



## **Mountsett Crematorium Joint Committee**

**Date** Tuesday 28 January 2020

**Time** 9.30 am

**Venue** Chapel - Mountsett Crematorium, Dipton

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### **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. Substitute Members
3. Minutes of the Meeting held on 24 September 2019 (Pages 3 - 8)
4. Declarations of Interest, if any
5. Quarterly Performance and Operational Report - Report of the Bereavement Services Manager and Registrar (Pages 9 - 14)
6. Financial Monitoring Report - Position at 31/12/2019, with Projected Revenue and Capital Outturn at 31/03/2020 - Joint Report of Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 15 - 22)
7. Provision of Support Services 2020/21 - Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 23 - 36)
8. Fees and Charges 2020/21 - Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 37 - 46)
9. External Audit Arrangements 2019/20 to 2021/22 - Joint report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 47 - 52)

10. 2020/21 Revenue Budget - Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 53 - 60)
11. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.
12. Any resolution relating to the exclusion of the public during the discussion of items containing 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)**

13. Minutes of the meeting held on 24 September 2019 (Pages 61 - 64)
14. Update Report on Cremator Replacement and Contingency Planning - Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Interim Corporate Director of Regeneration and Local Services (Pages 65 - 92)
15. 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  
20 January 2020

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

#### **Durham County Council**

Councillors: O Temple (Chair), A Bainbridge, A Batey, J Carr, J Charlton, C Hampson, O Milburn, S Robinson and B Stephens

#### **Gateshead Council**

Councillors K Dodds, D Bradford (Vice-Chair), Burnett, L Green, S Green, J Lee and M Ord

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**Contact: Amanda Stephenson      Tel: 03000 269 712**

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## DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Mountsett Crematorium, Dipton on **Tuesday 24 September 2019 at 9.30 a.m.**

**Present:**

**Councillor O Temple in the Chair**

**Durham County Council**

Councillors A Bainbridge, J Carr, J Charlton and C Hampson

**Gateshead Council:**

Councillors D Burnett, J Lee, M Ord and Burnett

### **1 Apologies for Absence**

Apologies for absence had been received from Councillors A Batey, S Robinson, B Stephens (Durham County Council) and D Bradford, K Dodds, L Green and S Green (Gateshead Council).

### **2 Substitute Members**

There were no substitutes.

### **3 Minutes**

The minutes of the meeting held on 24 June 2019 were confirmed as a correct record and signed by the Chair.

The Chair requested that part B minutes should be circulated at each meeting in order to keep a trail of works ongoing. He apologised at not requesting this item for this meeting.

Councillor O Temple welcomed Councillor D Burnett to the meeting. Councillor Burnett had replaced Councillor M Charlton as a representative from Gateshead Council.

### **4 Declarations of Interest**

There were no declarations of interest.

## **5 External Audit Annual Review of the Return for the year ended 31 March 2019**

The Joint Committee noted a joint report of Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee which presented the external Auditors Annual Review of the Joint Committee return for the year ended 31 March 2019 (for copy see file of minutes).

The Head of Finance and Transactional Services informed the Joint Committee that the Annual Governance and Accountability return for the year ended 31 March 2019 had recently been received and a copy of the 2018/19 certificate had been circulated to the Joint Committee as a supplementary report previous to the meeting (for copy see file of minutes).

It was pleasing to note that no material weaknesses had been identified and there were no matters to bring to the attention of the Joint Committee.

Councillor O Temple thanked all staff involved for their hard work and diligence in producing a set of well-presented accounts.

## **6 Mountsett Crematorium Performance and Operational Report**

The Neighbourhood Protection Manager provided the Committee with a quarterly update on performance and operations on behalf of the Bereavement Services Manager who was attending the Institute of Cemetery and Cremation Management Learning Convention and Exhibition (for copy see file of minutes).

The Joint Committee noted that the number of cremations had increased by 12 from the previous year. The increase was linked to families utilising the service from outside the Gateshead and Durham areas, given that Mountsett Crematorium was one of the cheapest crematoriums in the region. The increase could also be attributed to direct cremations, whereby families could choose to have no service and just a cremation alone, which made it cheaper. It was clear that funeral poverty remained an issue. Direct cremations were a growing trend nationally and demonstrated that there was demand for this type of cremation.

There was a designated area within the grounds of Mountsett Crematorium where families could now place a plaque in memory of their loved ones and scatter ashes. This had increased the number and value of memorials sold from the previous year.

Mountsett Crematorium had achieved the Green Flag Award for the eighth year running. This was down to all the hard work achieved by staff working at the Crematorium.

The Joint Committee agreed to advertise for two Relief Crematorium Attendant posts. One post was successfully filled with the other post being re-advertised in the hope of finding a suitable candidate.

The Neighbourhood Protection Manager informed the Joint Committee that work would soon be underway to explore a new greener alternative to cremation and burial involving water. The process called 'resomation' was more environmentally friendly and would provide customers with more choice. A further report would be brought back to the Joint Committee in due course.

The Service Asset Management Plan (SAMP) had been updated to include budget pressures and divisions of works into different priorities and how the work was planned.

There was a proposal that a non-living metal memorial tree could be included in the types of memorials that Mountsett Crematorium could offer. The tree would allow families to purchase an inscribed leaf and attached to the tree. The tree would then grow over time with all the leaves being placed on it. This would expand the types of memorials offered and provide customers more choice and provide a return.

Councillor Burnett wished to know how Mountsett Crematorium was determined to be the cheapest and was this based on a national costing. The Neighbourhood Protection Manager explained that the Joint Committee had considered its pricing approach previously by comparing the costs of other local crematoria and by taking into account the poverty agenda against investments made.

