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COUNCIL

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Report to Portchester Crematorium Joint Committee

Date: **14 June 2010**

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

Subject: **ACTUAL REVENUE EXPENDITURE 2009/10**

SUMMARY

This report reviews the Joint Committee's revenue expenditure for the year ending 31 March 2010.

RECOMMENDATION

The contents of this report be noted.

INTRODUCTION

1. This report sets out the Joint Committee's actual revenue expenditure for 2009/10, 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 £2,831 compared with the revised estimated surplus of £7,800, a decrease of £4,969.
4. The number of cremations carried out during the year totalled 3,950 compared with the revised estimate of 4,000 and the actual for 2008/09 of 4,215. The level of income received from charges and sales was £46,000 less than the estimated; however there were also reductions in expenditure such as running costs and fund contributions of £41,000.
5. The analysis of actual expenditure and income for the year is detailed in Appendix A and comparisons are made between actual expenditure for 2009/10 and the revised estimate 2009/10. 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. However this has no impact on the Income and Expenditure account as corresponding entries such as Pension Interest costs and Contribution to/from Pension Reserves ensure a neutral effect.

PREMISES

7. **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 reserves to finance the repairs and renewals and capital works funds.

8. **Grounds Maintenance/Garden Improvement Scheme.** Members agreed that the major refurbishment of the pond would be funded from the Garden Improvement Fund balances and any additional expenditure would be kept within the existing grounds maintenance budget. Due to a timing issue with the works, the Improvement Fund has been fully utilised and the grounds maintenance budget has overspent by almost £1,900. This budget will be reduced by the equivalent sum for the revised budget 2010/11.

SUPPLIES AND SERVICES

9. **Consultants fees - Gosport.** The level of fees is linked to the value of the repairs and renewals schemes therefore with a number of these schemes now slipping to 2010/11, there was a saving against budget.
10. **Administrative Expenses - Fareham.** Recharges for payroll, financial services, audit and other administrative expenses were less than expected.
11. **Medical Referees Fees.** An allowance was made for an increase in fees which didn't materialise and this together with a small reduction in the number of cremations resulted in saving of almost £5,000.
12. **Non-Reclaimable VAT.** The amount of VAT that could not be reclaimed was less than expected mainly due to the slippage in the repairs and renewals and capital works programmes and savings in the Income and Expenditure budget.

INCOME

13. **Cremation Fees.** The number of cremations carried out during 2009/10 totalled 3,950 of which 38 were carried out at no charge (28 in 2008/09). The total chargeable cremations were 88 less than estimated which has resulted in a decrease in income of £39,250, and this is summarised in the following table:

	Actual Cremations 2008/09	Revised Estimate 2009/10	Actual Cremations 2009/10
Cremations at nil charge (under 16)	28	0	38
Cremations	4,187	4,000	3,912
Total cremations	<u>4,215</u>	<u>4,000</u>	<u>3,950</u>

Note. The decrease in the number of chargeable cremations carried out in 2009/10 compared to 2008/09 totalled 275.

14. **Other Income.** Income from memorial card sales, fees for organists, book of remembrance entries and other miscellaneous income was almost £7,000 less than estimated.

REPAIRS AND RENEWALS/CAPITAL WORKS FUND

15. 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 totalling £43,000 will now be completed in 2010/11.
16. Details of expenditure from the capital works fund 2009/10 can be found in Appendix C. The scheme for the Improvements to the Waiting Rooms has been finalised which has resulted in a project saving of £27,000.
17. Contributions from revenue to the Capital Works Fund were reduced by £10,000 due to the reduced level of income received for fees and charges and sales. However, the net level of the fund has still increased due to the savings detailed in paragraph 16.
18. Details of the Garden Improvement Fund can also be found in Appendix C where the entire fund was utilised on the pond repairs scheme during 2009/10.

CONCLUSION

19. The budgeted level of surplus was less than expected mainly due to the reduction in income from charges and sales.

Background Papers

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2010/11' December 2009.

