

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO COYCHURCH CREMATORIUM JOINT COMMITTEE

4 SEPTEMBER 2020

### REPORT OF THE TREASURER

#### ANNUAL ACCOUNTING STATEMENT 2019-20 AND REVENUE MONITORING STATEMENT 1 APRIL TO 30 JUNE 20

#### 1. Purpose of report

1.1 The purpose of this report is to:-

- present the audited Annual Accounting Statement for the 2019-20 financial year to the Joint Committee, following closure of the accounts.
- to inform the Joint Committee of details of income and expenditure for the first quarter of the 2020-21 financial year, and provide a projection of the final outturn position.

#### 2. Connection to corporate well-being objectives / other corporate priorities

2.1 There are no connections to the corporate well-being objectives in this report.

#### 3. Background

3.1 Under Regulation 14 of the Accounts and Audit (Wales) Regulations 2014, Coychurch Crematorium Joint Committee is required to complete an Annual Accounting Statement as they are classed as a smaller local government body with annual income and expenditure below £2.5 million.

3.2 The Accounts and Audit (Wales) Regulations 2018 require that the Joint Committee must formally approve the Annual Accounting Statement by 15 June and certify that they present fairly the financial position of Coychurch Crematorium. Due to the Covid-19 pandemic, the Joint Committee were unable to approve the statement by this date. It has been agreed with Audit Wales to accept the Annual Accounting Statement being certified at the meeting on the 4<sup>th</sup> September.

3.3 Due to Covid-19 the auditor has already undertaken their audit and as a result has identified that no amendments are required, as outlined in their Audit letter in **Appendix 1**. The certified Annual Accounting Statement must be published by no later than 15 September 2020.

3.4 Revenue Estimates for 2020-21 were approved by the Joint Committee at its meeting on 6 March 2020 and the projected position as at 30 June 2020 is shown in paragraph 4.5.

#### 4. Current situation/proposal

- 4.1 Section 1 of the Annual Accounting Statement (**Appendix 2**) shows that in 2019-20 Coychurch Crematorium made a net surplus of £298,201 (difference between Line 1 'Balances brought forward' and Line 7 'Balances carried forward'). The surplus has been added to the accumulated reserve for the Crematorium brought forward at 31 March 2019, bringing the total of that reserve to £2,053,652 at 31 March 2020 compared to £1,755,451 in the preceding year.

The following table shows a summary of the final financial position for the Crematorium for 2019-20 as compared to the budget set at the start of the financial year.

**Table 1 – Crematorium Financial Position 2019-20**

Actual 2018-19 £'000		Budget 2019-20 £'000	Actual 2019-20 £'000	Variance 2019-20 £'000
	<b><u>Expenditure</u></b>			
310	Employees	329	315	(14)
248	Premises	248	249	1
158	Supplies, Services & Transport	178	155	(23)
94	Agency/Contractors	102	99	(3)
35	Administration	36	32	(4)
4	Capital Financing Costs	776	207	(569)
<b>849</b>	<b>Gross Expenditure</b>	<b>1,669</b>	<b>1,057</b>	<b>(612)</b>
	<b><u>Income</u></b>			
(1,299)	Crematorium Fees etc.	(1,303)	(1,312)	(9)
(18)	Welsh Government Grant	0	(13)	(13)
(29)	BCBC Contribution	(30)	(30)	0
<b>(1,346)</b>	<b>Gross Income</b>	<b>(1,333)</b>	<b>(1,355)</b>	<b>(22)</b>
<b>(497)</b>	<b>(Surplus)/Deficit</b>	<b>336</b>	<b>(298)</b>	<b>(634)</b>
<b>(497)</b>	<b>Transfer (to)/from Reserve</b>	<b>336</b>	<b>(298)</b>	

- 4.2 Explanations for the more significant variances from budget are given below:

- The underspend of £14,000 on Employees is made up of a part year vacancy of the Groundsperson/Relief Crematorium Technician post, and full year vacancy of the Weekend Attendant post .
- The underspend of £23,000 on Supplies, Services & Transport is made up of underspends on Items for Resale (£8,300), Equipment Repairs (£7,800), Uniforms/Protective Clothing (£3,000), Printing (£1,900) and Security Services (£2,000).
- Table 2 below shows a breakdown of the Planned Maintenance Budget along with the Outturn and Variances for 2019-20.