The Head of Finance and Transactional Services further explained that there were no national regulations on setting prices for cremations. Each Council or privately-owned crematorium set their own charges for the services provided on an annual basis as part of the budget setting process. Charges for Mountsett Crematorium were harmonised with Durham Crematorium. Generally, each facility was different dependent on the aged of cremator and types of service offered.

Councillor A Bainbridge noted that all staff should be commended for all their hard work for the green flag award. Councillor O Temple followed by stating that the commendations should also include all staff who worked on producing a clean audit report.

**Resolved:**

- I. That the report be noted; and
- II. That the success with regards to the Green Flag Award be noted; and
- III. That the updated position with regards to the Relief Crematorium Attendants be noted; and

- IV. That a report on Resomation Cremations be scheduled for a future meeting; and
- V. That the contents of the Service Asset Management Plan be noted and approved to be factored in to the budget planning in 2020/21 and beyond.

## **7 Financial Monitoring Report - Position at 31/08/19, with Projected Revenue and Capital Outturn at 31/03/20**

The Joint Committee noted a Joint report of Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee which set out details of the provisional outturn position for 2019/20 and the projected level of reserves and balances as at 31 March 2020 (for copy see file of minutes).

The Joint Committee noted the work undertaken around the latest forecasting to the end of the financial year in relation to over and underspends.

At present there was a project underspend of revenue of £29,000 and an over achievement of £29,000 making a net surplus of £59,000. Reference was made to external revenue which had increased from £623,554 to £839,103 by the end of the financial year.

The Joint Committee would receive an update at its next meeting of outturn based on actual income and expenditure up to the end of August 2019.

## **8 Risk Register Update 2019/20**

The Joint Committee noted a joint report of Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee regarding the risk register update for 2019/20. The register was reviewed continuously throughout the year with the Head of Internal Audit and Risk (for copy see file of minutes).

The Head of Internal Audit and Risk explained that the register included the inclusion of a new risk, “risk of a suspension notice under Regulation 37, Environmental Permitting Regulations 2016, leading to a partial cessation of operations at Mountsett Crematorium” which replaced the former ‘Failure of Cremators’ risk.

Risk 7, relating to “Data Breach” had been reduced as the Crematorium had moved towards holding electronic data whereby more historic data had been moved off-site and stored securely with Boxit.

Seventy percent of transactions were now being made by BACS which had helped reduced risk 8 relating to “loss of income/money”.

## **9 Internal Audit Charter**

The Chief Internal Auditor and Corporate Fraud Manager presented a revised Internal Audit Charter for 2019/20 (of copy see file of minutes).

The Charter set out how audit was carried out in accordance with the relevant codes and guidance and established Internal Audit's position within the organisation, including the nature of the Chief Internal Auditor and Corporate Fraud Manager's functional reporting relationship with the Joint Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defined the scope of internal audit activities. The Charter was subject to annual review by the Chief Internal Auditor and Corporate Fraud Manager.

### **Resolved**

That the Internal Audit Charter attached at Appendix 2 of the report be approved.

## **10 Annual Review of the System of Internal Audit**

The Joint Committee noted 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 2019. (for copy see file of minutes).

The information provided within the report demonstrated the efficiency and effectiveness of the Durham County Council Internal Audit Service, which the Joint Committee duly noted.

## **11 Provision of Internal Audit and Risk Management Services 2020-2023**

The Chief Internal Auditor and Corporate Fraud Manager presented the Joint Committee with proposals for the continued delivery of the Internal Audit and Risk Management Services by Durham County Council to cover the period April 2020 to March 2023 (for copy see file of minutes).

### **Resolved:**

- I. That the Internal Audit and Risk Management Services SLA with Durham County Council covering the next three financial years attached at appendix 2 be approved.
- II. That the annual audit and plan and fee set out in section 2 of the report be approved.

## **12 Exclusion of the public**

That under Section 100 A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the said Act.

## **13 Update Report on Cremator Replacement and Contingency Planning**

The Joint Committee considered a joint report of Corporate Director of Regeneration and Local Services and the Corporate Director of Resources and Treasurer to the Joint Committee regarding an update on the Cremator replacement and the Contingency Planning (for copy see file of minutes).

### **Resolved**

That the recommendations contained in the report be agreed.

**Mountsett Crematorium Joint Committee**

**28 January 2020**

**Performance and Operational Report**



**Report of Graham Harrison, Bereavement Services Manager & Registrar**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

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

**Executive summary**

- 2 This report provides Members of the Mountsett Crematorium Joint Committee with a quarterly update of performance and operational matters at the crematorium.

**Recommendation(s)**

- 3 It is recommended that Members of the Mountsett Joint Committee:
  - (a) Note the current performance of the crematorium.
  - (b) Note the continued success with regards to the Green Flag Award.
  - (c) Note the current situation with regards to the relief crematorium attendant's position.
  - (d) Agree to create a full time Technical Assistant post.
  - (e) Note the updated position with regards to the recycling of metals scheme
  - (f) Note the completion of the crematorium website.

## Background

- 4 Update reports relating to performance and other operational matters are presented to the Mountsett Crematorium Joint Committee on a quarterly basis.

## Performance Update - Number of Cremations

- 5 The table below provides details of the number of cremations for the period 1 September 2019 to 31 December 2019 inclusive, with comparative data in the same periods last year:

	<b>2018/19</b>	<b>2019/20</b>	<b>Change</b>
September	93	116	+ 23
October	121	125	+ 4
November	116	116	0
December	97	117	+ 20
<b>TOTAL</b>	<b>427</b>	<b>474</b>	<b>+ 47</b>

- 6 In summary there were 474 cremations undertaken during the period, compared to 427 in the comparable period last year, an increase of 47 year on year.

