



Mountsett Crematorium Joint Committee

Date Thursday 31 January 2019

Time 9.30 am

Venue Chapel - Mountsett Crematorium, Dipton

Business

Part A

[Items during which the Press and Public are welcome to attend.

**Members of the Public can ask questions with the Chairman's
agreement]**

1. Apologies for Absence
2. Minutes of the Meeting held on 27 September 2018 (Pages 3 - 8)
3. Declarations of Interest, if any
4. Mountsett Crematorium Performance and Operational Report:
(Pages 9 - 16)

Report of the Bereavement Services Manager.
5. Financial Monitoring Report - Position at 31/12/18, with Projected
Outturn at 31/03/19: (Pages 17 - 22)

Joint Report of the Corporate Director of Regeneration and Local
Services and Corporate Director of Resources and Treasurer to the
Joint Committee.
6. Provision of Support Services 2019/20: (Pages 23 - 36)

Joint Report of the Corporate Director of Regeneration and Local
Services and Corporate Director of Resources and Treasurer to the
Joint Committee.
7. Fees and Charges 2019/20: (Pages 37 - 44)

Joint Report of the Corporate Director of Regeneration and Local
Services and Corporate Director of Resources and Treasurer to the
Joint Committee.

8. 2019/20 Revenue Budget: (Pages 45 - 52)
Joint Report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee.
9. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration
10. Any resolution relating to the exclusion of the public during the discussion of exempt information

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

11. Update Report on Cremator Replacement and Extension:
(Pages 53 - 66)
Joint Report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee.
12. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
23 January 2019

To: **The Members of the Mountsett Crematorium Joint Committee**

Durham County Council:

Councillors: O Temple (Chairman), A Bainbridge, A Batey, J Carr, J Charlton, C Hampson, O Milburn, J Shuttleworth and B Stephens

Gateshead Council:

Councillors C Buckley, K Dodds, D Bradford (Vice-Chairman), L Green, S Green, J Lee and M Ord

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in **Chapel - Mountsett Crematorium, Dipton** on **Thursday 27 September 2018 at 9.30 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

Councillors A Batey, J Carr, J Charlton, C Hampson and O Milburn

Gateshead Council:

Councillors C Buckley, K Dodds, D Bradford (Vice-Chairman), J Lee and M Ord

1 Apologies for Absence, if any

Apologies for absence were received from Councillor A Bainbridge (Durham County Council and Councillors L Green and S Green (Gateshead Council).

2 Minutes of the Meeting held on 28 June 2018

The minutes of the meeting held on 28 June 2018 were confirmed as a correct record and signed by the Chairman.

3 Declarations of Interest

There were no declarations of interest.

4 External Auditor Annual Review of the Return for the Year Ended 31 March 2018

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which presented the External Auditors (Mazars LLP) Annual review of the Joint Committees Return for the year ended 31 March 2018.

The Head of Finance and Transactional Services advised that it was the first year that Mazars had been used for the external and from an officers point of view had proved to be a straight forward and smooth process to go through.

Resolved:

That the Joint Committee approve the Joint Committees Annual Return for the year ended 31 March 2018 including the External Report 2017/18 Certificate.

5 Quarterly Performance and Operational Report

The Joint Committee considered a report of the Bereavement Services Manager which provided an update relating to performance and other operational matters (for copy see file of Minutes).

The Bereavement Services Manager reported that 314 cremations had been undertaken during the quarter compared to 350 in the comparable period last year, a decrease of 36 year on year. The reduction in June could be attributed to the servicing of the two new cremators and the reduction in available cremation slots.

Regarding the sale of memorials it was noted that there had been a reduction in the number of memorials sold however this was as a result of a tender exercise being undertaken with regards to the plaque supplier and now the appointment had been made, applications were again being processed.

Moving on, the Bereavement Services Manager provided updates in respect of the green flag application and the Crematorium's success in retaining its Green Flag Award for the seventh year running. He further provided updates in respect of staffing, wi-fi connectivity and the website development. In addition, it was reported that a cheque for £5000 had been received from the recycling of metals scheme and a cheque for this sum had been presented to the Marie Curie charity by the Chair and Vice-Chair.

Further information was reported by the Bereavement Services Manager with regard to Audit recommendations and action taken relating to the Book of Remembrance Supplier and Document Retention.

Members also noted an update in respect of the replacement of cremators and Installation of Mercury abatement equipment and that further testing on the emissions would be undertaken next month to ensure compliance with legislation.

In conclusion the Bereavement Services Manager provided an update on the Service Asset Management Plan (SAMP) and the updates which had been made to provide further direction and highlight investment requirements for the Joint Committee.

Councillor K Dodds asked whether the issue of document retention and supplier or provider of scanning would be subject of a procurement exercise or whether there may be capacity within either Gateshead or Durham councils to undertake the work. The Bereavement Services Manager advised that the existing County Council supplier 'Box-It' may be able to assist however further information would be reported at a future meeting.

Councillor Charlton added that she had recently been at a crematorium out of the county and had noticed that they had a very useful screen installed along the walkway to the entrance of the crematorium to shield those attending from bad weather.

She therefore queried whether this could be looked at for Mountsett. The Bereavement Services Manager advised that this could be looked into and information would be reported back to the next meeting.

Moving on, Councillor Batey asked whether some clarification could be given as to the recycling of metals scheme and donations made as she had received a query as to why the money was not donated to the Chairman's Charity. Councillor Temple advised that the Crematorium was not a wholly owned DCC site as it was jointly owned by Gateshead Council and with such had an independent existence. In addition monies generated through the recycling of metals scheme had to be donated to bereavement related charities.

K Coulson-Patel, Solicitor advised that should the residents group who had enquired about the scheme require it, written confirmation could be provided.

Councillor Temple at this point added that he would like it to be placed on record the thanks and congratulation to the Staff at the Crematorium in achieving a Green Flag Award for the 7th year running, noting that the team did a fabulous jobs of maintaining the grounds to a very high standard.

Resolved:

That the the Mountsett Joint Committee:

- Note the current performance of the crematorium.
- Note the continued success with regards to the Green Flag Award.
- Note the appointment of the Business Administration Apprentice.
- Note the updated position with regards to the recycling of metals scheme.
- Note the updated position with regards to Wi-Fi connectivity.
- Note the progress with regards to the website development.
- Note the updated position with regards to the procurement of a supplier for entries in the Book of Remembrance.
- Note the updated position with regards to the procurement exercise relating to document retention.
- Note the current position with regards to the cremator replacement.
Note and approve the content of the Service Asset Management Plan attached at Appendix 3, which would be factored into budget planning in 2019/20 and beyond.

6 Financial Monitoring Report 2018/19: Position at 31/08/18 with Projected Outturn to 31/03/19

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2018 to 31 August 2018, together with the forecast outturn position for 2018/19, highlighting areas of over /underspend against the revenue budgets at a service expenditure analysis level (for copy see file of Minutes).

The report further went on to detail the funds and reserves of the Joint Committee at 1 April 2018 and forecast outturn position at 31 March 2019, taking into account the provisional financial outturn.

The Head of Finance and Transactional Services advised that the projected outturn was showing a surplus (Before transfers to reserves and distribution of surpluses to partner authorities) of £431,303 against a budgeted surplus of £304,314 (£126,989) more than the budgeted position. Details of the reasons for those significant variances were contained within the report, however he went on to highlight that there had been an over-achievement in the income budget of (£70,720) due to the number of cremations undertaken during the year and that this had in turn increased the amount of contribution to earmarked reserves.

Resolved:

That the April to August 2018 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2019, including the projected year end position with regards to the reserves and balances of the Joint Committee be noted.

7 Risk Register 2018/19 - Update

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which provided details of the half-yearly risk review in September 2018 (for copy see file of Minutes).

Councillor Bradford asked whether any of the recent issues which had been experienced with cremator equipment had any impact upon risks. The Head of Finance and Transactional Services advised that the Bereavement Services Manager had a robust approach to risk and health and safety and it was noted that the risks associated with the new cremators had been accounted for.