**Table 2 – Planned Capital Maintenance 2019-20**

<b>2019-20</b>	<b>Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Organ upgrade	96	101	5
Flower Court Extension	300	55	(245)
Site Lighting	300	0	(300)
Flat Roof Repairs - Waiting Room	30	33	3
Mess Room Refurbishment	30	18	(12)
Electricity Distribution Boards	20	0	(20)
<b>Total</b>	<b>776</b>	<b>207</b>	<b>(569)</b>

- The underspend on the Flower Court Extension is due to only surveys and consultancy work being paid for in 2019-20. The balance of £245,000 on the flower court extension, £300,000 for Site Lighting and £20,000 for Electricity Distribution Boards have all been carried forward and form part of the 2020-21 Planned Capital Maintenance budget.
- Income is higher than budgeted by £22,000 due to the Child Burial Fees Grant (£13,000) and Cremation Fees (£9,000).

4.3 In addition to the Annual Accounting Statement, a supplementary Balance Sheet is provided in Table 3 below. This supplementary information provides a further breakdown of the figures recorded in the Annual Accounting Statement. This is for information only, and is not subject to audit at year end.

**Table 3 – Balance Sheet for Years Ended 31 March 2019 & 2020**

<b>31 March 2019 £'000</b>	<b>Description</b>	<b>31 March 2020 £'000</b>
	<b>Property, Plant &amp; Equipment</b>	
3,302	- Other Land and Buildings	3,611
912	- Community Assets	1,100
<b>4,214</b>	<b>Non-Current Assets</b>	<b>4,711</b>
	<b>Current Assets</b>	
29	Inventories	29
150	Short Term Debtors	153
1,595	Cash and Cash Equivalents	1,882
<b>1,774</b>	<b>Current Assets</b>	<b>2,064</b>
	<b>Short Term Borrowing</b>	
(16)	Short Term Creditors	(7)
<b>(16)</b>	<b>Current Liabilities</b>	<b>(7)</b>
<b>5,972</b>	<b>Net Assets</b>	<b>6,768</b>
	<b>Usable reserves</b>	
1,755	- Accumulated Surplus	2,054
	<b>Unusable reserves</b>	
1,613	- Revaluation Reserve	1,820
2,601	- Capital Adjustment Account	2,892
	- Short-term Accumulating	
3	- Compensated Absences Account	2
<b>5,972</b>	<b>Total Reserves</b>	<b>6,768</b>

4.4 Further information to explain the balances is provided below:

- Property, Plant and Equipment of £4.711 million as recorded on Line 12 of the Annual Accounting Statement represent buildings, land and fixtures and fittings. The increase in the value of Non-Current assets is due to the net effect of the revaluation/enhancement of assets less depreciation charges.
- Inventories of £29,000 relates to stock included in the Balance Sheet at the lower of cost and net realisable value and relate to memorials purchased for future use in the Garden of Remembrance.
- Short term debtors of £153,000 represent the monies owed to the Coychurch Crematorium Joint Committee by trade debtors such as Funeral Directors.

- Cash and cash equivalents of £1.882 million represents cash held by Bridgend County Borough Council, the financial services provider, as part of its general bank account. No separate bank account exists for Coychurch Crematorium.
- Short term creditors of £7,000 represent monies owed by the Coychurch Crematorium Joint Committee for goods/services received in 2019-20 and includes a balance for annual leave not yet taken by staff.
- Reserves are reported in two categories. Usable reserves can be used by the Committee to provide services subject to the need to maintain a prudent level of reserves. The second category, Unusable Reserves, are not available to provide services. This includes a reserve that holds the timing differences between the annual leave entitlement for staff and actual annual leave taken at 31 March 2020 and revaluation of assets and capital adjustments.
- The accumulated surplus of £2.054 million as recorded in Line 11 of the Annual Accounting Statement reflects the surplus for the current year and the balance of any previous year's surpluses/deficits held to fund any future capital works. The accumulated surplus will be the subject of a future report considering its use for proposed improvements and the possible repayment to the Partner Authorities.
- The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.
- The Accumulated Absences Account absorbs the differences that would otherwise arise on the Accumulated Surplus Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Accumulated Surplus Balance is neutralised by transfers to or from the Account. The Account balance was £2,300 as at 31 March 2020 (£3,083 - 31 March 2019).