The profile of where families came from can be seen below:

Gateshead	115
Durham	264
Outside Area	95
<b>Total</b>	<b>474</b>

- 7 Members may recall that in April 2019 two new charges were introduced for cheaper cremation options, being a Direct Cremation - Attended (No service) costing £590 and a Direct Cremation - Unattended (No service) costing £450.
- 8 Between 1 April 2019 and 31 December 2019, we have carried out the following number of direct cremations:
- 0 Direct cremations - Attended (No service)  
19 Direct cremations - Unattended (No service)

## Memorials

- 9 The table below outlines the number and value of the memorials sold in period 1 September 2019 to 31 December 2019 inclusive, with comparative data in the same periods last year.

	(Sept – Dec)	2018/19	(Sept – Dec)	2019/20
	Number	£	Number	£
Large Plaques	8	3,360	5	2,100
Small Plaques	51	14,076	16	4,416
<b>Total</b>	<b>59</b>	<b>17,436</b>	<b>21</b>	<b>6,516</b>

- 10 The number and value of memorials 21 / £6,516 compares to 59 / £17,436 in the same period in 2018/19, a decrease of 38 / £10,920 year on year. This decrease is down to the introduction of the small memorial towers around the grounds which become very popular when they were first installed last year.

### Green Flag Application

- 11 Members may recall from the September 2019 meeting that Mountsett Crematorium was successful in retaining its Green Flag Award for the eighth year running.
- 12 An application will be submitted for the 2020 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.

### Staffing

- 13 Members agreed at the September 2019 meeting to advertise once again for the relief Crematorium Attendant posts.
- 14 There were 4 applicants shortlisted and following interviews on 19 December 2019 we have employed two relief Crematorium Attendants. One attendant will provide cover at Mountsett Crematorium and the second attendant will cover both Mountsett and Durham Crematoriums.
- 15 Members may also recall that the Business Administration Apprentice began her employment on 3 September 2018 on a two-year fixed term contract, which is due to come to an end on 2 September 2020. The postholder has proven to be a valuable asset to the crematorium and is now considered integral to the existing operation.
- 16 There are two options for Members to consider when the fixed term contact ends:
- Create a full time Technical Assistant post from September 2020 and freeze the Apprentice post. The cost of a Technical Assistant would be £26,397, which would result in additional full year costs being incurred of £10,260.

- Replace the Business Administration Apprentice when the current post holder completes her apprenticeship in September 2020.

17 It is proposed that we create a full time Technical Assistant post once the apprenticeship contract comes to an end, in order to ensure business continuity for the longer-term benefit of the crematorium. The increased costs in 2020/21 (from September 2020 to March 2021) of £5,985 has been factored into the 2020/21 budget.

## **Recycling of Metals Scheme**

- 18 As Members may recollect at the last meeting extra funds from collections in 2018 had resulted in a 2nd round of nominations being made available; therefore, we nominated The Royal British Legion.
- 19 The Crematorium recently received a cheque from the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £8,000 for The Royal British Legion charity.
- 20 Arrangements were made for the cheque to be presented to The Royal British Legion by the Committee Vice Chair and a photograph of the presentation is attached at Appendix 2.

## **Website**

- 21 Members may recall that an agreement was made to produce a website specific to the Crematorium and this has involved a lot of work from various departments to complete. The website went live on 16 December 2019 and can be accessed at [www.mountsetcrem.co.uk](http://www.mountsetcrem.co.uk)
- 22 The website includes an online version of the Book of Remembrance and we have already received positive feedback from members of the public.
- 23 Future developments of the website include publicising the daily Order of Services and Members will be kept informed when these developments go live.

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**Contact:** Graham Harrison,

Tel: 03000 265606

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## **Appendix 1: Implications**

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### **Legal Implications**

As outlined in the report.

### **Finance**

As identified in the report.

### **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.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications

### **Human Rights**

There are no implications

### **Climate Change**

There are no implications

### **Crime and Disorder**

There are no implications

### **Staffing**

As identified in the report.

### **Accommodation**

There are no implications

### **Risk**

There are no implications

### **Procurement**

There are no implications

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## Appendix 2: Recycling of metals cheque presentation

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Cllr D Bradford along with Andrew Gales and Ken Bailey from The Royal British Legion attending the cheque presentation.

**Mountsett Crematorium Joint  
Committee**

**28 January 2020**

**Financial Monitoring Report – Position  
at 31/12/19, with Projected Revenue and  
Capital Outturn at 31/03/20**



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**Joint Report of**

**Geoff Paul, Interim Corporate Director of Regeneration and Local  
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To provide members of the Mountsett Crematorium Joint Committee with details of the updated forecast outturn position for 2019/20 and the projected level of reserves and balances at 31 March 2020.

**Executive summary**

- 2 This report sets out details of income and expenditure in the period 1 April 2019 to 31 December 2019, together with a forecast revenue outturn position for 2019/20, highlighting areas of over / underspends against the approved budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2019 and forecast final position at 31 March 2020, taking into account expenditure to date and forecasts to the year end.
- 4 The projected revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £602,681 against a budgeted surplus of £506,709, £95,972 more than the budgeted position.
- 5 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 £8,460

is required. This results in a net transfer to the Cremator Replacement Reserve of £229,221.

- 6 The retained reserves of the MCJC at 31 March 2020 are forecast to be £589,720 along with a General Reserve of £286,515, giving a forecast total reserves and balances position of £876,235 at the year end.

### **Recommendation(s)**

- 7 It is recommended that Members note the April to December 2019 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2020, including the projected year position with regards to the reserves and balances of the Joint Committee.