Resolved:

That the content of the report and updated position be noted.

8 Internal Audit Charter

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which sought agreement on the revised Internal Audit Charter to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plan for 2018/19 (for copy see file of Minutes).

Resolved:

That the content of the report be noted and that the Internal Audit Charter be approved by the Joint Committee.

9 Annual Review of the System of Internal Audit

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which provided details of a review of the effectiveness of the Durham County Council Internal Audit Service, which was carried out by the County Council's Audit Committee in June 2018 (for copy see of Minutes).

Resolved:

That the Joint Committee notes the report and the efficiency and effectiveness of the Durham County Council Internal Audit Service.

10 Budget Strategy Report

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which outlined a range of issues that were to be considered as part of the medium term budget strategy and set out proposals to increase the surplus distribution to both partners authorities from 2019/20 (for copy see file of Minutes).

The Head of Finance and Transactional Services advised that since 2009 there had been significant investment in the Mountsett Crematorium totalling £1,951,297, including major improvements works. Future improvement works had been identified and were included in the 4 year Service Asset Management Plan alongside budgets for the completion of each. It was noted that budgets would need to be increased slightly year on year to fund the proposed investments and this would need to be factored into the medium term budget forecast.

In addition, the Head of Finance and Transactional Services further noted that as the two cremators at the crematorium had just been replaced and mercury abatement installed, it was expected that these would have a life expectancy of 20 years and therefore the next cremator replacement programme was not scheduled until 2038. It was therefore considered prudent for the Joint Committee to build up the Cremator Reserve over the next ten years to cover this cost.

Moving on to discuss earmarked reserves, the Head of Finance and Transactional Services advised that at 31 March 2019 the projected reserves and balances totalled £631,864 (£300,000 of which had already been set aside for the cremator replacement programme).

The report went on to highlight the current fees and charges set by the Joint Committee and members noted that cremation fees at Mountsett remained the lowest in comparison with all other neighbouring facilities in the region.

The Head of Finance and Commercial Services therefore suggested that the joint committee may wish to review and increase the surplus distribution to both constituent authorities, bearing in mind all the factors outlined within the report.

Councillor Dodds added that whilst he agreed with the recommendation of the report he did suggest that further information may be required from the Bereavement Services Manager to determine whether any other issues could be seen to impact upon the budget for example, legislation changes regarding emissions following Brexit or changes to cremation methods which may require the purchase of new equipment.

The Head of Finance and Transactional Services advised that the crematorium maintained a healthy repairs and maintenance reserve to cover unforeseen costs. However, it was also important to note that the budget was set prudently and based on the average number of cremations undertaken, resulted in an over achievement of income. With regard to queries raised relating to changes to law and cremations methods the Head of Finance and Transactional Services suggested that the Joint Committee could review its distributable surplus at that time.

The Bereavement Services Manager further pointed out that current new methods of cremation being used in other countries were not licenced in the UK at this time, however the costs of such equipment were in the region of £400,000.

Councillor Batey in referring to paragraph 13 of the report queried why there was only a £10 increase in cremation charges in 2018/19 and should this not be increased further to fall more in line with regional comparators. She further queried whether it was anticipated that further extension works would be required to the crematorium in the future and could this lead to some unforeseen building costs.

Further discussion took place regarding works identified within the SAMP and it was noted that major maintenance and repairs such as the roof replacement, was included within the 4 year plan.

Councillor Bradford asked whether it was considered feasible to build up the cremator replacement reserve over 15 years rather than doing so over a shorter period of time. The Head of Finance and Transactional Services advised that this could be reviewed and the budget could be modelled accordingly. He further suggested that when the budget was considered in January information could be provided showing a breakdown of how the reserves could be built up over a number of years.

Councillor Charlton asked whether any information could be provided from other crematoriums on their charging policies and numbers of cremations undertaken. Councillor Temple advised Gateshead and Durham crematoriums were the only realistic comparators. The Head of Finance and Commercial Services advised that Durham Crematorium charges were the same however the numbers there were 800/900 higher than Mountsett.

M Morley, Gateshead Council advised that the numbers of cremations were not affected by price as many families want the service to be held within their locale.

Resolved:

- That the content of the report be noted
- That the joint committee approve the proposed increase in the fees and charges and surplus redistribution , as identified in the report; and
- That the Joint Committee agree to review the budget strategy and surplus redistribution in three years' time in preparation for the 2022/23 budget setting year.

Mountsett Crematorium Joint Committee**31 January 2019****Mountsett Crematorium Performance
and Operational Report****Report of Graham Harrison, Bereavement Services Manager****Purpose of the Report**

1. To provide Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters.

Performance Update - Number of Cremations

2. The table below provides details of the number of cremations for the period 1 September 2018 to 31 December 2018 inclusive, with comparative data in the same periods last year:

	2017/18	2018/19	Change
September	102	93	- 9
October	120	121	+ 1
November	105	116	+ 11
December	96	97	+ 1
TOTAL	423	427	+ 4

3. In summary there were 427 cremations undertaken during 1 September 2018 to 31 December 2018, compared to 423 in the comparable period last year, an increase of 4 year on year.
4. The profile of where families came from can be seen below:

Gateshead	116
Durham	218
Outside Area	93
Total	427

Memorials

5. The table below outlines the number and value (exc. VAT) of the memorials sold in the period September 2018 to December 2018 inclusive, with comparative data in the same periods last year:

	(Sept-December) 2017/18		(Sept-December) 2018/19	
	Number	£	Number	£
Large Plaques	9	3,780	8	3,360
Small Plaques	6	1,656	51	14,076
Total	15	5,436	59	17,436

6. In overall terms the number and value of memorials 59 / £17,436 compares to 15 / £5,436 in same period 2017/18, an increase of 44 / £12,000 year on year. This increase is down to the introduction of the small memorial towers around the grounds which have become very popular.

Operational Matters

7. Members may recall that a trainee crematorium operative took up his post on 13 June 2016 and since then he has become an important part of the team. He has recently passed the cremating exams and is fully qualified.
8. The member of staff has requested that his pay grade be increased from grade four to a grade five, to bring him in line with the other crematorium staff, who are qualified as a crematorium attendants.
9. Advice has been sought from Human Resources and to facilitate this request Members of the committee would need to approve the creation of a new crematorium attendant post. The new post would need to be advertised in the usual way and the trainee would be able to apply alongside other applicants.
10. If supported, this would equate to an increase in the salary budget of £576 per year, assuming the trainee was successful in securing the position and the trainee post was subsequently deleted from the establishment.

Green Flag Application

11. Members may recall from the September 2018 meeting that Mountsett Crematorium was successful in retaining its Green Flag Award for the seventh year running.
12. An application will be submitted for the 2019 Award and progress will be reported back to future meetings. A management plan to maintain the required standards will be updated and any required works will be covered by existing budgets.

Dedicated Website Development

13. Members may recall that it was agreed to look into the production of a dedicated website for the crematorium.
14. Discussions have been ongoing with our Digital and Customer Services team and it was hoped that this would be up and running before the end of March 2019, however the digital team are unable to have it ready by then and it is envisaged that it will now be ready by the end of June / early July 2019.

Recycling of Metals Scheme

15. Members may recall from the September 2018 meeting that Crematorium received a cheque for the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £5,000 for IF U CARE SHARE charity.
16. Arrangements were made for the cheque to be presented to IF U CARE SHARE by the Committee Chair and Vice Chair on 30 October and a photograph of the presentation is attached at Appendix 2.
17. A further round of nominations has been received and Winston's Wish Charity have been selected for the next available distribution of funds. This nomination has been submitted and I am currently awaiting a response.

Audit Recommendation – Supplier for Book of Remembrance Entries

18. The Internal Audit report earlier this year found that all entries into the Book of Remembrance are completed by one supplier due to the specialism of the work required. It was recommended that a procurement exercise be explored with the Procurement Team in order to ensure value for money whilst maintaining the quality of the Book of Remembrance.
19. The tender documents have been drawn up by the Procurement Team and will soon be advertised on the procurement portal.

