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COUNCIL

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Report to Portchester Crematorium Joint Committee

Date: **23 June 2008**

Report of: **Treasurer to the Joint Committee**

Subject: **ACTUAL REVENUE EXPENDITURE 2007/08**

SUMMARY

This report reviews the Joint Committee's revenue expenditure for the year ending 31 March 2008.

RECOMMENDATION

The contents of this report be noted.

INTRODUCTION

1. This report sets out the Joint Committee's actual revenue expenditure for 2007/08, and included within this report are details of the following.
 - Actual revenue 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 Statement of Accounts which includes the following statements:
 - Income and Expenditure Account
 - Statement of Movement on the General Fund Balance
 - Statement of Total Recognised Gains and Losses
 - Balance Sheet
 - Cash flow statement
 - Statement of accounting policies and Glossary of terms
3. The final income and expenditure accounts for the Joint Committee show a surplus of £18,057 compared with the revised estimated surplus of £16,100, an increase of £1,957.
4. The number of cremations carried out during the year totalled 4,004 compared with the revised estimate of 3,950 and the actual for 2006/07 of 3,940. The additional income received together with some reductions in expenditure, has enabled the contribution to the capital works fund to be increased by £50,000.
5. The analysis of actual expenditure and income for the year is detailed in Appendix A and comparisons are made between actual expenditure for 2007/08 and the revised estimate 2007/08. The main variations from the approved estimates are examined in the following paragraphs.

EXPENDITURE

6. **Employees.** Under the FRS17 accounting policy on pensions, liability for past service costs need to be recognised within the accounts and £20,000 has been included within this heading. However this is adjusted later in the accounts so that the effect on the revenue budget is neutral.
7. **Repairs and maintenance.** Unplanned maintenance for both buildings and plant was less than anticipated; the overall result being a saving of £7,000.
8. **RR/CWP repairs financed from revenue.** The variation between the revised estimate and the actual expenditure is mainly due to slippage in the repairs and renewals/capital works programme. However these changes do not affect the overall surplus as equivalent transfers are made from the repairs and renewals and capital works funds to finance the cost of these repairs.

9. **Energy costs.** The main variation under this heading is a saving of £18,000 on gas expenditure, however this is almost entirely due to an overprovision for outstanding gas invoices in the 2006/07 final accounts.
10. **Other Premises expenditure.** The main variation under this heading is a saving of £3,000 on grounds maintenance costs.
11. **Supplies and Services expenditure.** The overall saving under this heading amounted to almost £3,000 and is made up by many minor variations to the revised budget but none of a significant nature.

INCOME

12. **Cremation Fees.** The number of cremations carried out during 2007/08 totalled 4,004 of which 30 were carried out at no charge (27 in 2006/07). The total chargeable cremations were 24 less than estimated which has resulted in an increase in income of £9,168, and this is summarised in the following table:

	Actual Cremations 2006/07	Revised Estimate 2007/08	Actual Cremations 2007/08
Cremations at nil charge (under 16)	27	0	30
Cremations	3,913	3,950	3,974
Total cremations	<u>3,940</u>	<u>3,950</u>	<u>4,004</u>

Note. The increase in the number of chargeable cremations carried out in 2007/08 compared to 2006/07 totalled 61.

13. **Other Income.** Income from memorial card sales, fees for organists and book of remembrance were £4,000 less than estimated.

REPAIRS AND RENEWALS/CAPITAL WORKS FUND

14. The table set out in Appendix B sets out the progress that has been made during the year on the repairs and renewals programme. Members will note that a number of schemes will now be completed in 2008/09 totalling £18,000 and a number of schemes have been completed with savings of £4,000.
15. Details of expenditure from the capital works fund 2007/08 can be found in Appendix C. There was some slippage in the capital works programme mainly to do with the Public Waiting Facilities which should be completed in 2008/09 and expenditure was incurred in advance on two schemes which are programmed for 2008/09.
16. The capital scheme EPA Phase 2 Mercury Emissions and its funding will be the subject of a separate report for the September meeting of the Joint Committee. Additional funding will need to be in place for this scheme before it can commence, and the opportunity was taken in 2007/08 to reduce the contribution to the repairs and renewals fund by £15,000. This, together with other general fund savings has enabled an additional £50,000 contribution to the capital works fund to be made and is in line with the agreed Finance Strategy approved by members last March.

17. Details of the Garden Improvement Fund can also be found in Appendix C and there was no expenditure from this fund during the year.

CONCLUSION

18. Additional income was received from the number of cremations carried out during the year which together with various general fund savings has ensured that the budgeted surplus was maintained and an additional contribution was made to the capital works fund.