## Background

- 8 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

- 9 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 regular budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Mountsett Crematorium are included within this report.
- 10 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 revenue outturn financial performance of the Mountsett Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2019/20 £	Year to Date Actual April – December £	Probable Outturn 2019/20 £	Variance Over/ (Under) £
Employees	153,575	111,454	154,041	466
Premises	179,881	90,094	139,922	(39,959)
Transport	600	2,685	2,962	2,362
Supplies & Services	77,644	45,222	93,678	16,034
Agency & Contracted	8,211	4,805	4,805	(3,406)
Central Support Costs	28,430	28,430	28,430	0
<b>Gross Expenditure</b>	<b>448,341</b>	<b>282,691</b>	<b>423,838</b>	<b>(24,504)</b>
<b>Income</b>	<b>(955,050)</b>	<b>(743,996)</b>	<b>(1,026,519)</b>	<b>(71,469)</b>
<b>Net Income</b>	<b>(506,709)</b>	<b>(461,306)</b>	<b>(602,681)</b>	<b>(95,972)</b>
<b>Transfer to / (from) Reserves</b>				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	141,709	0	237,681	95,972
- General Reserve				
<b>Distributable Surplus</b>	<b>(350,000)</b>	<b>0</b>	<b>(350,000)</b>	<b>0</b>
<b>65% Durham County Council</b>	<b>227,500</b>	<b>113,750</b>	<b>227,500</b>	<b>0</b>
<b>35% Gateshead Council</b>	<b>122,500</b>	<b>91,875</b>	<b>122,500</b>	<b>0</b>

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2019 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2020 £
Repairs Reserve	(54,370)	(15,000)	0	(69,370)
Cremator Reserve	(291,129)	(237,681)	8,460	(520,350)
General Reserve	(278,055)	(358,460)	350,000	(286,515)
<b>Total</b>	<b>(623,554)</b>	<b>(611,141)</b>	<b>358,460</b>	<b>(876,235)</b>

### Explanation of Significant Variances between Original Budget and Forecast Outturn

11 As can be seen from the table above, the projected revenue outturn is indicating a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £602,681 against a budgeted surplus of £506,709, £95,972 more than the budgeted position. This compares to the previous forecast, as reported to the September meeting, of a surplus of £565,549 - £58,840 more than the budgeted position.

12 The following section outlines the reasons for any significant budget variances by subjective analysis (type of expenditure) area:

#### 12.1 *Employees*

The outturn shows an overspend of **£466**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to overspend by **£466** due mainly to additional overtime costs to cover long term sickness absence.

#### 12.2 *Transport*

The outturn shows an overspend of **£2,362**, in relation to transport costs. The reasons for this are identified below:

- Transport costs are forecast to overspend by **£2,362** due to hire of a vehicle to transport a member of staff between Durham and Mountsett Crematorium to assist with staff shortages.

#### 12.3 *Premises*

The outturn shows a forecast underspend of **(£39,959)** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to the re-lining of 2 hearths is not required following an inspection by ATI, resulting in an underspend of **(£8,500)**;
- One off SAMP budgets relating to the re-roofing is not required following an inspection from Corporate Property and Land, resulting in an underspend of **(£20,000)**;
- One off SAMP budgets relating to the plot extension is forecast to underspend by **(£2,500)**;
- One off SAMP budgets relating to redecoration works are expected to underspend by **(£2,260)**;
- General premises costs such as cremator servicing and repairs and building maintenance is forecast to underspend by **(£5,700)**;
- Equipment purchase and rental is expected to overspend by **£16,000** due to the purchase of a new lawn mower;
- Rates are forecast to underspend by **(£19,999)** as the expected increase in costs did not materialise following the revaluation by the Valuation Office Agency once the extension build was completed. The rates budget was increased in anticipation of an increased liability; and
- Utilities expenditure is forecast to overspend by **£3,000** mainly due to increases in gas charges. The gas exchanger is still not connected, and the cremators are still taking longer than average to heat up resulting in higher gas consumption.

#### 13.4 *Supplies and Services*

The outturn shows a forecast over spend of **£16,034** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the increase in cremations (highlighted later within the income section of the report), medical referee expenditure is forecast to overspend by **£2,730**;
- Unbudgeted consultant fees in relation to the ongoing cremator issues have resulted in an overspend of **£6,000**;
- Replacement of the service books is expected to underspend by **(£2,100)** as a discount was applied for bulk buying;
- Book of Remembrance and BACAS licence costs are expected to overspend by **£2,704** due to a one off upgrade in the system and online set up for the BOR;
- Purchase of plaques is forecast to overspend by **£3,000** due to increased demand; and

- General office costs including Wesley Music System, printing and office equipment is forecast to overspend by **£3,700**.

### 13.5 Income

An increase in income of **(£71,469)** from the 2019/20 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an additional 103 cremations compared to the budget, totalling a forecast increased income to budget of **(£72,100)**. The outturn allows for a total of 1,403 cremations against a budgeted 1,300 during 2019/20;
- Miscellaneous sales and Book of Remembrance entries are expected to be lower than budget resulting in an underachievement of income of **£4,600**;
- Sale of plaque income is forecast to generate additional income of **(£3,000)** compared to budget;
- Interest received and other miscellaneous income is forecast to be greater than budget resulting in additional income of **(£3,200)**; and
- Income relating to the CAMEO mercury abatement scheme is expected to underachieve by **£2,231**.

### 13 Earmarked Reserves

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 **£8,460** is required. This results in a net transfer to the Cremator Replacement Reserve of **£229,221**.

The retained reserves of the MCJC at 31 March 2020 are forecast to be **£589,720** along with a General Reserve of **£286,515**, giving a forecast total reserves and balances position of **£876,235** at the year end.