Audit Recommendation - Document Retention

20. The Internal Audit report also found that documents were being retained for the required 15 years in paper form, however this requires a large amount of storage space. There is currently no scanning undertaken, but should this commence then the hard copies would only need to be retained for a year prior to disposal.

21. The Procurement Team commenced an exercise to look at the possibility of scanning all documentation, which would then be attached to BACAS and Members are provided with the following four options to consider.

Option 1 - Supplier One Scanning Facility

The Supplier One scanning facility has produced a varying quote which depends on the quality and condition of the original documents. The following tables will show costs for both the least expensive scenario to the most expensive scenario. The costs provided will include the transport and logistics of the records, secure scanning, storage and destruction and also an encrypted storage device for the converted records.

Quality and Condition of Documents	No. of Documents	Cost per Document	Total Cost
Good (Best Case)	413,820	£0.030	£12,415
Poor (Worst Case)	413,820	£0.050	£20,691

The figures are based on 18,810 records of 22 sheets per record.

Option 2 - Supplier Two Scanning Facility

The Supplier Two scanning facility is based in the region and has been used by other services within Durham County Council to complete scanning projects. The costs provided include the transport and logistics of the records, secure scanning, storage and destruction and also the hardware in the form of an encrypted storage device for the converted records. Please note these figures are based on the quality of the original document and prices may differ if quality is better/worse than expected.

Number of Documents	413,820
Cost Per Document	£0.040
Total Cost	£16,553

The figures are based on 18,810 records of 22 sheets per record.

Once the initial scan is complete bulk yearly scanning thereafter would incur an inflation related cost element per document. Supplier Two propose this to be an increase of £0.0025 per document per year and the annual cost per year based on 1,300 records below.

- 2019/20 – 28,600 documents x £0.0425 = £1,215
- 2020/21 – 28,600 documents x £0.0450 = £1,287
- 2021/22 – 28,600 documents x £0.0475 = £1,358
- 2022/23 – 28,600 documents x £1.0500 = £1,430

Option 3 - Supplier One Secure Storage

Supplier One are an Electronic Document Storage, Management and Shredding Company based in the region.

Advantages of using the Supplier One secure storage facility include:

- Secure barcoded scanning of each box from collection, during transit and into storage.
- Correct storage conditions for paper e.g. correct temperature, pest control
- Next day retrieval option. The retrieval cost stands at £10 per drop off and an 80p handling fee per box, collection is free to send boxes back into storage.

The one off initial costs to store all of the historic files are as follows:

Description	Cost
48 Boxes required, costing £19.40 per 10 boxes	£97.00
One off collection fee	£12.50
Handling fee, costing £0.80 per box	£38.40
Total one-off cost	£147.90

Subsequent Years – working of the basis that each year a year's worth of storage will be out of retention and therefore destroyed and the current year will be entering storage, the following shows costs of destroying 'out of retention' box records onsite at the Supplier One facility and shows the storage of remaining boxes plus that of the new boxes entering storage. These figures are based on the approximate number of boxes each year and therefore the figures are likely to differ slightly based on exact yearly records. For the purpose of this exercise the amount of boxes out of retention and the amount of boxes newly entering will be based on the approximate average per year so it will show no change in the amount of boxes in storage based on a 'one in – one out' approach.

Description	Cost
Storage per box per year, costing £2.35 per box	£112.80
Box destruction, costing £3.20 per box	£12.80
Handling fee costing £0.80 per box	£3.20
Total Annual cost	£128.80

Option 4 – Secure Storage for Past Records and Scan Records Going Forward

Documents for the previous 15 years could be moved to the secure storage facility mentioned in Option 3 and forms relating to 2018/19 onwards could be scanned on an annual basis at the end of each financial year. The costs relating to this option are as follows:

Description	Cost
One off cost for secure storage	£148
Annual storage costs	£129
Annual scanning costs (28,600 documents x £0.030)	£858
Total Annual Cost	£1,135

Recommended Option

Due to the significant costs associated with scanning all of the documents relating to the last 15 years it is recommended that Members approve Option 4, which will move the previous records into secure storage and scan records on an annual basis from 2018/19.

Internal Audit have confirmed that this is an acceptable solution. The cost of £1,135 will be factored into the 2019/20 budget.

Recommendations and Reasons

22. It is recommended that Members of the Mountsett Joint Committee:

- Note the current performance of the crematorium.
- Agree to the proposed creation a crematorium attendant post and the advertising of this position.
- Note the continued success with regards to the Green Flag Award.
- Note the updated position with regards to the development of the dedicated website.
- Note the updated position with regards to the recycling of metals scheme.
- Note the updated position with regards to the Book of Remembrance tender.
- Note the options available for the document retention and approve Option 4.

Contact: Graham Harrison, 03000 265606

Appendix 1: Implications

Finance

As identified in the report.

Staffing

As identified in the report.

Risk

There are no implications

Equality and Diversity / Public Sector Equality Duty

There are no implications

Accommodation

There are no implications

Crime and Disorder

There are no implications

Human Rights

There are no implications

Consultation

None, however, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium.

Procurement

There are no implications

Disability Issues

There are no implications

Legal Implications

As outlined in the report.

Appendix 2: Recycling of Metals Cheque Presentation



Cllr O Temple and Cllr D Bradford along with Dominic McDonough from IF U Care Share attending the cheque presentation.

**Mountsett Crematorium Joint Committee****31 January 2019****Financial Monitoring Report – Position at
31/12/18, with Projected Outturn at 31/03/19****Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources & Treasurer to the Joint Committee****Purpose of the Report**

1. This report sets out details of income and expenditure in the period 1 April 2018 to 31 December 2018, together with the forecast outturn position for 2018/19, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2018 and forecast outturn position at 31 March 2019, taking into account the provisional financial outturn.

Background

3. Scrutinising the financial performance of the Mountsett Crematorium is a key role of the Joint Committee. Regular (quarterly) budgetary control reports are prepared by the Treasurer and aim to present, in a user friendly format, the financial performance in the year to date together with a forward projection to the year end. Routine reporting and consideration of financial performance is a key component of the Governance Arrangements of the Mountsett Crematorium.

Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Regeneration and Local Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers quarterly budgetary control reports, with quarterly reports also being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Mountsett Crematorium are included within this report.
5. The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2018/19 £	Year to Date Actual April – December £	Probable Outturn 2018/19 £	Variance Over/ (Under) £
Employees	151,436	105,910	144,454	(6,982)
Premises	144,350	87,349	324,035	179,685
Transport	600	326	488	(112)
Supplies & Services	65,949	38,428	65,849	(100)
Agency & Contracted	9,520	4,752	5,560	(3,960)
Capital Charges	222,712	0	0	(222,712)
Central Support Costs	27,970	28,000	27,970	0
Gross Expenditure	622,536	264,765	568,356	(54,181)
Income	(926,850)	(709,282)	(1,015,050)	(88,200)
Net Income	(304,314)	(444,517)	(446,694)	(142,380)
Transfer to (from) Reserves				
- Repairs Reserve	15,000	0	15,000	
- Cremator Reserve	124,424	0	266,804	
- General Reserve				142,381
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	80,384	107,178	0
35% Gateshead Council	57,712	43,284	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2018 £	Estimated Transfers to Reserve £	Transfers From Reserve £	Forecast Balance @ 31 March 2019 £
Repairs Reserve	(39,370)	(15,000)	0	(54,370)
Cremator Reserve	(61,781)	(266,804)	13,755	(314,830)
General Reserve	(264,300)	(178,645)	164,890	(278,055)
Total	(365,451)	(460,449)	178,645	(647,255)

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen from the table above, the updated projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £446,694 against a budgeted surplus of £304,314, (£142,380) more than the budgeted position. This compares with the previously forecast position (based on actual performance to 31 August 2018) of a surplus of £431,303, £126,989 more than the budgeted position.