4.5 Table 4 below shows detail of income and expenditure for April to June 2020 together with the projected outturn for the financial year of an underspend of £23,000.

**Table 4 – Crematorium Financial Position 2020-21**

Actual Spend 2019-20 £'000		Budget 2020-21 £'000	* Adjusted Actual 01/04/2020 to 30/06/2020 £'000	Projected Outturn 2020-21 £'000	Projected Over/ (Under) Spend £'000
	<b><u>Expenditure</u></b>				
315	Employees	324	82	349	25
249	Premises	314	65	311	(3)
155	Supplies, Services & Transport	144	33	146	2
99	Agency / Contractors	104	21	104	0
32	Administration	36	9	36	0
207	Capital Financing	882	5	882	0
<b>1,057</b>	<b>Gross Expenditure</b>	<b>1,804</b>	<b>215</b>	<b>1,828</b>	<b>24</b>
	<b><u>Income</u></b>				
(1,312)	Fees And Charges	(1,380)	(255)	(1,385)	(5)
(13)	Welsh Government Grant	0	(0)	(42)	(42)
(30)	BCBC Contribution	(29)	(29)	(29)	0
<b>(1,355)</b>	<b>Gross Income</b>	<b>(1,409)</b>	<b>(284)</b>	<b>(1,456)</b>	<b>(47)</b>
<b>(298)</b>	<b>(Surplus)/Deficit</b>	<b>395</b>	<b>(69)</b>	<b>372</b>	<b>(23)</b>
<b>(298)</b>	<b>Transfer (to)/from Reserve</b>	<b>395</b>	<b>(69)</b>	<b>372</b>	

\*Adjusted to include pro-rata commitments during the year

An explanation of the variances between the Budget and Projected Outturn is detailed below:

- The overspend of £25,000 on Employees is due to two Temporary Crematorium Technician's being employed in June 20, offset by an underspend of £17,000 on other salary costs. The two temporary posts will be funded from the Welsh Government Covid 19 Hardship Fund and the corresponding income is shown in the table under Welsh Government Grant.
- The underspend of £3,000 on premises is due to a saving against budget on Non Domestic Rates.
- The overspend of £2,000 on Supplies, Services and Transport is due to an overspend on cleaning materials.

- The additional income is made up of £42,000 from the Welsh Government Covid 19 Hardship Fund in respect of the two temporary technicians and £5,000 additional cremation fees.

4.6 The Capital Financing budget of £882,000 is broken down in the table below.

**Table 5 – Capital Works Budget 2020-21**

<b>2019-20</b>	<b>Budget 2019-20 £ 000</b>	<b>Spend to 30 June £ 000</b>	<b>Projected Outturn 2019-20 £ 000</b>
Flower Court Extension	520	0	520
Site Lighting	300	1	300
Chapel Sound System	42	4	42
Electricity Distribution Boards	20	0	20
<b>Total</b>	<b>882</b>	<b>5</b>	<b>882</b>

These costs will be met from the Capital Financing Costs budget identified in Table 4 above, which includes the underspends identified in 4.2.

## **5. Effect upon policy framework and procedure rules**

5.1 There is no impact on the Policy Framework and Procedure Rules.

## **6. Equality Impact Assessment**

6.1 There are no equality implications arising from this report.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The well-being goals identified in the Act have been considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **8. Financial implications**

8.1 These are reflected within the report

## **9. Recommendation(s)**

9.1 The Joint Committee is recommended to

(a) Approve the Annual Accounting Statement for Coychurch Crematorium for 2019-20 (**Appendix 2**), and request that the Chair of the Joint Committee signs the Annual Accounting Statement.

(b) Note the projected financial performance of Coychurch Crematorium for 2020-21.

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TREASURER TO THE COYCHURCH CREMATORIUM JOINT COMMITTEE  
4 SEPTEMBER 2020**

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**Background documents:** Report of the Treasurer  
Revenue Estimates 2020-21  
Coychurch Crematorium Joint Committee  
6 March 2020