Report to the Portchester Crematorium Joint Committee 'Final Accounts 2008/09' June 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 2009/10.

Appendix B – Repairs and Renewals Fund 2009/10.

Appendix C – Capital Works Fund and Garden Improvement Funds 2009/10.

APPENDIX A

PORTCHESTER CREMATORIUM JOINT COMMITTEE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	Actual 2008/09	Revised Estimate 2008/09	Actual 2009/10	Variation
	£	£	£	£
<u>EMPLOYEES</u>				
Salaries-Full Time Officers	215,024	239,500	218,403	-21,097
Salaries-Part Time Officers	11,057	11,000	11,203	203
TOTAL EMPLOYEES	226,081	250,500	229,606	-20,894
<u>PREMISES</u>				
Repairs and Maintenance	62,273	64,300	65,691	1,391
RR/CWF repairs financed from revenue	48,423	65,000	21,607	-43,393
Grounds - Maintenance	56,750	68,000	69,864	1,864
Garden Improvement Scheme	0	10,000	9,764	-236
Energy costs	99,456	107,000	106,190	-810
Water services	1,080	1,500	929	-571
Rent & Rates	95,291	99,900	99,841	-59
Removal of Wreaths/Cleaning materials	6,351	7,800	6,484	-1,316
TOTAL PREMISES	369,624	423,500	380,370	-43,130
<u>SUPPLIES AND SERVICES</u>				
Equipment,Furniture and Materials	10,951	7,700	5,193	-2,507
Protective Clothing,Uniforms & Laundry	5,766	6,600	5,386	-1,214
Printing,Stationery & General Expenses	6,950	4,700	5,513	813
Inscriptions - Book of Remembrance	19,225	20,000	19,264	-736
- Memorial Cards	6,304	6,600	5,875	-725
Legal/Consultants fees	2,336	10,500	10,537	37
Consultants fees - Gosport	23,857	22,100	18,181	-3,919
Administrative Expenses - Fareham	20,332	20,000	16,706	-3,294
- Portsmouth	11,520	12,000	12,101	101
Medical Referees Fees	75,888	76,000	71,118	-4,882
Organists Fees	26,129	26,700	25,031	-1,669
Audit Commission Fees	4,750	5,000	5,000	0
Bank Charges	1,076	1,300	1,086	-214
Postages,Telephones and Advertising	3,194	3,500	3,642	142
Conferences,Subsistence & Travelling	843	1,600	779	-821
Subscriptions	3,220	3,300	3,064	-236
Miscellaneous Insurances	13,698	13,500	13,475	-25
Non reclaimable VAT	38,562	38,000	26,543	-11,457
TOTAL SUPPLIES AND SERVICES	274,601	279,100	248,494	-30,606

	Actual 2008/09	Revised Estimate 2008/09	Actual 2009/10	Variation
	£	£	£	£
<u>DEPRECIATION</u>				
Depreciation	143,695	144,500	143,948	-552
TOTAL DEPRECIATION CHARGES	143,695	144,500	143,948	-552
GROSS EXPENDITURE	1,014,001	1,097,600	1,002,418	-95,182
<u>INCOME</u>				
Garden Improvement fund contributions	0	-10,000	-9,764	236
Memorial Cards	-9,789	-11,200	-10,333	867
			-	
Cremation Fees	-1,699,922	-1,784,000	1,744,752	39,248
Book of Remembrance	-62,576	-66,500	-65,352	1,148
Organ Music	-67,559	-69,000	-65,067	3,933
Other	-16,230	-5,100	-4,354	746
			-	
GROSS INCOME	-1,856,076	-1,945,800	1,899,622	46,178
NET COST OF SERVICE	-842,075	-848,200	-897,204	-49,004
(Gain) or Loss on disposal of assets	0	0	0	0
Interest Receivable	-39,742	-100	-72	28
Pensions Interest cost and expected return on pension assets	30,000	10,000	60,000	50,000
GENERAL FUND BALANCE				
NET OPERATING INCOME	-851,817	-838,300	-837,276	1,024
MOVEMENT ON THE GENERAL FUND BALANCE				
(Surplus)/Deficit on the Income & Expenditure Account	-851,817	-838,300	-837,276	1,024
Net Gain or Loss on disposal of assets	0	0	0	0
Depreciation of Fixed Assets	-143,695	-144,500	-143,948	552
Contributions to Constituent Authorities	432,000	440,000	440,000	0
Contributions to Capital Works Fund	572,000	560,000	550,000	-10,000
Contributions to Repairs & Renewals Fund	50,000	70,000	70,000	0
Contribution to Garden Improvement Fund	0	0	0	0
Contribution to / from pensions reserve	-30,000	-30,000	-60,000	-30,000
Contribution from reserves to finance repairs and renewals/capital works programmes	-48,423	-65,000	-21,607	43,393
(SURPLUS)/DEFICIT FOR THE YEAR	-19,935	-7,800	-2,831	4,969
Number of Cremations	4,215	4,000	3,950	-50