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<b>Contact:</b>	Paul Darby	Tel: 03000 261930
	Ed Thompson	Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

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

### **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.

### **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 MCJC.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

### **Accommodation**

None.

### **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 the 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.

### **Procurement**

None.

### **Climate Change**

None.

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**Mountsett Crematorium Joint Committee**

**28 January 2020**

**Provision of Support Services 2020/21**



## **Joint Report of**

**Geoff Paul, Interim Corporate Director of Regeneration and Local Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the Joint Committee**

**Electoral division(s) affected:**  
Countywide

## **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 2020 to March 2021.

## **Executive Summary**

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 seven years. As part of the budget setting for 2020/21, 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 2020 to 31 March 2021 to cover the following functions:
  - Management Services
  - Financial Services
  - Administration Services (including Committee support)
  - Payroll Services
  - Human Resources Services

## **Recommendation(s)**

4. It is recommended that members consider and approve the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2020/21.

## **Service Level Agreement (SLA)**

5. 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.
6. 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.
7. 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.
8. The proposed SLA considers the proportion of time spent by key staff undertaking the requirements of the Joint Committee. The proposed charge for 2020/21 is £22,720 (a 2.5% increase on the recharges levied in 2019/20). The applicable fee takes into consideration inflationary pressures such as the staff pay award.
9. 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.

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<b>Contact(s):</b>	<b>Paul Darby</b>	<b>03000 261930</b>
	<b>Ed Thompson</b>	<b>03000 263481</b>

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## **APPENDIX 1 – Implications**

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### **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

### **Legal Implications**

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

### **Climate Change**

None

## 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 [28<sup>th</sup>] of [January] **two thousand and twenty**  
**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 1<sup>st</sup> April 2020 and will continue until 31<sup>st</sup> March 2021 (“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 2020/21 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 31<sup>st</sup> 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: Environmental 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](mailto: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: Environmental 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 31<sup>st</sup> 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: Environmental 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 2020 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.

**BUDGET SCHEDULE**

<b>Support Service Area</b>	<b>2020/21</b>
<b>Management</b>	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	<b>5,150</b>
<b>Financial Services</b>	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	<b>11,500</b>
<b>Payroll Services</b>	
Employee payroll processing	<b>150</b>
<b>Human Resources</b>	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	<b>1,920</b>
<b>Administration (including Committee support)</b>	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	<b>4,000</b>
<b>Total</b>	<b>22,720</b>

**BASIS OF CHARGE**

- Charges in respect of the period 1 April 2020 to 31 March 2021 will be recharged to the Joint Committee using the existing methodology.
- This SLA charge is in addition to the fixed term Audit SLA totalling £6,500 previously approved by members on 24 September 2019 for 2020/21.

*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**

**28 January 2020**

**Fees and Charges 2020/21**



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**Joint Report of**

**Geoff Paul, Interim Corporate Director of Regeneration and Local  
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 This report sets out details of the proposed fees and charges for the Mountsett Crematorium for 2020/21.

**Executive summary**

- 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 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 Central Durham Crematorium..
- 4 Background papers available  
  
2019/20 Budget and Financial Monitoring Reports  
  
2020/21 Budget Working Papers

## **Recommendation(s)**

- 5 It is recommended that members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2020, which seeks to increase cremation charges by £20 (2.9%) per cremation from £700 to £720.
- 6 It is recommended that the proposed fees and charges are incorporated into the 2020/21 budget.

## Fees and Charges 2020/21

- 7 The inflationary and cost pressures facing the crematorium, along with the views of the Bereavement Services Manager with regards to the local market, customer impact from any proposed increase and benchmarking data on the charges levied in other neighbouring facilities, plus the fact that the crematorium has recently undertaken major redevelopments are key factors in considering any increases for 2020/21.
- 8 The projected number of cremations in 2019/20 is 1,403 which will be 73 more than the 1,330 cremations delivered in 2018/19 and 103 more than the budgeted position of 1,300. For 2020/21 budget setting purposes it has been assumed there will be 1,300 cremations next year. This is a prudent forecast.
- 9 The current 2019/20 fees and charges for crematoria across the region, including the average charges levied is attached at Appendix 3, which indicates an average cremation fee of £806 (inclusive of medical referees fees and environmental surcharge where appropriate). Increasing the current charges by £20 will mean that the total cremation fees levied for Mountsett Crematorium in 2020/21 (inclusive of medical referee fees) will increase to £720, which is £86 below the average charges currently levied across the region. Modest increases in the last few years have resulted in Mountsett and the Central Durham Crematoria charges remaining the lowest in comparison with all other neighbouring facilities in the region.
- 10 The table below indicates the extra income that could be received / budgeted with varying levels of assumptions on cremation numbers and fee increases. The £20 increase for 1,300 cremations is budgeted to generate an additional £26,000 income.

No of Cremations	Increase in Fees £				
	£10	£20	£30	£40	£50
1,300	£13,000	<b>£26,000</b>	£39,000	£52,000	£65,000
1,325	£30,750	£44,000	£57,250	£70,500	£83,750
1,350	£48,500	£62,000	£75,500	£89,000	£102,500
1,375	£66,250	£80,000	£93,750	£107,500	£121,250
1,400	£84,000	£98,000	£112,000	£126,000	£140,000

- 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 range from £0 to £47.
- 12 The proposed increases for 2020/21 are detailed below:

- Cremation Services – Off peak and Direct (attended and unattended) increase by £20.
- Cremation Services – Saturday increase by £35.
- Visual Tributes via Wesley Music System. The current fees only cover the price Wesley Music System charge. The fee does not include any admin work or equipment the Crematorium need to provide the service, therefore it is proposed to increase the fees.
  1. Webcast, DVD or CD increase by £12 to £48.
  2. Extra DVD increase by £12 to £34.
  3. Extra CD increase by £12 to £28.
  4. Visual tribute admin fee increase by £3 to £15.
  5. Visual tribute per photo or per minute of video increase by £2.
- Urn boxes increase by £4 to £10. It is also proposed that urns are sold with every cremation, they are currently only available upon request.