Background Papers

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2008/09' December 2007.

Report to the Portchester Crematorium Joint Committee 'Final Accounts 2006/07' June 2007.

Report to the Portchester Crematorium Joint Committee 'Finance Strategy and Budget for 2008/09' March 2008.

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For further information on this report please contact Alan Larner (Ext:2340).

Appendices

Appendix A – Actual revenue expenditure for the year 2007/08.

Appendix B – Repairs and Renewals Fund 2007/08.

Appendix C – Capital Works Fund and Garden Improvement Funds 2007/08.

APPENDIX A

REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

<u>EMPLOYEES</u>	Actual	Revised	Actual	Variation
	2006/07	Estimate	2007/08	
	£	£	£	£
Salaries-Full Time Officers	212,206	220,000	229,458	9,458
Salaries-Part Time Officers	9,428	9,700	9,747	47
TOTAL EMPLOYEES	221,634	229,700	239,205	9,505

<u>PREMISES</u>				
Repairs and Maintenance	51,549	59,900	52,842	-7,058
RR/CWF repairs financed from revenue	49,551	121,700	99,086	-22,614
Grounds - Maintenance	62,683	66,000	62,524	-3,476
Garden Improvement Scheme	0	3,000	0	-3,000
Energy costs	114,777	128,000	109,738	-18,262
Water services	704	1,600	1,393	-207
Rent & Rates	88,831	91,100	90,917	-183
Removal of Wreaths/Cleaning materials	5,900	6,800	6,951	151
TOTAL PREMISES	373,995	478,100	423,451	-54,649

<u>SUPPLIES AND SERVICES</u>				
Equipment,Furniture and Materials	5,597	6,200	6,801	601
Protective Clothing,Uniforms & Laundry	5,361	6,200	6,114	-86
Printing,Stationery & General Expenses	4,324	4,500	3,238	-1,262
Inscriptions - Book of Remembrance	18,120	19,000	20,043	1,043
- Memorial Cards	5,647	6,000	5,587	-413
Consultants fees	500	600	1,000	400
Administrative Expenses - Fareham	14,474	16,000	14,299	-1,701
- Gosport	17,018	21,000	21,184	184
- Portsmouth	11,000	11,300	10,390	-910
Medical Referees Fees	67,128	72,300	72,072	-228
Organists Fees	24,241	26,700	26,565	-135
Audit Commission Fees	4,500	4,800	4,500	-300
Bank Charges	625	600	659	59
Postages,Telephones and Advertising	2,726	3,300	2,805	-495
Conferences,Subsistence & Travelling	304	500	370	-130
Subscriptions	3,137	3,000	3,064	64
Miscellaneous Insurances	14,753	15,200	15,167	-33
Non reclaimable VAT	32,000	40,500	41,198	698
TOTAL SUPPLIES AND SERVICES	231,455	257,700	255,056	-2,644

	Actual 2006/07	Revised Estimate 2007/08	Actual 2007/08	Variation
	£	£	£	£
<u>DEPRECIATION</u>				
Depreciation	121,922	121,900	134,940	13,040
TOTAL DEPRECIATION CHARGES	121,922	121,900	134,940	13,040
GROSS EXPENDITURE	949,006	1,087,400	1,052,652	-34,748
<u>INCOME</u>				
Garden Improvement fund contributions	0	-3,000	0	3,000
Memorial Cards	-9,832	-11,500	-10,577	923
Cremation Fees	-1,408,680	-1,508,900	-1,518,068	-9,168
Book of Remembrance	-62,007	-67,500	-65,141	2,359
Organ Music	-62,880	-68,500	-68,101	399
Other	-4,593	-4,600	-4,244	356
GROSS INCOME	-1,547,992	-1,664,000	-1,666,131	-2,131
NET COST OF SERVICE	-598,986	-576,600	-613,479	-36,879
(Gain) or Loss on disposal of assets	0	0	0	0
Interest Receivable	-37,865	-58,900	-58,552	348
Pensions Interest cost and expected return on pensions assets	10,000	10,000	20,000	10,000
GENERAL FUND BALANCE				
NET OPERATING INCOME	-626,851	-625,500	-652,031	-26,531
MOVEMENT ON THE GENERAL FUND BALANCE				
(Surplus)/Deficit on the Income & Expenditure Account	-626,851	-625,500	-652,031	-26,531
Net Gain or Loss on disposal of assets	0	0	0	0
Depreciation of Fixed Assets	-121,922	-121,900	-134,940	-13,040
Contributions to Constituent Authorities	440,000	448,000	448,000	0
Contributions to Capital Works Fund	300,000	350,000	400,000	50,000
Contributions to Repairs & Renewals Fund	70,000	75,000	60,000	-15,000
Contribution to Garden Improvement Fund	0	0	0	0
Contribution to / from pensions reserve	-20,000	-20,000	-40,000	-20,000
Contribution from reserves to finance repairs and renewals/capital works programmes	-49,551	-121,700	-99,086	22,614
(SURPLUS)/DEFICIT FOR THE YEAR	-8,324	-16,100	-18,057	-1,957
Number of Cremations	3,940	3,950	4,004	54

