

# FAREHAM

## BOROUGH COUNCIL

### **Report to Portchester Crematorium Joint Committee**

*Date:* 16 June 2014

*Report of:* Treasurer to the Joint Committee

*Subject:* COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2013/14

#### **SUMMARY**

This report reviews the Joint Committee's revenue income and expenditure for the year ending 31 March 2014.

#### **RECOMMENDATION**

The contents of this report be noted.

## INTRODUCTION

1. This report sets out the actual revenue expenditure of the Joint Committee for 2013/14. 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 2013/14 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 2013/14 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 surplus of £7,995 compared with the revised estimated surplus of £1,600.
4. The number of cremations carried out during the year totalled 3,960. This represents a decrease of 142 compared with the previous financial year's total of 4,102. Overall operational income of £2,169,067 exceeded the revised budget of £2,028,900 by £140,167. Expenditure of £1,367,636 was above the revised budget of £1,313,900 by £53,736.
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 2013/14 with that of 2012/13 and the revised estimate for 2013/14 with supporting explanations in the following paragraphs.

## EXPENDITURE

6. **Employees.** Employee expenditure of £230,396 is closely similar to that of 2012/13 and below the revised estimate of £235,500 for 2013/14 by £5,104.

## PREMISES

7. **Repairs and Maintenance.** The budget for premises repairs and maintenance, including grounds expenditure, was £253,000. Actual expenditure of £254,477 was £1,477 above the revised budget level, with an underspend against the repairs and renewals programme offsetting an overspend against grounds maintenance expenditure.

8. **Energy Costs.** The budget for energy costs was increased during 2013/14 to reflect price increases along with estimated reductions in consumption. Actual expenditure of £127,478 was £9,274 lower than in 2012/13 and was below the revised budget provision for this area of expenditure by £22,522.

### SUPPLIES AND SERVICES

10. Expenditure of £291,054 in this area exceeded the revised budget by £22,154. An overspend against consultants fees has been offset by underspends against other account headings, and the main area where expenditure has exceeded the revised budget is against the amount of VAT we are able to reclaim. This is based on a calculation that takes account of the mixed VAT treatments we are required to apply to our expenditure transactions over the financial year and has been affected by increased VAT exempt expenditure that does not relate to specific capital schemes.

### INCOME

11. **Cremation Fees.** The number of cremations carried out during 2013/14 has totalled 3,960 of which 27 were carried out at no charge. The numbers of cremations for 2013/14 and the four previous financial years are set out in the table below.

	Cremations				
	2009/10	2010/11	2011/12	2012/13	2013/14
Cremations at nil charge (under 16)	38	22	26	22	27
	3,912	3,872	3,952	4,080	3,933
Total cremations	3,950	3,894	3,978	4,102	3,960

12. **Other Income.** Income from charges and sales of £2,169,067 was £6,875 lower than the previous year with income from cremations fees rising very slightly in line with the increased fee and reduced cremation numbers set out above. Income from other areas, such as memorial cards and organ music, has fallen reflecting a continuation in the trend of a small decline in demand for these services.

### REPAIRS AND RENEWALS/CAPITAL WORKS FUND

13. Progress against the repairs and renewals programme during 2013/14 is set out in financial terms at Appendix B, with many schemes completed. The contribution from revenue to the Repairs and Renewals Fund was £111,029 in 2013/14 with £74,404 being utilised. The balance of the fund being carried forward at the end of 2013/14 is £120,000.
14. Details of expenditure from the capital works fund during 2013/14 is set out in Appendix C. The contribution from revenue to the Capital Works Fund was set at £365,000 for 2013/14, however it has been possible to increase this contribution to £470,908 for 2013/14 with the balance of the fund being carried forward at the end of 2013/14 at £830,000.

15. Details of the Garden Improvement Fund can also be found in Appendix C where the entire fund was utilised during 2013/14.

## **CONCLUSION**

16. Achieving a surplus of £7,995 over the course of this financial year has enabled a higher contribution to the revenue surplus reserve.

## **Background Papers**

Report to the Portchester Crematorium Joint Committee 'Revenue Budget 2014/15' December 2013.

Report to the Portchester Crematorium Joint Committee 'Annual Return 2012/13' June 2013.

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## **Appendices**

Appendix A – Actual revenue expenditure for the year 2013/14.

Appendix B – Repairs and Renewals Fund 2013/14.

Appendix C – Capital Works Fund and Garden Improvement Fund 2013/14.