13 All other fees and charges at the Crematorium are proposed to remain at the same levels as 2019/20.

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.

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<b>Contact:</b>	Paul Darby	Tel: 03000 261930
	Ed Thompson	Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

None.

### **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 2020/21.

### **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 MCJC.

### **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 Mountsett Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

### **Accommodation**

None.

### **Risk**

The sensitive pricing of services is essential to maintain the competitiveness and reputation of Mountsett Crematorium in the current economic climate. The proposed 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 MCJC and the enhancements that the

Phase 3 works have brought in terms of the service offer, 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.

**Procurement**

None.

**Climate Change**

None.

**APPENDIX 2**  
**SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2020-21**

	2019/2020	Proposed	VAT	Increase /	
	Charges	Charges		(Decrease)	
	incl VAT	incl VAT	Status	£	%
	(where	(where			
	appropriate)	appropriate)			
	£	£			
<b>Cremation Charges</b>					
Non-Viable Foetus	0	0	O	0	0.0%
Child - up to one month old	0	0	O	0	0.0%
Child - up to 18 years old	0	0	O	0	0.0%
Medical Referees Fees	30	30	O	0	0.0%
Body Parts	9	9	O	0	0.0%
<b>Adult - 18 years of age or over (Certificate of Cremation, urn and scattering of cremated remains included)</b>					
Off Peak Service Time - 09:30 am	590	610	O	20	3.4%
Peak Service Times - 10:15 am onwards, every 45 mins	670	690	O	20	3.0%
Saturdays	1,000	1,035	O	35	3.5%
Direct Cremation - Attended (No service)	590	610	O	20	3.4%
Direct Cremation - Unattended (No service)	450	470	O	20	4.4%
<b>Surcharges</b>					
Non Resident (Adult)	0	0	O	0	0.0%
Environmental surcharge	0	0	O	0	0.0%
<b>Book of Remembrance</b>					
2 line entry Book of Remembrance	53	53	S	0	0.0%
3 line entry Book of Remembrance	71	71	S	0	0.0%
4 line entry Book of Remembrance	89	89	S	0	0.0%
5 line entry Book of Remembrance	106	106	S	0	0.0%
6 line entry Book of Remembrance	124	124	S	0	0.0%
7 line entry Book of Remembrance	142	142	S	0	0.0%
8 line entry Book of Remembrance	159	159	S	0	0.0%
Crest, floral emblem, coats of arms etc.	74	74	S	0	0.0%
2 Line Memorial card	23	23	S	0	0.0%
3 Line Memorial card	24	24	S	0	0.0%
4 Line Memorial card	25	25	S	0	0.0%
5 Line Memorial card	26	26	S	0	0.0%
6 Line Memorial card	27	27	S	0	0.0%
7 Line Memorial card	28	28	S	0	0.0%
8 Line Memorial card	29	29	S	0	0.0%
Crest, floral emblem, coats of arms etc.	74	74	S	0	0.0%
2 Line Miniature Book	33	33	S	0	0.0%
3 Line Miniature Book	34	34	S	0	0.0%
4 Line Miniature Book	35	35	S	0	0.0%
5 Line Miniature Book	36	36	S	0	0.0%
6 Line Miniature Book	37	37	S	0	0.0%
7 Line Miniature Book	38	38	S	0	0.0%
8 Line Miniature Book	39	39	S	0	0.0%
Crest, floral emblem, coats of arms etc.	74	74	S	0	0.0%
<b>Memorials (including cost of plaque)</b>					
Seat - Lease for 10 years	1,042	1,042	E/S	0	0.0%
Columbaria Unit - Lease for 20 years	1,240	1,240	E/S	0	0.0%
Small Plaques - Lease for 10 years	276	276	E/S	0	0.0%
Outside Large Plaques - Lease for 10 years	420	420	E/S	0	0.0%

**APPENDIX 2**  
**SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2020-21**

	2019/2020	Proposed	VAT	Increase /	
	Charges	Charges		(Decrease)	
	incl VAT	incl VAT	Status	£	%
	(where	(where			
	appropriate)	appropriate)			
	£	£			
<b>Memorial Renewal</b>					
Seat - Lease for 10 years	610	610	E/S	0	0.0%
Columbaria Unit - Lease for 20 years	835	835	E/S	0	0.0%
Small Plaques - Lease for 10 years	96	96	E/S	0	0.0%
Outside Large Plaques - Lease for 10 years	159	159	E/S	0	0.0%
<b>Memorial Replacement</b>					
Small Plaques - Replacement	110	110	E/S	0	0.0%
Outside Large Plaques - Replacement	128	128	E/S	0	0.0%
<b>Visual Tributes (Wesley Music System)</b>					
Webcast	36	48	S	12	33.3%
DVD	36	48	S	12	33.3%
Extra DVD	22	34	S	12	57.4%
CD	36	48	S	12	33.3%
Extra CD	16	28	S	12	79.6%
Visual tribute admin fee	10	15	S	5	50.0%
Visual tribute per photograph (admin fee to be paid first)	1	3	S	2	150.0%
Video tribute per minute (admin fee to be paid first)	4	6	S	2	66.7%
<b>Additional Charges</b>					
<b>Use of Chapel only</b>					
Between 10.15am and 2.45pm	600	600	E	0	0.0%
Before 10.15am or after 2.45pm	200	200	E	0	0.0%
Extension of cremation service by 30 minutes	100	100	E	0	0.0%
Service exceeding allocated time by 10 minutes or more	50	50	E	0	0.0%
Service cancelation - less than 48hrs notice	250	250	E	0	0.0%
Organist	35	35	S	0	0.0%
Urn boxes	6	10	E	4	66.7%
Scatter Tubes	12	12	S	0	0.0%
Small Scatter Tubes	6	6	S	0	0.0%
Mini Scatter Tubes	3	3	S	0	0.0%
Scattering of cremated remains from another Crematorium in lawn area	50	50	S	0	0.0%