The improved position relates to efficiencies / underspending against expenditure budgets of £440 and additional income forecasted at £14,951. The following section outlines the reasons for any significant variances by subjective analysis areas:

6.1 **Employees**

The updated outturn projections show an underspend of (**£6,982**) in relation to employee costs. The reasons for this are identified below:

- The Business Admin Apprentice costs are lower than budgeted due to the Apprentice only starting in September and is forecast to underspend by (**£7,503**).
- The staff overtime budget is forecast to overspend by **£2,021** due to additional weekend working.
- The training budget will not be required this year resulting in an underspend of (**£1,500**).

6.2 **Premises**

The updated outturn projections indicate an overspend of **£179,685** in relation to premises costs this year. The reasons for this are identified below:

- The replacement of the exterior gates was not required, instead the gates were repaired, which has resulted in an underspend of (**£4,620**).
- The redecoration works were not completed in 2017/18 due to the bad weather and the external works being delayed and had to be completed in the current year resulting in an overspend of **£4,356**.
- Cremator servicing and repairs are forecast to underspend by (**£14,693**) due to the old cremators being replaced during 2017/18.
- Utility budgets are expected to overspend by **£21,317** due mainly to significant increases in electricity tariffs charged from April 2018.
- The funding of the remaining costs relating to the extension and new cremators are being funded directly through the revenue account and therefore this area of the budget is **£173,325** overspent. This overspend is offset by the capital charges underspend due to not having to take out a loan for the works.

6.3 **Supplies and Services**

The updated outturn projections shows a net underspend of (**£100**) in relation to supplies and services. The reasons for this are highlighted below:

- The one off purchases of a pressure washer and vac sweeper are underspent by (**£1,373**).

- Due to the projected numbers of cremations, medical referee expenditure is projected to overspend by **£1,732**.
- The website development is expected to underspend by **(£2,872)** due to it not being completed within year.
- Equipment purchase, rental and replacement is forecast to overspend by **£1,563** due to the Book of Remembrance VRS equipment needing replacing.
- Other sundry expenses are expected to overspend by **£850**.

6.4 Agency & Contracted

The updated outturn shows an underspend of **(£3,960)** in relation to agency and contracted services. The reasons for this are highlighted below:

- Environmental Protection Act testing will not need to be carried out due to the cremators being replaced, resulting in a underspend of **(£3,960)**

6.5 Capital Charges

The outturn shows an underspend of **(£222,712)** in relation to capital charges. The reasons for this are highlighted below:

- The loan from DCC for the Major Works will not now be required and instead paid from the Premises budget, resulting in an underspend of **(£222,712)**.

6.6 Income

An increase in income of **(£88,200)** from the 2018/19 budgeted position is included within the updated outturn projections. The reasons for this are identified below:

- The updated projection includes a forecast additional 105 more cremations compared to budget, totalling an over-achievement in the income budget of **(£71,400)**. The outturn allows for a total of 1,405 cremations against a budget estimate of 1,300 during the 2018/19 financial year.
- Memorial Plaque income is forecast to be **(£13,500)** higher than budget due to the niche units being available for purchase.
- Bank interest and vending machine income is forecast to be **(£3,300)** higher than budget.

6.7 Earmarked Reserves

Contributions to the earmarked reserves are **£204,161** more than originally budgeted, primarily due to the increase in cremation income during the year and a reduction in the Cremator Replacement and Extension costs.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£13,755)** is required in year. This results in a net transfer from the Cremator Replacement Reserve of **£253,049**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2019 are forecast to be **£369,200**, along with a General Reserve of **£278,055**, giving a forecast total reserves and balances position of **£647,255** at the year end

Recommendations and reasons

7. It is recommended that:

- Members note the April to December 2018 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2019, including the projected year end position with regards to the reserves and balances of the Joint Committee.

**Contact(s): Paul Darby 03000 261930
Ed Thompson 03000 263481**

Appendix 1: Implications

Finance

Full details of the year to date and projected outturn financial performance of the Mountsett Crematorium are included within the body of the report.

Staffing

There are no staffing implications associated with this report.

Risk

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager should mitigate the risks associated with achievement of the forecast outturn position.

Equality and Diversity / Public Sector Equality Duty

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report

Consultation

None. However, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the Joint Committee.

Procurement

None

Disability Issues

None

Legal Implications

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

Mountsett Crematorium Joint Committee

31 January 2019



Provision of Support Services 2019/20



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. This report outlines the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2019 to March 2020.

Background

2. A formal Service Level Agreement for Support Services provided by Durham County Council to the Mountsett Crematorium Joint Committee has been considered and approved by the Joint Committee for the past six years. As part of the budget setting for 2019/20, Members are now requested to consider the Support Services requirements for the coming year.
3. This report sets out details of the proposed SLA for the period 1 April 2019 to 31 March 2020 to cover the following functions:
 - Management Services
 - Financial Services
 - Administration Services (including Committee support)
 - Payroll Services
 - Human Resources Services

Service Level Agreement (SLA)

4. The SLA established for the provision of Support Service functions to the Joint Committee provides a commitment for both parties over the medium term. This includes the provision of Management advice and attendance at Joint Committee Meetings by the Head of Finance and Transactional Services, in addition to Accountancy, HR, Payroll, Creditor payment and Business Support / Administration Services.
5. The proposed SLA, attached at Appendix 2, has been developed in consultation with the Head of Finance and Transactional Services under the delegated responsibility of the Treasurer to the Joint Committee and reflects the nature of the current partnership, the services to be provided, the period of agreement and total estimated annual budget.

6. As in previous years, all work carried out directly on behalf of the Joint Committee will be recharged and the resultant budget requirement for Support Services is set out in the SLA. Details of all work to be carried out will be itemised so that costs are more transparent.
7. The proposed SLA considers the proportion of time spent by key staff undertaking the requirements of the Joint Committee. The proposed charge for 2019/20 is £28,430 (a 2% increase on the recharges levied in 2018/19). The applicable fee takes into consideration inflationary pressures such as the staff pay award.
8. The Support Service SLA is attached at Appendix 2 for consideration and approval by Members. Schedule 1 to the Appendix, as attached, provides a more detailed breakdown of the following functions and responsibilities:

Management Services

- Overall Support Service Management and attendance at Joint Committee Meetings.

Financial Services

- Preparation and Production of Revenue Budget
- Budget Monitoring and guidance
- Preparation and production of the Joint Committees Annual Return
- Review of the Effectiveness of Internal Audit
- Creditor payments and day to day cash flow management.
- Financial Appraisals and budget monitoring of Service Asset Management Plan works

Administration Services

- Committee and Secretarial services including the remit of Clerk to the Joint Committee (providing advice and guidance to Members).

Payroll Services

- Employee crematorium salary processing.

Human Resources Services

- Provision of Health & Safety advice and guidance in compliance with relevant Health and Safety legislation.
- Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
- Delivery and facilitation of staff training, recruitment and selection processes.

Recommendations

9. It is recommended that:-

- Members consider and approve the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2019/20.

Contact(s):	Paul Darby	03000 261930
	Ed Thompson	03000 263481

APPENDIX 1 – Implications

Finance

With the approval of a service level agreement costs in respect of the support service will be agreed in advance for the forthcoming year (subject to any agreed inflationary increase) and will cover a number of specified functions. This means that the cost of the service is more transparent and the committee has more control over the work areas covered. Details of how costs will be factored into the Joint Committee budget and how they will be recharged are shown in the Service Level Agreement.

Staffing

There are no staffing implications associated with this report. All staff are provided from within the various functional areas of Durham County Council.

Risk

Many tasks considered within the SLA must be completed within statutory deadlines and in line with changing guidance. By ensuring such tasks are delivered by staff who are appropriately experienced, qualified and competent and who receive adequate training and supervision, any relative risk will be minimised.

