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COUNCIL

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Report to Portchester Crematorium Joint Committee

Date: **22 June 2009**

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

Subject: **ACTUAL REVENUE EXPENDITURE 2008/09**

SUMMARY

This report reviews the Joint Committee's revenue expenditure for the year ending 31 March 2009.

RECOMMENDATION

The contents of this report be noted.

INTRODUCTION

1. This report sets out the Joint Committee's actual revenue expenditure for 2008/09, 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 £19,935 compared with the revised estimated surplus of £19,500, an increase of £435.
4. The number of cremations carried out during the year totalled 4,215 compared with the revised estimate of 4,000 and the actual for 2007/08 of 4,004. The additional income received together with some reductions in expenditure, has enabled the contribution to the capital works fund to be increased by £97,000.
5. The analysis of actual expenditure and income for the year is detailed in Appendix A and comparisons are made between actual expenditure for 2008/09 and the revised estimate 2008/09. 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 were recognised within the accounts and a £20,000 budget had been provided. In the event following the receipt of the report from the pension actuaries, no provision was required.
7. **Repairs and maintenance.** Unplanned general maintenance for both buildings and plant was less than anticipated with an overall saving of £10,000. However this was offset by expenditure of £11,000 for two major acts of vandalism although this has been successfully reclaimed through the Joint Committees insurance policy and appears under the Income 'Other' heading.
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. **Grounds Maintenance/Garden Improvement Scheme.** Savings of £9,000 on grounds maintenance were achieved by a reduction in non contract expenditure, and no expenditure was incurred on garden improvement schemes although there will be an equivalent reduction in income shown later in the accounts
10. **Energy costs.** The main variation under this heading is due to the supply of gas being put out to contract tender and the cost was over £8,000 less than budgeted.
11. **Supplies and Services expenditure.** The overall saving under this heading amounted to almost £4,000 and comprises a number of minor variations to the revised budget. The most significant saving was on Non-reclaimable VAT of £6,000 due to reduced levels of vatable expenditure together with a £2,000 saving on miscellaneous insurances. This was offset by engineering consultancy fees and additional printing costs.

INCOME

12. **Cremation Fees.** The number of cremations carried out during 2008/09 totalled 4,215 of which 28 were carried out at no charge (30 in 2007/08). The total chargeable cremations were 187 more than estimated which has resulted in an increase in income of £75,920, and this is summarised in the following table:

	Actual Cremations 2007/08	Revised Estimate 2008/09	Actual Cremations 2008/09
Cremations at nil charge (under 16)	30	0	28
Cremations	3,974	4,000	4,187
Total cremations	<u>4,004</u>	<u>4,000</u>	<u>4,215</u>

Note. The increase in the number of chargeable cremations carried out in 2008/09 compared to 2007/08 totalled 213.

13. **Other Income.** Income from memorial card sales, fees for organists and book of remembrance were almost £8,000 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 small number of schemes will now be completed in 2009/10 totalling £8,000 and a number of schemes have been completed with savings of £2,000.
15. Details of expenditure from the capital works fund 2008/09 can be found in Appendix C. There was some slippage in the capital works programme totalling £54,000 which was mainly to do with the Public Waiting Facilities £40,000 and the EPA Phase 2 Mercury Emissions scheme £14,000 but this work will be carried out in the future.

16. The capital scheme EPA Phase 2 Mercury Emissions and its funding was the subject of a report to the Joint Committee last September. The report highlighted the need for additional funding to be in place before the scheme could commence, therefore due to savings on expenditure and additional income receive a further contribution to the capital works fund of £97,000 has been made. This is in line with the 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 2009/10' December 2008.

Report to the Portchester Crematorium Joint Committee 'Final Accounts 2007/08' June 2008.

Report to the Portchester Crematorium Joint Committee 'Installation of Mercury Abatement Equipment' September 2008

Report to the Portchester Crematorium Joint Committee 'Finance Strategy and Budget for 2008/09' March 2009.

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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 2008/09.