Appendix 3

Proposed Mountsett 20/21	Cremation Fees £	2019/20											Proposed Durham 20/21 *
		Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	Stockton on Tees	Northumberland	North Tyneside	
690	Adult	884	800	653	712	761	816	765	770	765	800	738	690
0	Environmental surcharge	Inc above	55	47	60	Inc above	Inc above	60	Inc above	Inc above	Inc above	Inc above	0
30	Medical Referees Fees	Inc above	20	39	Inc above	Inc above	Inc above	40	49	Inc above	Inc above	28	30
<b>720</b>		<b>884</b>	<b>875</b>	<b>739</b>	<b>772</b>	<b>761</b>	<b>816</b>	<b>865</b>	<b>819</b>	<b>765</b>	<b>800</b>	<b>765</b>	<b>720</b>

**Average of Benchmarking Group Cremation Fees 806**

**Other Charges**

Proposed Mountsett 20/21	Other charges £	Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	Stockton on Tees	Northumberland	North Tyneside	Proposed Durham 20/21 *
0	Non-viable Foetus	0	0	0	7	0	0	0	0	20	0	28	0
0	Child - up to one month	0	0	0	23	0	0	0	0	0	20	28	0
0	Child - up to 16 years	0	0	39	47	0	0	0	0	0	20	28	0
720	Non Resident (Adult)	884	875	774	772	761	866	900	819	765	800	765	720
1,035	Adult - Saturday cremation	1,326	No Cremations on a Saturday	No Cremations on a Saturday	862	No Cremations on a Saturday	1,165	1,200	No Cremations on a Saturday	765	No Cremations on a Saturday	1,106	1,035
610	Direct Cremation - Attended	675	0	0	0	0	0	0	0	0	0	0	610
470	Direct Cremation - Unattended	499	0	0	0	0	500	0	0	465	0	613	470
53	2 line entry Book of Remembrance	137	70	70	68	68	42	63	78	50	72	60	53
	<b>Use of Chapel only:</b>												
600	Between 10.15am and 2.45pm	318	100	252	128	111	160	140	160	120	0	90	600
200	Before 10.15am or after 2.45pm	318	100	252	128	111	160	140	160	120	0	90	200

\* Subject to consideration by the Central Durham Crematorium Joint Committee 29th January 2020

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**Mountsett Crematorium Joint  
Committee**

**28 January 2020**

**External Audit Arrangements 2019/20 to  
2021/22**



**Joint Report of**

**Geoff Paul, Interim Corporate Director of Regeneration and Local  
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the  
Joint Committee**

**Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 This report presents members of the Mountsett Crematorium Joint Committee with proposals for the continued delivery of the external audit by Mazars for the three financial years 2019/20 to 2021/22.

**Executive summary**

- 2 The Joint Committee appoints an external auditor to carry out a limited assurance audit on the Joint Committees Annual Return, which ensures a continued effective financial and governance framework for the Joint Committee.
- 3 In January 2017 Members appointed Mazars to undertake the external audit arrangements for the 2016/17, 2017/18 and 2018/19 financial years.
- 4 Mazars have met all deadlines for the completion of the audits and have always proven to be very accessible.
- 5 The quotation provided by Mazars for the next three years audit of £4,290 is only £90 higher than the previous three years and reflects a £130 (4.3%) increase on the current budgeted levels, but would be fixed thereafter.

- 6 It is considered that Members of the Joint Committee therefore re-appoint Mazars to undertake the external audit for the next three years.

**Recommendation(s)**

- 7 It is recommended that Members of the Joint Committee appoint Mazars to undertake the external audit arrangements for the 2019/20, 2020/21 and 2021/22 financial years.

## **Background**

- 8 In April 2015, Members considered a report regarding the change in legislation in respect to the provisions of the Local Audit and Accountability Act 2014. This resulted in a change to the external audit process for Joint Committees who no longer had a statutory obligation to prepare accounts and for these accounts to be subject to audit.
- 9 In line with advice provided by the Head of Finance & Transactional Services, Members approved the discontinuation of the full Statement of Accounts from the 2014/15 financial year. Members also approved the recommendation for the continuation of separate audit arrangements from 2015/16 in order to ensure a continued effective financial and governance framework and that this will be based upon the continued preparation of the Joint Committees Annual Return and reporting of Balance Sheet information.
- 10 In January 2017, following a soft tendering exercise, Members appointed Mazars to undertake the external audit arrangements for the 2016/17, 2017/18 and 2018/19 financial years.