Equality and Diversity/ Public Sector Impact Duty

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Consultation

None. However, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment / raise any detailed queries on the contents of this report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The services outlined within this report will be provided in accordance with the guidelines and legislation relevant to each function.

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APPENDIX 2



Service Level Agreement

for the provision of Support Services to

**MOUNTSETT CREMATORIUM JOINT
COMMITTEE**

AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES

THIS AGREEMENT is made the [31st] of [January] **two thousand and nineteen**
BETWEEN DURHAM COUNTY COUNCIL ("the Council") **and MOUNTSETT**
CREMATORIUM JOINT COMMITTEE ("the Partnership")

1. PROVISION OF SERVICES

- 1.1. The Mountsett Crematorium Joint Committee engages the Council to provide Support Services as set out in Schedule 1 and in return for the payments as set out in Schedule 2.

2. DURATION

- 2.1. This agreement will be effective 1st April 2019 and will continue until 31st March 2020 ("the Term")

3. THE COUNCIL'S OBLIGATIONS

3.1. Services

- 3.1.1. The scope of the Support Services available to the Mountsett Crematorium Joint Committee is summarised in Schedule 1.

- 3.1.2. The Council will provide Support Services with all reasonable skill and care and in compliance with:

- The Accounts and Audit Regulations 2003 as amended by The Accounts and Audit (Amendment) (England) Regulations 2006, 2011 (Regulations)
- The Code of Practice on Local Authority Accounting in the United Kingdom
- All other relevant CIPFA guidelines, best professional practice and legislation
- The Local Government Act 2000 and other associated legislation
- All appropriate Employee and Health and Safety legislation
- The Joint Committee's relevant policies, rules, standing orders, procedures and standards. (These are the policies, rules, standing orders, procedures and standards of Durham County Council adopted by the Mountsett Crematorium Joint Committee)
- The terms and conditions of this agreement.

- 3.1.3. To ensure that the Services are delivered by such staff who are appropriately experienced qualified and competent and who receive adequate training and supervision.

3.1.4. To submit to the Joint Committee, a reconciliation of the charges for services provided during the year to be recharged to the Joint Committee in accordance with Schedule 2.

3.2. Accommodation

3.2.1. To provide at its own cost its own office accommodation, administrative support and services as may be necessary for the provision of Support Services.

3.3. Insurance

3.3.1. To ensure that adequate insurance cover is affected and maintained in respect of any property held by it for the purposes of this agreement, employee liability, public liability and liability for professional negligence.

4. THE JOINT COMMITTEE'S OBLIGATIONS

4.1. Support Services Fee Provision

4.1.1. To make available such Support Services provision as set out in Schedule 2 for the provision of agreed services for the year 2019/20 notwithstanding the contents of Schedule 2, the Support Services provision will be the subject of regular review and agreement by both parties as part of the Joint Committee's normal budget timetable. Final confirmation of the Support Services provision must be agreed no later than the 31st January in each year.

4.1.2. Both parties intend that the annual Support Services fee provision will be set at such a level as to cover the costs incurred by the Council in delivering the Central Support Functions.

4.1.3. The parties agree that, without affecting the annual Support Services fee provision and the principles set out in Schedule 2, at the Joint Committee's request;

- The percentage split between the service elements to be provided can be varied up to 10% provided always that the maximum number of days per element specified in Schedule 2 is not exceeded
- Crematorium Joint Committee being satisfied that any such changes will not have an adverse impact on the delivery of the service provision.

4.1.4. The parties agree that all variations, other than those referred to in the clause 4.1.3 above, require the expressed written consent of both parties.

4.1.5. To pay the Council annually the payments as set out in Schedule 2. The payment principles set out in Schedule 2 will apply for the purposes of determining the payments paid to the Council by the Joint Committee.

4.2. Service Delivery

- 4.2.1. The Joint Committee is required to make arrangements for:
- Allowing Council staff access to the Joint Committee's business premises if necessary at reasonable times for the provision of the Support Services.
- 4.2.1.1. The provision of suitable accommodation for the use of the Support Services on the Joint Committee's business premises, at its own cost, as may be necessary.
- 4.2.1.2. Agreed adherence to Durham County Council's Members Code of Conduct and Constitution.
- 4.2.1.3. Allowing Council staff access to all relevant assets, records (including those belonging to third parties, subject to the Joint Committee having lawful authority to do so) documents, correspondence, electronic files, software and other systems as may be necessary for the provision of the Service.
- 4.2.1.4. Allowing and facilitating where necessary direct access by the Head of Finance and Transactional Services / Principal Accountant: Direct Services, to the Chair of the Joint Committee and the Treasurer (or his nominated representative) for the purpose of delivering the relevant services.
- 4.2.1.5. Approving the Joint Committees Annual Return, Annual Governance Statement, Revenue Budget and all other Financial Reports.
- 4.2.1.6. Taking whatever action it considers necessary as a result of issues highlighted by the Head of Finance and Transactional Services.

5. MANAGEMENT OF THE SERVICE

- 5.1. Paul Darby, Head of Finance and Transactional Services is responsible for the overall management and delivery of the support service functions and will (under delegated responsibility) in practice fulfil the role of the Treasurer for the Joint Committee. Any queries arising from financial and other relevant reports and any general day to day enquiries about the service should be addressed to the Head of Finance and Transactional Services.
- In person at Durham County Council, County Hall, Durham
 - E-mail: paul.darby@durham.gov.uk
 - Telephone 03000 261930
- 5.2. The Head of Finance and Transactional Services will report to the Corporate Director of Regeneration and Local Services and to the Corporate Director of Resources and Treasurer to the Joint Committee and to the Mountsett Crematorium Joint Committee.
- 5.3. The Head of Finance and Transactional Services and the Bereavement Services Manager will meet periodically to review performance on delivering agreed services and agree any changes to the delivery of the Service.

Such meetings may be attended by other such persons as either party may wish.

- 5.4. The Corporate Director of Resources at the Council is ultimately responsible for the performance and effectiveness of services provided to the Joint Committee under this agreement. Any issues concerning any aspect of the delivery of the service or terms of this agreement that can not be satisfactorily resolved with Head of Finance and Transactional Services should be referred to the Council's Corporate Director: Resources.

Contact details are:

John Hewitt, Corporate Director: Resources
Durham County Council,
County Hall, Durham
e.mail:john.hewitt@durham.gov.uk
Telephone 03000 261943

- 5.5. The Principal Accountant: Direct Services (under delegated responsibility) will meet with the Bereavement Services Manager each financial year to consider the support service fee for the following financial year. Such meetings will be scheduled in line with the Joint Committee's annual budget timetable (final confirmation of the support service fee provision must be agreed no later than the 31st January in each year) and be attended by such other persons as either party may wish.
- 5.6. The Bereavement Services Manager is responsible for ensuring:-
- Responses to reports are received within timescales specified
 - Information is provided to substantiate the implementation of any recommendations when requested
 - Co-operation with Support Services staff when required
 - Timely contact with the Head of Finance and Transactional Services / Principal Accountant: Direct Services
 - Compliance with relevant Codes of Conduct and Durham County Council Policies and Procedures.

6. INFORMATION AND CONFIDENTIALITY

- 6.1. Each party will provide all information within its control necessary to enable the other to discharge its obligations under this agreement.
- 6.2. Neither party shall, without the written consent of the other party, make use of for its own purposes or disclose or allow to be disclosed to any person, (except as may be required by law or by an authorised body in evaluating the work undertaken e.g. external audit), this Agreement or any material connected with it.

7. DATA PROTECTION AND FREEDOM OF INFORMATION

- 7.1. Each party will:-
 - 7.1.1. Comply with the Data Protection Act 1998

Maintain the confidentiality of personal data to which it has authorised access under the terms of this Agreement.

Take reasonable technical and organisational measures against the unauthorised or unlawful processing of personal data and against the accidental loss or destruction of or damage to personal data (including adequate back up procedures and disaster recovery systems).