APPENDIX B

REPAIRS AND RENEWALS FUND EXPENDITURE 2007/08

	Revised Estimate 2007/08	Revised Estimate 2007/08	Actual 2007/0 8	Actual 2007/0 8	Programme Balance Remaining £
	£	£	£	£	£
Balance 1.4.2007		71,692		71,692	
ADVANCES 2007/08		<u>75,000</u>		<u>60,000</u>	
		146,692		<u>131,692</u>	
Less applications 2007/08:					
* New Reconstituted Stone Signage	1,000		1,652		652
* Works to Paths	6,000		6,000		0
* Roof insulation to North & South Chapels	9,500		8,051		-1,449
* Install Portico to Vestry Door	3,000				-3,000
- Internal Decorations (rolling programme)	3,300		3,286		-14
- Improvements to Lectern	700		683		-17
- Refurbishment of Glazed Covered Way	9,500		10,310		810
- Garden of Contemplation/N.Chapel Toilet Stonework Signs	1,900		1,896		-4
- Replace Roof to Gardeners' Compound	2,000		1,864		-136
- Redecorate Summer Houses	1,280		1,279		-1
- Repair/Replace External & Internal Doors	6,500		2,405		-4,095
- Renew Panels to Cremators	4,000				-4,000
- Refurbish North Chapel Toilets	2,250		2,252		2
- CCTV Cameras to Car Park	6,300		5,772		-528
- Water Supply to South Chapel Waiting Room	2,000		1,800		-200
- Air Conditioning to Office	5,000		3,390		-1,610
- Air Conditioning to Music Room	2,750		2,420		-330
- Renewal of Glazing to Screens (Rolling Programme)	18,500		17,265		-1,235
- Paved areas (transfer from capital programme)	5,000		1,672		-3,328
- Granite covers to wreath bays 2008/09	0		641		641
Unrecoverable Vat on buildings and plant	3,000	93,480		72,638	-3,000
Balance of Fund as at 31.03.2008		<u>53,212</u>		<u>59,054</u>	<u>-20,842</u>

* Slippage from prior years programmes

Analysis of Programme Balance Remaining

	£
W.I.P / Awaiting invoice / Slippage	18,482
2008/09 programme in advance	-641
Additional costs	-1,464
Less Programme savings	<u>4,465</u>
Balance Remaining	<u>20,842</u>

APPENDIX C

CAPITAL WORKS FUND 2007/08

	Revised Estimate 2007/08 £	Revised Estimate 2007/08 £	Actual 2007/08 £	Actual 2007/08 £
Balance of Fund as at 1.4.2007		695,760		695,760
ADVANCES 2007/08		<u>350,000</u>		<u>400,000</u>
		1,045,760		1,095,760
Less Applications 2007/08:				
Improvements to Pub.Waiting Facilities				
- Works	36,000		0	
- Fees	2,150		0	
- Non reclaimable VAT	1,890		0	
Cremators Hearth replacement				
- Works	6,700		6,724	
- Fees	550		0	
Works to Roadway				
- Works	27,330		26,123	
- Fees	930		325	
Cremator Furnace Relining				
- Works	69,000		71,165	
- Fees	0		7,686	
EPA Phase 2 Mercury Emissions				
- Fees	<u>0</u>	<u>144,550</u>	<u>19,667</u>	<u>131,690</u>
Balance of Fund as at 31.03.2007		<u>901,210</u>		<u>964,070</u>

GARDEN IMPROVEMENT FUND 2007/08

	Revised Estimate 2007/08 £	Actual 2007/08 £
Balance of Fund as at 1.4.2007	3,001	3,001
Contributions to Fund 2007/08	<u>3,000</u>	<u>2,058</u>
	6,001	5,059
Less		
Works 2007/08	<u>3,100</u>	<u>0</u>
Balance of Fund as at 31.03.2008	<u>2,901</u>	<u>5,059</u>