Appendix B – Repairs and Renewals Fund 2008/09.

Appendix C – Capital Works Fund and Garden Improvement Funds 2008/09.

APPENDIX A

REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Actual 2007/08	Revised Estimate 2008/09	Actual 2008/09	Variation
	£	£	£	£
<u>EMPLOYEES</u>				
Salaries-Full Time Officers	229,458	239,000	215,024	-23,976
Salaries-Part Time Officers	9,747	10,700	11,057	357
TOTAL EMPLOYEES	239,205	249,700	226,081	-23,619
<u>PREMISES</u>				
Repairs and Maintenance	52,842	61,100	62,273	1,173
RR/CWF repairs financed from revenue	99,086	58,400	48,423	-9,977
Grounds - Maintenance	62,524	66,000	56,750	-9,250
Garden Improvement Scheme	0	3,000	0	-3,000
Energy costs	109,738	108,000	99,456	-8,544
Water services	1,393	1,500	1,080	-420
Rent & Rates	90,917	95,300	95,291	-9
Removal of Wreaths/Cleaning materials	6,951	7,200	6,351	-849
TOTAL PREMISES	423,451	400,500	369,624	-30,876
<u>SUPPLIES AND SERVICES</u>				
Equipment, Furniture and Materials	6,801	10,300	10,951	651
Protective Clothing, Uniforms & Laundry	6,114	6,600	5,766	-834
Printing, Stationery & General Expenses	3,238	5,000	6,950	1,950
Inscriptions - Book of Remembrance	20,043	20,000	19,225	-775
- Memorial Cards	5,587	5,900	6,304	404
Legal/Consultants fees	1,000	600	2,336	1,736
Consultant fees - Gosport	21,184	21,000	23,857	2,857
Administrative Expenses - Fareham	14,299	20,000	20,332	332
- Portsmouth	10,390	12,000	11,520	-480
Medical Referees Fees	72,072	76,000	75,888	-112
Organists Fees	26,565	27,000	26,129	-871
Audit Commission Fees	4,500	4,800	4,750	-50
Bank Charges	659	1,100	1,076	-24
Postages, Telephones and Advertising	2,805	3,400	3,194	-206
Conferences, Subsistence & Travelling	370	600	843	243
Subscriptions	3,064	3,200	3,220	20
Miscellaneous Insurances	15,167	16,000	13,698	-2,302
Non reclaimable VAT	41,198	44,800	38,562	-6,238
TOTAL SUPPLIES AND SERVICES	255,056	278,300	274,601	-3,699

	Actual 2007/08	Revised Estimate 2008/09	Actual 2008/09	Variation
	£	£	£	£
<u>DEPRECIATION</u>				
Depreciation	134,940	144,800	144,495	-305
TOTAL DEPRECIATION CHARGES	134,940	144,800	144,495	-305
GROSS EXPENDITURE	1,052,652	1,073,300	1,014,801	-58,499
<u>INCOME</u>				
Garden Improvement fund contributions	0	-3,000	0	3,000
Memorial Cards	-10,577	-11,000	-9,789	1,211
Cremation Fees	-1,518,068	-1,624,000	-1,699,922	-75,922
Book of Remembrance	-65,141	-67,500	-62,576	4,924
Organ Music	-68,101	-69,000	-67,559	1,441
Other	-4,244	-4,800	-16,230	-11,430
GROSS INCOME	-1,666,131	-1,779,300	-1,856,076	-76,776
NET COST OF SERVICE	-613,479	-706,000	-841,275	-135,275
(Gain) or Loss on disposal of assets	0	0	0	0
Interest Receivable	-58,552	-47,300	-39,742	7,558
Pensions Interest cost and expected return on pensions assets	20,000	10,000	30,000	20,000
GENERAL FUND BALANCE				
NET OPERATING INCOME	-652,031	-743,300	-851,017	-107,717
MOVEMENT ON THE GENERAL FUND BALANCE				
(Surplus)/Deficit on the Income & Expenditure Account	-652,031	-743,300	-851,017	-107,717
Depreciation of Fixed Assets	-134,940	-144,800	-144,495	305
Contributions to Constituent Authorities	448,000	432,000	432,000	0
Contributions to Capital Works Fund	400,000	475,000	572,000	97,000
Contributions to Repairs & Renewals Fund	60,000	50,000	50,000	0
Contribution to / from pensions reserve	-40,000	-30,000	-30,000	0
Contribution from reserves to finance repairs and renewals/capital works programmes	-99,086	-58,400	-48,423	9,977
(SURPLUS)/DEFICIT FOR THE YEAR	-18,057	-19,500	-19,935	-435
Number of Cremations	4,004	4,000	4,215	215

