

SUBJECT:	2015/16 FINANCIAL OUTTURN
REPORT OF:	Treasurer of Chilterns Crematorium Joint Committee – Jim Burness
RESPONSIBLE OFFICER	Jim Burness
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WARD/S AFFECTED	All

1. Purpose of Report

- 1.1 To provide Members with financial outturn information for the Chilterns Crematorium for 2015/16.

RECOMMENDATIONS

- That the financial outturn position for the year ended 31 March 2016 is noted.
- That the accumulated revenue surplus be retained by the Joint Committee for future capital investment.
- Members note that the accounts are no longer required to be subject to an External Audit review.

2. Summary of Financial Outturn

- 2.1 The following table provides a summary of the financial outturn position for the year ended 31 March 2016.

Actuals £		Revised Budget £	Actuals £
2014/15		2015/16	2015/16
357,023	Employee Expenses	362,200	367,383
226,391	Premises Expenses	276,540	275,599
171,157	Supplies and Services	224,270	226,335
754,571	TOTAL EXPENDITURE	863,010	869,317
(1,943,223)	Fees and Charges	(1,908,440)	(1,936,494)
(74,014)	Other Income	(64,360)	(65,265)

(2,017,237)	TOTAL INCOME	(1,972,800)	(2,001,759)
(1,262,666)	NET OPERATING SURPLUS	(1,109,790)	(1,132,442)
1,212,439	Capital Expenditure	186,474	229,512
(50,227)	(Surplus)/Deficit FOR YEAR	(923,316)	(902,930)

2.2 A more detailed breakdown is provided in Appendix 1.

2.3 The key points to note are:-

- A revenue surplus of £903k, compared to a budgeted surplus of £923k.
- An increase in staff costs, compared to 2014/15, due to overtime for office staff to cover the absence of an officer on long term sickness.
- An increase in medical referee fees, compared to 2014/15, due to a higher than budgeted number of cremations.
- Of the £229k capital spend, £162k related to the proposed new crematorium, £59k on cremator repairs and £8k on the new computerised administration system. Irrecoverable VAT included within the total figure was £42k.

2.4 The breakdown of the 2015/16 cremations is:-

Aylesbury Vale	721
Chiltern District	593
Wycombe District	904
South Buckinghamshire	231
Hertfordshire	478
Oxfordshire	84
Berkshire	150
Other areas	212
Total	3,373

3. Balance Sheet

3.1 Appendix 2 shows the Balance Sheet for the Chilterns Crematorium.

3.2 The key points to note are:-

- Property, Plant & Equipment – This represents the value of the Crematorium's assets and includes the site land, two chapels, offices, staff bungalows, crematory

and other equipment. It also includes the land and preliminary works for the proposed Aylesbury Crematorium and stands at £5.4million. Additional capital spend has been added to this value at cost. For 2015/16 an additional £170k has been included in the Total Asset value.

- Current Assets – This relates to items that could be turned into cash at short notice and is made up of debtors i.e. money owed to the Crematorium, or short term investments. Total current assets now stand at £5.4million.
- Current Liabilities – This relates to money the Crematorium owes to external bodies and organisations amounting to £69k. The main creditor for the Crematorium at year end is Chiltern District Council for salary recharges. It does not imply any delay in payment of monies owed.
- Financed by section – This section shows how assets and liabilities are funded. Not all of the items shown here are cash backed reserves. The main reserve represents amounts being held on behalf of constituent authorities to fund future capital projects.

4. Reserves

- 4.1 Reserves have increased by £903k over the year due to the in-year surplus. The total value of reserves as at 31 March 2016 now stands at £5,374,292.
- 4.2 As requested by Members, at the meeting of 4th February 2016, an earmarked reserve has now been established for the funding of the proposed Aylesbury Crematorium.
- 4.3 The table below shows the reserve balances apportioned between the constituent authorities.

	AVDC £	CDC £	WDC £	Total £
Balance 31.3.2015	1,318,020	1,262,440	1,890,902	4,471,362
Apportionment 2015/16 surplus	293,513	241,406	368,011	902,930
	<u>1,611,533</u>	<u>1,503,846</u>	<u>2,258,913</u>	<u>5,374,292</u>
<u>Balances retained</u>				
Earmarked for new Crematorium	1,417,305	1,322,597	1,986,660	4,726,562
General reserves	194,228	181,249	272,253	647,730
	<u>1,611,533</u>	<u>1,503,846</u>	<u>2,258,913</u>	<u>5,374,292</u>

- 4.4 The retention of the accumulated balance by the Joint Committee is necessary to meet scheduled future capital investment.

5. External Audit Review

- 5.1 In previous years, the Accounts of the Chilterns Crematorium Joint Committee (CCJC) have been governed by the Accounts and Audit Regulations 2011. These required a "Small Bodies Annual Return" to be prepared by the CCJC, and for this return to be reviewed by an External Auditor.
- 5.2 The Accounts and Audit Regulations 2011 have now been replaced by the Accounts and Audit Regulations 2015. These new regulations require audits of "relevant authorities". However relevant authorities, as defined by the Local Audit and Accountability Act 2014, do not include joint committees so the CCJC is no longer required to prepare formal accounts and have them reviewed by an External Auditor. Although, there is still the ability to have a voluntary External Audit review of the figures.

5.3 Instead the principal authority (Chiltern District Council) is responsible for the oversight of the joint committee and for ensuring there are effective finance and governance arrangements. The overall financial management arrangements for Chiltern District Council are still subject to external audit review.

5.4 Given that:

- The CCJC will still be subject to Internal Audit review, to confirm that relevant procedures and controls are in place, and
- Over the last few years, the external auditors have not raised any concerns over the submitted financial accounts.

It is suggested that it is not necessary to commission a voluntary External Audit review, which will result in a saving, based on the 14/15 audit fee, of £2,425 plus VAT.

Background Papers:	None
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