Provide such assistance and/or information reasonably required by the other in connection with any requests for information received by that party under the Freedom of Information Act 2000.

8. TERMINATION

- 8.1. Either party may terminate the agreement before the 1 April 2019 by giving the other not less than 3 months prior written notice.

9. VARIATION

- 9.1. The terms of this agreement may only be varied by written agreement signed by both parties

AS WITNESSED

Signed by:.....

Duly authorised for and on behalf of **DURHAM COUNTY COUNCIL**

Date

Signed by:.....

Duly authorised for and on behalf of the
MOUNTSETT CREMATORIUM JOINT COMMITTEE.

Date

Schedule 1

The following Support Services will be provided.

Management Services

1. Monitoring and reporting of progress made in the delivery of agreed services to the Mounsett Crematorium Joint Committee.
2. Report review and presentation of all Financial and other Support Services reports to the Joint Committee.

Financial Services

3. Preparation and Production of the Annual Revenue Budget for approval by the Mountsett Crematorium Joint Committee.
4. Review and setting of the Annual Fees and Charges taking into consideration inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc.
5. Revenue Budget Monitoring including the provision of sound financial advice.
6. Preparation of Monthly Payroll, Bank, Debtor and Creditor Reconciliations.
7. Production of the Joint Committees Annual Return for the Mountsett Crematorium Joint Committee and liaison with External Audit.
8. Timely processing and payment of all Mountsett Crematorium Joint Committee purchase order and direct invoices in line with BVPI 8 Regulations and Durham County Council payment terms via the SAGE system.
9. Financial Appraisals and Budget Monitoring of Service Asset Management Plan works.

Payroll Services

10. Monthly processing of all directly employed Mountsett Crematorium employee salaries and allowances.

Human Resources

11. Provision of Health and Safety Advice and guidance in compliance with relevant Health and Safety guidelines and legislation.
12. Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
13. Delivery and facilitation of the staff training, recruitment and selection processes.

Administration (including Committee support)

14. Distribution of Joint Committee Papers (including electronic distribution).
15. Provision of Committee and Secretarial Services including the remit of Clerk (providing advice and guidance on the constitutional issues and protocols) to the Joint Committee and processing any follow up requirements as appropriate.
16. Maintenance of Committee minutes and Indexing.

Advice

17. Provision of help and advice to the Bereavement Services Manager and other officers and nominated members of the Mountsett Crematorium Joint Committee on all Financial, and other Support Service function matters.

Schedule 2

BUDGET SCHEDULE

Support Service Area	2019/20
Management	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	5,060
Financial Services	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	11,100
Payroll Services	
Employee payroll processing	150
Human Resources	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	1,920
Administration (including Committee support)	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	3,950
Total	22,180

BASIS OF CHARGE

1. Charges in respect of the period 1 April 2019 to 31 March 2020 will be recharged to the Joint Committee using the existing methodology.
2. This SLA charge is in addition to the fixed term Audit SLA totalling £6,250 previously approved by members on 28 September 2016 for the period 2017/18 to 2019/20.

In overall terms the Support Service charge represents 2.3% of the gross turnover of the Joint Committee.

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Mountsett Crematorium Joint Committee



31 January 2019

Fees and Charges 2019/20



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. This report sets out details of the proposed fees and charges for Mountsett Crematorium for 2019/20.

Background Information

2. In reviewing existing charges or setting new charges inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc need to be fully taken into consideration.
3. The impacts of decisions made by the Central Durham Crematorium Joint Committee also need to be carefully considered. Members of the Joint Committee will recall that following Local Government Review in 2009 the fees and charges at the Mountsett Crematorium were harmonised with the charges at the Central Durham Crematorium. The cremation fees and charges were increased in 2018/19 by £30 (4.6%).

Fees and Charges 2019/20

4. The inflationary and cost pressures facing the crematorium along with the views of the Bereavement Services Manager with regards to the local market and customer impact from any proposed increase, benchmarking data on the charges levied in other neighbouring facilities, plus the fact that the crematorium has recently undertaken a major refurbishment are key factors in considering any increases in charges for 2019/20.
5. The current Medical Referee fee of £20 has not been reviewed since Local Government Reorganisation in 2009 and the medical practitioners have asked for a review due to difficulties covering their rota. £16.50 of the fee is paid to the medical practitioners and £3.50 is retained for administration at the Crematorium.
6. It is proposed to increase the Medical Referee fee to £30 from 2019/20 with £26.50 being paid to the medical practitioners and £3.50 retained for administration costs.

7. Taking the above into consideration, particularly the increase in Medical Referee costs and the above inflation increase in 2018/19, it is proposed that there is a £20 (2.9%) increase to the current cremation fees and charges for 2019/20.

Cremation Charges

8. The projected number of cremations in 2018/19 is 1,405 which is 9 more than the number of cremations delivered in 2017/18 and 105 higher than the budgeted position of 1,300. For 2019/20 budget setting purposes it has been assumed there will be 1,300 cremations next year – a prudent estimate.
9. The current 2018/19 fees and charges for the other neighbouring crematoria across the region, including the average total charge levied, is attached at Appendix 3, which indicates an average cremation fee of £779 (inclusive of medical referees fees and environmental surcharge). Increasing the current charges by £20 will mean that the total cremation fees levied for the Mountsett Crematorium in 2019/20 (inclusive of medical referee fees) will increase to £700 - £79 below the average charges levied across the region.
10. The table below shows the extra income that would be received with varying levels of cremation numbers and fee increases. The £20 increase for 1,300 cremations is expected to generate an additional £26,000 income, which is partially offset by £13,000 additional Medical Referee fees to pay to the medical practitioners.

No of Cremations	Increase in Fees £				
	£10	£20	£30	£40	£50
1,300	13,000	26,000	39,000	52,000	65,000
1,325	13,250	26,500	39,750	53,000	66,250
1,350	13,500	27,000	40,500	54,000	67,500
1,375	13,750	27,500	41,250	55,000	68,750
1,400	14,000	28,000	42,000	56,000	70,000

11. In terms of the charging policy for child cremations, it is proposed to retain the NIL fee. Members will see from Appendix 3 that neighbouring crematoria charges for these services range from £0 to £300.
12. It is proposed to introduce new charges from 2019/20 for the following:
 - Direct Cremation – Attended (No service) £590
 - Direct Cremation – Unattended (No service) £450
 - Service exceeding allocated time by 10 minutes or more £50
 - Service cancellation (less than 48 hours notice) £250
13. All other fees and charges at the Crematorium are proposed to remain at the same levels as 2018/19.

14. A full schedule of the proposed fees and charges for Mountsett Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for Members' information.

Recommendations and Reasons

15. It is recommended that:

- Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2019, which seeks to increase the cremation by £20 (2.9%) per crematorium from £680 to £700.
- The proposed fees and charges are incorporated into the 2019/20 budget.

Background Papers

2018/19 Budget and Financial Monitoring Reports
2019/20 Budget Working Papers

Contact(s):	Paul Darby	03000 261 930
	Ed Thompson	03000 263 481

Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for Mountsett Crematorium is included at Appendix 2. These proposals have been factored into budget proposals for 2019/20.

Staffing

There are no staffing implications associated with this report.

Risk

The sensitive pricing of services is essential to maintain the competitiveness and reputation of Mountsett Crematorium in the current economic climate. The proposed standstill in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets. Charging information will be publicised in advance and communication carefully handled.