APPENDIX B

REPAIRS AND RENEWALS FUND EXPENDITURE 2008/09

	Revised Estimate 2008/09 £	Revised Estimate 2008/09 £	Actual 2008/0 9 £	Actual 2008/0 9 £	Programme Balance Remaining £
Balance 1.4.2008		59,054		59,054	
ADVANCES 2008/09		<u>50,000</u>		<u>50,000</u>	
		109,054		109,054	4
Less applications 2008/09					
* Roof insulation to North & South Chapels	6,500		5,879		-621
* Install Portico to Vestry Door	5,000		4,916		-84
* Repair/Replace External & Internal Doors	3,150		3,146		-4
* Air Conditioning to Office	2,860		2,864		4
* Paved areas	6,060		6,061		1
- Treatment North Border Timber Fence	5,000		5,026		26
- Clean south border paving	3,080		3,080		0
- Granite covers to wreath bays (rolling programme)	2,000		0		-2,000
- Install gates to compactor area	3,000		1,430		-1,570
- Replace North chapel catafalque doors	6,000		3,729		-2,271
- Refurbish South chapel and transfer doors	2,000		1,621		-379
- Refurbish brass kickplates to doors	500		474		-26
- Improve crematory lighting	4,450		4,450		0
- Internal/external redecoration	5,750		5,747		-3
- Fire precautions installations work	1,000		0		-1,000
Unrecoverable Vat on buildings and plant	2,000	58,350	0	48,423	-2,000
Balance of Fund as at 31.03.2009		<u>50,704</u>		<u>60,631</u>	<u>-9,927</u>

* Slippage from prior years programmes

Analysis of Programme Balance Remaining

	£
W.I.P / Awaiting invoice / Slippage	7,867
2009/10 programme in advance	0
Additional costs	-31
Less Programme savings	<u>2,091</u>
Balance Remaining	<u>9,927</u>

APPENDIX C

CAPITAL WORKS FUND 2008/09

	Revised Estimate 2008/09	Revised Estimate 2008/09	Actual 2008/09	Actual 2008/09
	£	£	£	£
Balance of Fund as at 1.4.2008		964,070		964,070
ADVANCES 2008/09		<u>475,000</u>		<u>572,000</u>
		1,439,070		1,536,070
Less Applications 2008/09:				
Improvements to Pub.Waiting Facilities				
- Works	36,000		0	
- Fees	2,150		0	
- Non reclaimable VAT	1,890		0	
Cremator Furnace Relining				
- Works	85,500		85,459	
- Fees	6,100		6,130	
EPA Phase 2 Mercury Emissions				
- Works	4,000		335	
- Fees	<u>75,000</u>	<u>210,640</u>	<u>64,665</u>	<u>156,589</u>
Balance of Fund as at 31.03.2009		<u>1,228,430</u>		<u>1,379,481</u>

GARDEN IMPROVEMENT FUND 2008/09

	Revised Estimate 2008/09	Actual 2008/09
	£	£
Balance of Fund as at 1.4.2008	5,059	5,059
Contributions to Fund 2008/09	<u>3,000</u>	<u>2,631</u>
	8,059	7,690
Less		
Works 2008/09	<u>3,000</u>	<u>0</u>
Balance of Fund as at 31.03.2009	<u>5,059</u>	<u>7,690</u>