APPENDIX B

REPAIRS AND RENEWALS FUND EXPENDITURE 2009/10

	Revised Estimate 2009/10 £	Revised Estimate 2009/10 £	Actual 2009/10 £	Actual 2009/10 £	Programme Balance Remaining £
Balance 1.4.2009		60,632		60,632	
ADVANCES 2009/10		<u>70,000</u>		<u>70,000</u>	
		130,632		130,632	
Less applications 2009/10					
* Install portico to vestry door	3,280		3,279		-1
- Bench seat granite covers nr seats	4,000		0		-4,000
- Replace marble inlay to 10 nr cloister seats	2,500		0		-2,500
- Granite covers to wreath bays (rolling programme)	15,000		0		-15,000
- Fire precautions installations work	10,000		0		-10,000
- Refurbish/redecorate book of remembrance fittings	2,000		0		-2,000
- Wreath marker post supports	3,500		0		-3,500
- Anti vandalism precautionary works	6,200		6,206		6
- DDA improvements to rear North Chapel	2,500		0		-2,500
- Steam cleaning paving	1,540		1,540		0
- Surface water drainage imps compactor area	2,500		0		-2,500
- Internal redecoration	4,070		4,066		-4
- Renew crematory suspended ceiling	2,330		2,336		6
- Refurbish of intruder alarm system	4,180		4,180		0
Unrecoverable Vat on buildings and plant	1,400	65,000		21,607	-1,400
Balance of Fund as at 31.03.2010		<u>65,632</u>		<u>109,025</u>	<u>-43,393</u>

* Slippage from prior years programmes

<u>Analysis of Programme Balance Remaining</u>	£
W.I.P / Awaiting invoice / Slippage	43,400
Additional costs	-12
Less Programme savings	<u>5</u>
Balance Remaining	<u>43,393</u>

APPENDIX C

CAPITAL WORKS FUND 2009/10

	Revised Estimate 2009/10	Revised Estimate 2009/10	Actual 2009/10	Actual 2009/10
	£	£	£	£
Balance of Fund as at 1.4.2009		1,379,480		1,379,480
ADVANCES 2009/10		<u>560,000</u>		<u>550,000</u>
		1,939,480		1,929,480
Less Applications 2009/10:				
Improvements to Pub.Waiting Facilities				
- Works	36,000		11,678	
- Fees	2,100		973	
- Non reclaimable VAT	<u>2,000</u>	<u>40,100</u>	<u>0</u>	<u>12,651</u>
Balance of Fund as at 31.03.2010		<u>1,899,380</u>		<u>1,916,829</u>

GARDEN IMPROVEMENT FUND 2009/10

	Revised Estimate 2009/10	Actual 2009/10
	£	£
Balance of Fund as at 1.4.2009	7,690	7,690
Contributions to Fund 2009/10	<u>3,000</u>	<u>2,074</u>
	10,690	9,764
Less		
Works 2009/10	<u>10,000</u>	<u>9,764</u>
Balance of Fund as at 31.03.2010	<u>690</u>	<u>0</u>