembrance digitisation has been completed during the year. Medical Referees Fees were higher than anticipated, in line with the number of cremations during the year being higher than allowed for within the budget.

INCOME

11. **Cremation Fees.** The number of cremations carried out during 2014/15 has totalled 3,411 of which 22 were carried out at no charge. The numbers of cremations for 2014/15 and the four previous financial years are set out in the table below. Income from cremation fees has fallen in line with the reduced numbers set out below, but has exceeded the level set for budgeting purposes.

	Cremations				
	2010/11	2011/12	2012/13	2013/14	2014/15
Cremations at nil charge (under 16)	22	26	22	27	22
	3,872	3,952	4,080	3,933	3,389
Total cremations	3,894	3,978	4,102	3,960	3,411

12. **Other Income.** Income from charges and sales of £1,926,894 was £242,173 lower than the previous year, but was above budget levels by £122,594. This is due to cremation numbers not having reduced as far as was anticipated, and income of £46,680 having been received from the CAMEO scheme.

REPAIRS AND RENEWALS/CAPITAL WORKS FUND

13. As set out earlier in this report no expenditure has been set against the Repairs and Renewals fund in 2014/15. The balance of the fund was £120,000 at the end of the last financial year and a contribution of £80,000 has been made in 2014/15.
14. The expenditure from the capital works fund during 2014/15 is set out in Appendix B. The contribution from revenue to the Capital Works Fund was originally set at nil for 2014/15 and revised to £180,000 in December 2014. However it has been possible to recognise a contribution of £259,335 for 2014/15, with the balance of the fund being carried forward at the end of 2014/15 at £991,424.
15. Details of contributions towards the Garden Improvement Fund can also be found in Appendix C. It is proposed that the balance accumulated in 2014/15 is carried forward to purchase plants for the new planting area under the beech tree on the north side of the gardens in 2015/16.

CONCLUSION

16. Achieving a breakeven position over the course of this financial year has enabled a higher contribution to the Repairs and Renewals and Capital Works fund, placing the Joint Committee in a stronger financial position to meet future capital works requirements.

Background Papers

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2015/16' December 2014.

Report to the Portchester Crematorium Joint Committee 'Annual Return 2013/14' June 2014.

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For further information on this report please contact Kate Busby on 01329 824685.

Appendices

Appendix A – Actual revenue expenditure for the year 2014/15.

Appendix B – Capital Works Fund and Garden Improvement Fund 2014/15.

PORTCHESTER CREMATORIUM JOINT COMMITTEE

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Actual 2012/13	Actual 2013/14	Revised Estimate 2014/15	Actual 2014/15	Variation
	£	£	£	£	£
<u>EMPLOYEES</u>					
Salaries-Full Time Officers	219,520	221,078	231,400	234,544	3,144
Salaries-Part Time Officers	9,174	9,318	9,000	9,805	805
TOTAL EMPLOYEES	228,694	230,396	240,400	244,349	3,949
<u>PREMISES</u>					
Repairs and Maintenance	62,447	105,734	95,000	140,859	45,859
RR/CWF repairs financed from revenue	77,142	74,404	146,100	0	-146,100
Grounds - Maintenance	68,350	72,763	70,000	65,521	-4,479
Garden Improvement Scheme	1,497	1,576	1,500	0	-1,500
Energy costs	136,752	127,478	124,500	117,259	-7,241
Water services	4,888	121	2,000	1,731	-269
Rent & Rates	128,695	139,268	143,500	143,140	-360
Removal of Wreaths/Cleaning materials	11,651	10,927	11,900	12,917	1,017
TOTAL PREMISES	491,422	532,271	594,500	481,427	-113,073
<u>SUPPLIES AND SERVICES</u>					
Equipment,Furniture and Materials	12,311	16,186	6,100	13,131	7,031
Protective Clothing,Uniforms & Laundry	1,051	1,296	1,900	843	-1,057
Printing,Stationery & General Expenses	6,238	7,779	7,000	7,152	152
Inscriptions - Book of Remembrance	18,777	19,627	20,000	27,312	7,312
- Memorial Cards	5,926	4,566	5,000	5,347	347
Legal/Consultants fees	25,673	1,390	3,100	16,665	13,565
Consultants fees - Gosport	8,307	26,655	0	0	0
Administrative Expenses - Fareham	9,604	12,526	20,000	18,657	-1,343
- Portsmouth	9,450	9,540	9,500	9,578	78
Medical Referees Fees	73,836	71,280	57,400	61,398	3,998
Organists Fees	23,130	18,755	17,000	17,996	996
Audit Commission Fees	-1,000	2,430	2,400	2,400	0
Pest Control	0	419	0	440	440
Bank Charges	1,120	1,175	1,200	1,200	0
Postages,Telephones and Advertising	7,051	6,361	6,400	5,620	-780
Conferences,Subsistence & Travelling	676	1,038	1,200	1,006	-194
Subscriptions	2,524	3,256	3,500	3,134	-366
Miscellaneous Insurances	20,741	24,384	24,000	25,262	1,262
Non reclaimable VAT	43,757	62,391	50,000	44,835	-5,165
TOTAL SUPPLIES AND SERVICES	269,172	291,054	235,700	261,976	26,276
<u>CAPITAL CHARGES</u>					
Depreciation	247,000	313,915	310,000	329,656	19,656
TOTAL CAPITAL CHARGES	247,000	313,915	310,000	329,656	19,656
GROSS EXPENDITURE	1,236,288	1,367,636	1,380,600	1,317,408	-63,192