APPENDIX A

PORTCHESTER CREMATORIUM JOINT COMMITTEE

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Actual 2011/12	Actual 2012/13	Revised Estimate 2013/14	Actual 2013/14	Variation
	£	£	£	£	£
<b>EMPLOYEES</b>					
Salaries-Full Time Officers	219,749	219,520	224,500	221,078	-3,422
Salaries-Part Time Officers	11,570	9,174	11,000	9,318	-1,682
<b>TOTAL EMPLOYEES</b>	<b>231,319</b>	<b>228,694</b>	<b>235,500</b>	<b>230,396</b>	<b>-5,104</b>
<b>PREMISES</b>					
Repairs and Maintenance	44,507	62,447	100,000	105,734	5,734
RR/CWF repairs financed from revenue	94,835	77,142	81,500	74,404	-7,096
Grounds - Maintenance	76,491	68,350	70,000	72,763	2,763
Garden Improvement Scheme	1,927	1,497	1,500	1,576	76
Energy costs	119,517	136,752	150,000	127,478	-22,522
Water services	1,794	4,888	2,500	121	-2,379
Rent & Rates	134,735	128,695	139,600	139,268	-332
Removal of Wreaths/Cleaning materials	11,162	11,651	14,400	10,927	-3,473
<b>TOTAL PREMISES</b>	<b>484,968</b>	<b>491,422</b>	<b>559,500</b>	<b>532,271</b>	<b>-27,229</b>
<b>SUPPLIES AND SERVICES</b>					
Equipment,Furniture and Materials	7,448	12,311	19,100	16,186	-2,914
Protective Clothing,Uniforms& Laundry	1,569	1,051	2,100	1,296	-804
Printing,Stationery& General Expenses	8,220	6,238	7,700	7,779	79
Inscriptions - Book of Remembrance	22,731	18,777	25,000	19,627	-5,373
- Memorial Cards	4,690	5,926	5,000	4,566	-434
Legal/Consultants fees	25,774	25,673	1,500	1,390	-110
Consultants fees - Gosport	15,670	8,307	15,000	26,655	11,655
Administrative Expenses - Fareham	12,578	9,604	10,000	12,526	2,526
- Portsmouth	9,450	9,450	9,500	9,540	40
Medical Referees Fees	71,654	73,836	71,200	71,280	80
Organists Fees	23,467	23,130	25,000	18,755	-6,245
Audit Commission Fees	3,000	-1,000	4,000	2,430	-1,570
Pest Control	0	0	0	419	419
Bank Charges	1,019	1,120	1,200	1,175	-25
Postages,Telephones and Advertising	4,459	7,051	6,900	6,361	-539
Conferences,Subsistence& Travelling	847	676	1,200	1,038	-162
Subscriptions	3,428	2,524	3,500	3,256	-244
Miscellaneous Insurances	14,121	20,741	21,000	24,384	3,384
Non reclaimable VAT	65,876	43,757	40,000	62,391	22,391
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>296,001</b>	<b>269,172</b>	<b>268,900</b>	<b>291,054</b>	<b>22,154</b>
<b>CAPITAL CHARGES</b>					
	£	£	£	£	£
Depreciation	217,980	247,000	250,000	313,915	63,915
<b>TOTAL CAPITAL CHARGES</b>	<b>217,980</b>	<b>247,000</b>	<b>250,000</b>	<b>313,915</b>	<b>63,915</b>
<b>GROSS EXPENDITURE</b>	<b>1,230,268</b>	<b>1,236,288</b>	<b>1,313,900</b>	<b>1,367,636</b>	<b>53,736</b>

	Actual 2011/12	Actual 2012/13	Revised Estimate 2013/14	Actual 2013/14	Variation
	£	£	£	£	£
<b>INCOME</b>					
Garden Improvement fund contributions	-1,927	-1,497	-1,500	-1,576	-76
Memorial Cards	-7,833	-9,346	-8,000	-6,590	1,410
Cremation Fees	-1,928,576	-2,040,000	-1,909,400	-2,045,160	-135,760
Book of Remembrance	-59,574	-57,053	-50,000	-60,744	-10,744
Organ Music	-60,525	-60,711	-55,000	-50,341	4,659
Other	-5,157	-7,335	-5,000	-4,656	344
<b>GROSS INCOME</b>	<b>-2,063,592</b>	<b>-2,175,942</b>	<b>-2,028,900</b>	<b>-2,169,067</b>	<b>-140,167</b>
<b>NET COST OF SERVICE</b>	<b>-833,324</b>	<b>-939,654</b>	<b>-715,000</b>	<b>-801,431</b>	<b>-86,431</b>
(Gain) or Loss on disposal of assets	0	0	0	0	0
Interest Receivable	-63	-87	-100	-182	-82
Pensions Interest costs	90,000	90,000	110,000	92,000	-18,000
Expected return on pensions assets	-70,000	-70,000	-50,000	-51,000	-1,000
<b>GENERAL FUND BALANCE</b>					
<b>NET OPERATING INCOME</b>	<b>-813,387</b>	<b>-919,741</b>	<b>-655,100</b>	<b>-760,613</b>	<b>-105,513</b>
<b>MOVEMENT ON THE GENERAL FUND BALANCE</b>					
(Surplus)/Deficit on the Income & Expenditure Account	-813,387	-919,741	-655,100	-801,614	-146,514
Net Gain or Loss on disposal of assets	0	0	0	0	0
Contributions to Constituent Authorities	560,000	600,000	600,000	600,000	0
Depreciation of Fixed Assets	-217,980	-247,000	-250,000	-313,915	-63,915
Contributions to Capital Works Fund	490,000	575,000	365,000	470,908	105,908
Contributions to Repairs & Renewals Fund	80,000	80,000	80,000	111,059	31,029
Contribution to / from pensions reserve	-20,000	-20,000	-60,000	-41,000	19,000
Contribution from reserves to finance repairs and renewals/capital works programmes	-94,835	-77,142	-81,500	-74,404	7,096
<b>(SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>-16,202</b>	<b>-8,883</b>	<b>-1,600</b>	<b>-7,995</b>	<b>-6,395</b>
<b>Number of Cremations</b>	<b>3,952</b>	<b>4,080</b>		<b>3,933</b>	<b>0</b>