Equality and Diversity/Public Sector Equality Duty

The proposals set out in this report are based on a harmonised fees and charges policy with the Central Durham Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

None

Consultation

None. However, officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2019-20

	2018/2019 Charges incl VAT (where appropriate)	Proposed Charges 2019/2020 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
				£	£
Cremation Charges					
Non-Viable Foetus	-	-	O	£0	0.00%
Child - up to one month old	-	-	O	£0	0.00%
Child - up to 18 years old	-	-	O	£0	0.00%
Medical Referees Fees	20.00	30.00	O	£10	50.00%
Body Parts	9.00	9.00	O	£0	0.00%
Adult - 18 years of age or over (Certificate of Cremation and scattering of cremated remains included)					
Off Peak Service Time - 09:30 am	580.00	590.00	O	£10	1.72%
Peak Service Times - 10:15 am onwards, every 45 mins	660.00	670.00	O	£10	1.52%
Saturdays	990.00	1,000.00	O	£10	1.01%
Direct Cremation - Attended (No service)	-	590.00	O	£590	New Charge
Direct Cremation - Unattended (No service)		450.00	O	£450	New Charge
Surcharges					
Non Resident (Adult)	-	-	O	£0	0.00%
Environmental surcharge	-	-	O	£0	0.00%
Book of Remembrance					
2 line entry Book of Remembrance	53.00	53.00	S	£0	0.00%
3 line entry Book of Remembrance	71.00	71.00	S	£0	0.00%
4 line entry Book of Remembrance	89.00	89.00	S	£0	0.00%
5 line entry Book of Remembrance	106.00	106.00	S	£0	0.00%
6 line entry Book of Remembrance	124.00	124.00	S	£0	0.00%
7 line entry Book of Remembrance	142.00	142.00	S	£0	0.00%
8 line entry Book of Remembrance	159.00	159.00	S	£0	0.00%
Crest, floral emblem, coats of arms etc.	74.00	74.00	S	£0	0.00%
2 Line Memorial card	23.00	23.00	S	£0	0.00%
3 Line Memorial card	24.00	24.00	S	£0	0.00%
4 Line Memorial card	25.00	25.00	S	£0	0.00%
5 Line Memorial card	26.00	26.00	S	£0	0.00%
6 Line Memorial card	27.00	27.00	S	£0	0.00%
7 Line Memorial card	28.00	28.00	S	£0	0.00%
8 Line Memorial card	29.00	29.00	S	£0	0.00%
Crest, floral emblem, coats of arms etc.	74.00	74.00	S	£0	0.00%
2 Line Miniature Book	33.00	33.00	S	£0	0.00%
3 Line Miniature Book	34.00	34.00	S	£0	0.00%
4 Line Miniature Book	35.00	35.00	S	£0	0.00%
5 Line Miniature Book	36.00	36.00	S	£0	0.00%
6 Line Miniature Book	37.00	37.00	S	£0	0.00%
7 Line Miniature Book	38.00	38.00	S	£0	0.00%
8 Line Miniature Book	39.00	39.00	S	£0	0.00%
Crest, floral emblem, coats of arms etc.	74.00	74.00	S	£0	0.00%
Memorials (including cost of plaque)					
Seat - Lease for 10 years	1,042.00	1,042.00	E/S	£0	0.00%
Columbaria Unit - Lease for 20 years	1,240.00	1,240.00	E/S	£0	0.00%
Small Plaques - Lease for 10 years	276.00	276.00	E/S	£0	0.00%
Outside Large Plaques - Lease for 10 years	420.00	420.00	E/S	£0	0.00%

SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2019-20

	2018/2019 Charges incl VAT (where appropriate)	2019/2020 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
				£	%
Memorial Renewal					
Seat - Lease for 10 years	610.00	610.00	E/S	£0	0.00%
Columbaria Unit - Lease for 20 years	835.00	835.00	E/S	£0	0.00%
Small Plaques - Lease for 10 years	96.00	96.00	E/S	£0	0.00%
Outside Large Plaques - Lease for 10 years	159.00	159.00	E/S	£0	0.00%
Memorial Replacement					
Small Plaques - Replacement	110.00	110.00	E/S	£0	0.00%
Outside Large Plaques - Replacement	128.00	128.00	E/S	£0	0.00%
Visual Tributes (Wesley Music System)					
Webcast	36.00	36.00	S	£0	0.00%
DVD	36.00	36.00	S	£0	0.00%
Extra DVD	21.60	21.60	S	£0	0.00%
CD	36.00	36.00	S	£0	0.00%
Extra CD	15.59	15.59	S	£0	0.00%
Visual tribute admin fee	10.00	10.00	S	£0	0.00%
Visual tribute per photograph (admin fee to be paid first)	1.20	1.20	S	£0	0.00%
Video tribute per minute (admin fee to be paid first)	3.60	3.60	S	£0	0.00%
Additional Charges					
Use of Chapel only					
Between 10.15am and 2.45pm	600.00	600.00	E	£0	0.00%
Before 10.15am or after 2.45pm	200.00	200.00	E	£0	0.00%
Extension of cremation service by 30 minutes	100.00	100.00	E	£0	0.00%
Service exceeding allocated time by 10 minutes or more	-	50.00	E	£50	New Charge
Service cancelation - less than 48hrs notice	-	250.00	E	£250	New Charge
Organist	35.00	35.00	S	£0	0.00%
Urn	6.00	6.00	E	£0	0.00%
Scatter Tubes	12.00	12.00	S	£0	0.00%
Small Scatter Tubes	6.00	6.00	S	£0	0.00%
Mini Scatter Tubes	3.00	3.00	S	£0	0.00%
Scattering of cremated remains from another Crematorium in lawn area	50.00	50.00	S	£0	0.00%

Appendix 3

Proposed Mountsett 19/20	Cremation Fees £	2018/19										Proposed Durham 19/20 *
		Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	North Tyneside		
670.00	Adult	850.00	773.00	653.00	675.00	735.00	671.00	700.00	668.00	727.00	670.00	
-	Environmental surcharge	Inc above	55.00	47.00	60.00	Inc above	72.00	50.00	72.00	Inc above	-	
30.00	Medical Referees Fees	Inc above	20.00	39.00	Inc above	Inc above	39.00	30.00	47.50	27.50	30.00	
700.00		850.00	848.00	739.00	735.00	735.00	782.00	780.00	787.50	754.50	700.00	

Average of Benchmarking Group Cremation Fees **779.00**

Other Charges

Proposed Mountsett 19/20	Other charges £	Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	North Tyneside	Proposed Durham 19/20 *
-	Non-viable Foetus	-	-	-	-	70.00	-	-	-	-	-
-	Child - up to one month	-	-	-	-	70.00	-	-	-	-	-
-	Child - up to 16 years	-	300.00	-	-	219.00	-	-	-	-	-
670.00	Non Resident (Adult)	850.00	773.00	688.00	675.00	735.00	721.00	800.00	668.00	727.00	670.00
1,000.00	Adult - Saturday cremation	1,275.00	No Cremations on a Saturday	No Cremations on a Saturday	763.00	No Cremations on a Saturday	1,118.00	1,050.00	No Cremations on a Saturday	1,090.00	1,000.00
53.00	2 line entry Book of Remembrance	137.00	70.00	70.00	66.00	64.00	42.00	60.00	76.00	60.00	53.00
Use of Chapel only:											
600.00	Between 10.15am and 2.45pm	317.50	100.00	252.00	125.00	107.00	151.00	140.00	154.50	90.00	600.00
200.00	Before 10.15am or after 2.45pm	317.50	100.00	252.00	125.00	107.00	151.00	140.00	154.50	90.00	200.00

* Subject to consideration by the Central Durham Crematorium Joint Committee 30th January 2019

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Mountsett Crematorium Joint Committee

31 January 2019

2019/20 Revenue Budget



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. To set out for Members' consideration proposals with regards to the 2019/20 revenue budgets for the Mountsett Crematorium.

Background Information

2. The 2019/20 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2018/19 forecast outturn position and known expenditure pressures in the coming year.