	Actual 2012/13 £	Actual 2013/14 £	Revised Estimate 2014/15 £	Actual 2014/15 £	Variation £
INCOME					
Garden Improvement fund contributions	-1,497	-1,576	-1,500	0	1,500
Memorial Cards	-9,346	-6,590	-8,000	-7,016	984
Cremation Fees	-2,040,000	-2,045,160	-1,697,800	-1,762,280	-64,480
Book of Remembrance	-57,053	-60,744	-50,000	-56,462	-6,462
Organ Music	-60,711	-50,341	-42,000	-45,471	-3,471
Web Broadcasting Services			0	-75	-75
CAMEO TMAC			0	-48,680	-48,680
Other	-7,335	-4,656	-5,000	-6,910	-1,910
GROSS INCOME	-2,175,942	-2,169,067	-1,804,300	-1,926,894	-122,594
NET COST OF SERVICE	-939,654	-801,431	-423,700	-609,486	-185,786
(Gain) or Loss on disposal of assets	0	0	0	0	0
Interest Receivable	-87	-182	-200	-193	7
Pensions Interest costs	90,000	92,000	110,000	78,000	-32,000
Expected return on pensions assets	-70,000	-51,000	-50,000	-50,000	0
GENERAL FUND BALANCE					
NET OPERATING INCOME	-919,741	-760,613	-363,900	-581,679	-217,779
MOVEMENT ON THE GENERAL FUND BALANCE					
(Surplus)/Deficit on the Income & Expenditure Account	-919,741	-760,613	-363,900	-581,679	-217,779
Net Gain or Loss on disposal of assets	0	0	0	0	0
Contributions to Constituent Authorities	600,000	600,000	600,000	600,000	0
Depreciation of Fixed Assets	-247,000	-313,915	-310,000	-329,656	-19,656
Contributions to Capital Works Fund	575,000	470,908	180,000	259,335	79,335
Contributions to Repairs & Renewals Fund	80,000	111,029	100,000	80,000	-20,000
Contribution to / from pensions reserve	-20,000	-41,000	-134,600	-28,000	106,600
Contribution from reserves to finance repairs and renewals/capital works programmes	-77,142	-74,404	-71,500	0	71,500
(SURPLUS)/DEFICIT FOR THE YEAR	-8,883	-7,995	0	0	0
Number of Cremations	4,080	3,933		3,389	

FOR INCLUSION IN ANNUAL RETURN	Actual 2012/13	Actual 2013/14	Actual 2014/15
	£	£	£
Balances Bought Forward	1,432,884	793,418	1,091,402
Receipts	2,175,942	2,169,067	1,926,894
Interest receivable	87	182	193
Total receipts	<u>2,176,029</u>	<u>2,169,249</u>	<u>1,927,087</u>
Employees	-228,694	-230,396	-244,349
Total other payments			
Premises	-491,422	-532,271	-481,427
Supplies and services	-269,172	-291,054	-261,976
Contributions to constituent authorities	-600,000	-600,000	-600,000
Actual Capital Expenditure in Asset A/C	-1,226,207	-217,545	-97,910
Rounding adjustment		1	
Total other costs	<u>-2,586,801</u>	<u>-1,871,265</u>	<u>-1,332,827</u>
Balance carried forward	793,418	1,091,402	1,135,656

APPENDIX B

CAPITAL WORKS FUND 2014/15

	Revised Estimate 2014/15	Actual To Date 2014/15
	£	£
Balance of Fund as at 1.4.2014	830,000	830,000
ADVANCES 2014/15	0	259,334
	<u>830,000</u>	<u>1,089,334</u>
Less Applications 2014/15		
Cremator Furnace Relining	78,408	78,408
Hearth Replacement	19,502	19,502
	<u>97,910</u>	<u>97,910</u>
Balance of Fund as at 31.03.2015	<u>732,090</u>	<u>991,424</u>

GARDEN IMPROVEMENT FUND 2014/15

	Actual 2014/15
	£
Balance of Fund as at 1.4.2014	0
Contributions to Fund 2014/15	907
	<u>907</u>
<u>Less</u>	
Works 2014/15	<u>0</u>
Balance of Fund as at 31.03.2015	<u>907</u>