FOR INCLUSION IN ANNUAL RETURN	Actual	Actual	Actual	
	2011/12	2012/13	2013/14	
	£	£	£	£
Balances Bought Forward	2,499,993	1,492,548		860,976
Receipts	2,063,592	2,175,942		2,169,067
Interest receivable	63	87		182
Total receipts	2,063,655	2,176,029	0	2,169,249
Employees	-231,319	-228,694		-230,396
Total other payments				
Premises	-484,968	-491,422		-532,271
Supplies and services	-296,001	-269,172		-291,054
Contributions to constituent authorities	-560,000	-600,000		-600,000
Actual Capital Expenditure in Asset A/C	-1,496,340	-1,226,207		-217,545
Less debtors included in accounts	-28,256	-48,037		-28,258
Add creditors included in the accounts	87,919	115,594		72,511
Reversal of prior year debtors	92,664	28,256		48,037
Reversal of prior year creditors	-154,800	-87,919		-115,594
Rounding adjustment	1			1
Total other costs	-2,839,781	-2,578,907		-1,664,173
Balance carried forward	1,492,548	860,976		1,135,656

**APPENDIX B**

**REPAIRS AND RENEWALS FUND EXPENDITURE 2013/14**

Balance of Fund at 1.4.2013			£83,375
Contribution from Revenue Account 2013/14			<u>£111,029</u>
			£194,404
<b>Applications 2013/14</b>	<b>Revised</b>	<b>Actual</b>	
* Balance of works from prior years programmes	Estimate 2013/14	2013/14	
	£	£	
- Fire Precautions Installations Works	10,000	6,017	
- Cremation Computers	0	5,702	
- Replacement WC's in Public Toilets	0	4,860	
- Energy scheme	0	2,500	
- CCTV Camera	6,000	7,834	
- Internal redecoration	5,000	7,463	
- Steam Clean Paving	3,000	1,804	
- Replacement Door Locks	5,000	6,365	
- Store/Workshop refurbishment	5,500	2,000	
- Reception/Office refurbishment	13,000	21,453	
- External lighting improvements	4,500	4,231	
- South Chapel redecoration	25,000	0	
- Garden of Contemplation Seating	4,500	4,175	
- Plant Room Improvements			
	<hr/>	<hr/>	
<b>Balance of Fund at 31.3.2014</b>	81,500	74,404	<u>£120,000</u>



**CAPITAL WORKS FUND 2013/14**

	Revised Estimate 2013/14	Actual 2013/14
	£	£
Balance of Fund as at 1.4.2013	576,637	576,637
ADVANCES 2013/14	<u>125,000</u>	<u>470,908</u>
	701,637	1,047,545
<b>Less Applications 2012/13</b>		
EPA Phase 2 Mercury Emissions	0	128,052
Crematorium Buildings	0	0
Cremator Furnace Relining	0	89,493
Analyser Renewal	0	0
	<u>0</u>	<u>217,545</u>
<b>Balance of Fund as at 31.03.2014</b>	<u>701,637</u>	<u>830,000</u>

**GARDEN IMPROVEMENT FUND 2013/14**

	Actual 2013/14
	£
Balance of Fund as at 1.4.2013	0
Contributions to Fund 2013/14	<u>1,576</u>
	1,576
<b><u>Less</u></b>	
Works 2013/14	<u>1,576</u>
<b>Balance of Fund as at 31.03.2014</b>	<u>0</u>