Budget Proposals 2019/20

3. The proposed 2019/20 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium. Members should note that the main changes from the 2018/19 budget are as follows:

Employees

4. The 2019/20 budget has been increased by **£2,139** due to the impact of the pay award and incremental progression.

Premises

5. The base budget has increased by **£33,182** from 2018/19. The main reasons for this are as follows:

- The repairs and maintenance budgets include provision for the scheduled works in 2019/20 as per the Service Asset Management Plan. The net result of the removal of the 2018/19 works schedule and the inclusion of the 2019/20 requirements is an increase in the base budget of **£18,000** year on year. Provision for the following works are included in 2019/20 budgets:

➤ Redecoration Works	£15,000
➤ Carry out re-lining of 2 hearths	£8,500
➤ Carry out plot extension	£10,500
➤ Carry out re-roofing works	£20,000

- The Business Rates budget has increased by **£3,079** due to the annual rate increase.
- Utility budgets have been amended to reflect the 2018/19 projected outturn, which has resulted in an overall increase of **£16,051**.
- Cremator servicing and repair budgets have decreased by **(£3,948)** to reflect the new service contract.

Supplies and Services

6. These budgets have been increased by **£12,695** in 2019/20, details below:-

- The supplies and services budgets include the Service Asset Management Plan scheduled works in 2019/20. The net result of the removal of the 2018/19 works schedule and the inclusion of the 2019/20 requirements is a reduction in the base budget of **(£1,000)**. Provision for the following works are included in 2019/20 budgets:

➤ Carry out replacement of service books	£3,000
--	---------------
- Other general supplies and services budgets have been increased by **£695**.
- The Medical Referee fees have increased from £16.50 to £26.50 per form. This has resulted in an increase of **£13,000** from 2018/19

Agency and Contracted

7. The Agency and Contracted Services budget has been increased by **£40** to reflect the environmental licence fee.

Capital Financing Costs

8. The 2018/19 budget included repayment of a loan from Durham County Council to finance the Cremator Replacement and Extension project of **£222,712**. However the loan was not needed and therefore this has been removed from the 2019/20 budget

Support Service Costs

9. The 2019/20 budget factors in the proposed increase of **£460** in the SLA for the provision of Support Service as detailed in a previous report.

Income

10. The income budget has been increased by **(£28,200)**. This is due to a combination of the following factors:

- An element of prudence has again been factored into the income budget proposal for next year. The projected outturn as at 31 December 2018 assumes an increase of 105 cremations against the 2018/19 budgeted number of cremations 1,300. In preparing the 2019/20 budget the estimated number of cremations has been kept at 1,300. Along with the proposal to increase the cremation charges to £700 the cremation fee income budget has increased by **(£26,000)**

- In consideration of the 2018/19 projected outturn, the Plaque income budget has been increased for 2019/20 by (**£2,000**).
 - The interest budget has increased by (**£1,500**) due to the forecast increasing level of balances and higher interest rates earned.
 - The CAMEO budget has been reduced by **£1,300** to reflect the environmental surcharge rebate and the expected reduction in TMAC rates.
11. Should cremation numbers be maintained in line with those estimated in 2018/19 and realised in previous years then a reasonable surplus would again be generated in 2019/20.

Surplus Redistribution

12. The 2019/20 budget includes an increase in the surplus distribution of **£185,110** from 2018/19, in line with the Budget Strategy report which Members approved in September 2018. The revised allocations and increase in 2019/20 are as follows
- Durham County Council - £227,500 (+£120,322)
 - Gateshead Council - £122,500 (+£64,788)

Earmarked Reserves

13. The transfer to the Repairs Reserve next year is budgeted in line with the 2018/19 level at **£15,000**.
14. In line with the Reserves Policy, the surplus created after all of the above factors have been taken into account necessitates a transfer from the Cremator Reserve. The Reserves Policy requires a General Reserve equal to 30% of the Joint Committees income budget. This results in a required transfer from the Cremator Reserve to the General Reserve of **£8,460**. The forecast net increase to the Cremator Reserve is therefore budgeted to be **£133,249** in 2019/20.
15. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2020, taking into account the 2018/19 Quarter 3 budgetary control report, the 2019/20 budget and the proposed transfers to / from earmarked reserves are as follows:
- General reserve of £286,515, an increase of £8,460 (3.04%) from 2018/19
 - Retained Reserves of £517,449 an increase of £352,410 (213.5%) from 2018/19

The estimated total reserves as shown in Appendix 2 at 31 March 2020 are **£803,964**.

16. Members should note that the 2019/20 budget proposal incorporates £57,000 of one off expenditure requirements which will provide further scope in the 2020/21 budget setting round.

17. The estimated economic life of the cremators is 15 years and the long term budget strategy for the Joint Committee forecasts a minimum annual contribution of £100,000 to the Cremator Reserve. Members can therefore have assurance that the reserve will have sufficient funds to meet the replacement cost of the cremators in 15 years time.
18. Notwithstanding this, should there be an urgent need to replace the cremators, this could be financed immediately by a combination of the Cremator Reserve and a 10 year annuity loan, which would be repaid from the estimated £100,000 annual contribution to the Cremator Reserve.

Recommendations and Reasons

19. It is recommended that:
 - Members of the Joint Committee note and approve the budget proposals contained within the report (as set out at Appendix 2).
 - Members note the forecast level of reserves and balances at 31 March 2020 (also set out at Appendix 2).

Background Papers

- 2018/2019 Budget and Financial Monitoring Reports
- 2019/2020 Budget Working Papers
- 2019/2020 Fees and Charges report.

Contact(s):	Paul Darby	03000 261 930
	Ed Thompson	03000 263 481

Appendix 1: Implications

Finance

The proposed budget for the Mountsett Crematorium is included at Appendix 2, with an explanation of year on year changes set out in the body of the report.

Staffing

The employee budget provides for 6 members of staff.

Risk

The budgets take into account the 2018/19 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year. The budget also considers one off expenditure requirements for 2019/20. Knowledge of these requirements ensures that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Mountsett Crematorium in the current economic climate. The proposed standstill in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets.

Equality and Diversity/Public Sector Equality/ Duty

The income proposals set out in this report are based on a harmonised fees and charges policy with the Central Durham Crematorium and provide equity of treatment/access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

None

Consultation

None, however officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/ raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The Mountsett Crematorium Joint Committee is required to set a balanced budget and the budget proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

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APPENDIX 2

MOUNTSETT CREMATORIUM 2019/20 BUDGET				
2017/2018 Actual Outturn (Memo Info)	2018/2019 Base Budget	2018/2019 Projected Outturn (QTR3)		2019/2020 Base Budget
£	£	£		£
143,005	151,436	144,454	EXPENDITURE	
1,668,766	144,350	324,035	Employees	153,575
462	600	488	Premises	177,532
94,773	65,949	65,850	Transport	600
7,128	9,520	5,560	Supplies and Services	78,644
0	222,712	0	Agency & Contracted	9,560
27,450	27,970	27,970	Capital Financing Costs	0
			Support Service Costs	28,430
1,941,584	622,536	568,356	Gross Expenditure	448,341
(948,671)	(926,850)	(1,015,050)	INCOME	(955,050)
992,913	(304,314)	(446,694)	Net Income	(506,709)
			Transfer to/from Reserves	
39,370	15,000	15,000	- Repairs Reserve	15,000
61,781	124,424	266,804	- Cremator Reserve	141,709
264,300	0	0	- General Reserve	0
365,451	(164,890)	(164,890)	Distributable Surplus	(350,000)
57,712	57,712	57,712	35% Gateshead Council	122,500
107,178	107,178	107,178	65% Durham County	227,500

Actual Balance @ 31/03/18	Budget Earmarked Reserves Balance @ 31/03/18	Revised (QTR3) Forecast Balance @ 31/03/19	Reserve	Transfer to Reserve	Transfer from Reserve	Budget Forecast Balance @ 31/03/20
£	£	£		£	£	£
39,370	(54,370)	(54,370)	Repairs Reserve	(15,000)	0	(69,370)
61,781	(110,669)	(314,830)	Cremator Reserve	(141,709)	8,460	(448,079)
264,300	(278,055)	(278,055)	General Reserve	(358,460)	350,000	(286,515)
365,451	(443,094)	(647,255)	TOTAL	(515,169)	358,460	(803,964)

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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