## **Non-Financial Considerations**

- 11 Mazars have undertaken the limited assurance audit for the last three years and during this time demonstrated the following benefits for the Joint Committee:
  - Based in Durham, they are very accessible
  - They have always provided a quick turnaround of requested information
  - All deadlines for the completion of the audit have been achieved
  - Current auditors for Durham County Council, therefore having knowledge and reliance on various systems as part of their audit work

## **Financial Implications**

- 12 Mazars were asked to provide a quotation for the next three year's audit work, which is shown below, alongside the cost for the previous three year's audit work:

<b>Audit Year</b>	<b>Previous Audit Costs</b>	<b>Quotation for Next 3 Years</b>
2016/17	£1,600	-
2017/18	£1,300	-
2018/19	£1,300	-
2019/20	-	£1,430
2020/21	-	£1,430
2021/22	-	£1,430
<b>Total</b>	<b>£4,200</b>	<b>£4,290</b>

- 13 Members can see that the proposed cost for the upcoming three years is only £90 higher than the cost for the previous three years. This is a £130 (4.3%) increase on the current budgeted levels, but would be fixed thereafter.
- 14 Due to the modest increase in the price quoted alongside the non-financial benefits for the Joint Committee, Members are asked to approve the appointment of Mazars to undertake the audit arrangements for the 2019/20, 2020/21 and 2021/22 financial years.
- 15 The revised price for the audit has been incorporated within the 2020/21 Revenue Budget.

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**Contact:** Paul Darby Tel: 03000 261930  
Ed Thompson Tel: 03000 263481

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## **Appendix 1: Implications**

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### **Legal Implications**

The Local Audit and Accountability acts 2014 sets out the legal and regulatory framework in which Joint Committees are to report their financial arrangements. The proposals within this report seek to strengthen the Joint Committees compliance with these regulations.

### **Finance**

The costs associated with the external audit fee are included within the report and have been incorporated within the 2020/21 revenue budget.

### **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 MCJC.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

### **Accommodation**

None.

### **Risk**

None identified. Finance staff are professionally competent and capable of preparing the annual return for the MCJC in line with audit requirements

### **Procurement**

None.

### **Climate Change**

None.

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**Mountsett Crematorium Joint Committee****28 January 2020****2020/21 Revenue Budget****Joint Report of****Geoff Paul, Interim Corporate Director of Regeneration and Local Services****John Hewitt, Corporate Director of Resources and Treasurer to the Joint Committee****Electoral division(s) affected:**

Countywide

**Purpose of the Report**

- 1 To set out for Members' consideration proposals with regards to the 2020/21 revenue budgets for the Mountsett Crematorium.

**Executive Summary**

- 2 The 2020/21 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2019/20 forecast outturn position and known expenditure pressures in the coming year.

**Recommendation(s)**

- 3 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) and that members note the forecast level of reserves and balances at 31 March 2021 (also set out at Appendix 2).

## Budget Proposals 2020/21

- 4 The 2020/21 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2019/20 forecast outturn position and known expenditure pressures in the coming year.
- 5 The proposed 2020/21 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium at 31 March 2021. Members should note that the main changes from the 2019/20 budget are as follows:

### **Employees**

- 6 The 2020/21 budget has been increased by **£18,877** due to the impact of the pay award, incremental progression and the creation of the new Technical Assistant post.

### **Premises**

- 7 The base budget has increased by **£82,459** from 2019/20. The main reasons for this are as follows:
  - The repairs and maintenance budgets include provision for the scheduled works in 2020/21 as per the Service Asset Management Plan. The net result of the removal of the 2019/20 works schedule and the inclusion of the 2020/21 requirements is an increase in the base budget of **£89,320** year on year. Provision for the following works are included in 2019/20 budgets:

➤ Purchase and install 2 memorial tree	<b>£4,320</b>
➤ Carry out re-lining of 2 hearths	<b>£8,500</b>
➤ Provide and install new viewing screens	<b>£4,000</b>
➤ Replace crematorium bins	<b>£1,500</b>
➤ Carry out energy improvement works	<b>£125,000</b>
  - The Business Rates budget has decreased by **(£9,251)** following an assessment by Valuation Office Agency after completion of the redevelopment works, which did not increase as had been expected.
  - Utility budgets have been amended to reflect the 2019/20 projected outturn, which has resulted in an overall increase of **£2,000**.
  - Cleaning budgets have increased by **£390** to reflect the new service contract.

### **Supplies and Services**

- 8 These budgets have been increased by **£1,201** in 2020/21, the main reasons are:

- The removal of one off SAMP budgets result in a net decrease of **(£3,000)**.
- The purchase of urns budget has increased by **£6,500** to cover the purchase of one for every cremation.
- Subscriptions budget has decreased by **(£5,000)** to reflect the removal of the one off web development fee which was built into the 2019/20 budget.
- Book of Remembrance and Wesley Music System budgets have increased by **£2,701** to reflect increased costs in 2019/20.

### ***Agency and Contracted***

- 9 The Agency and Contracted Services budget has been increased by **£777** to reflect the environmental licence fee, trade refuse charge and external audit fees being incurred.

### ***Support Service Costs***

- 10 The 2020/21 budget factors in the proposed increase of **£790** in the SLA for the provision of Support Service as detailed in previous reports.

### ***Income***

- 11 The income budget has been increased by **(£39,375)**. 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 2019 assumes an increase of 103 cremations against the 2019/20 budgeted number of cremations 1,300. In preparing the 2020/21 budget the estimated number of cremations has been kept at 1,300. Along with the proposal to increase the cremation charges to £720 the cremation fee income budget has increased by **(£26,000)**
  - The sale of urns budget has increased by **(£13,000)** as they are expected to be purchased with every Cremation.
  - Taking into account the 2019/20 updated forecasts the Book of Remembrance budget has been decreased by **£3,000**.
  - Fees and charges for the Wesley Music System have been increased in 2020/21 to reflect the increased popularity of this element of the service and as a result the budget has increased by **(£1,200)**.
  - The interest budget has increased by **(£2,500)** due to the increasing level of balances and higher interest rates earned.
  - The CAMEO budget has been reduced by **£325** to reflect the expected reduction in TMAC rates.

- 12 Should cremation numbers be maintained in line with those estimated in 2019/20 and realised in previous years then a reasonable surplus would again be generated in 2020/21.

## Surplus Redistribution

- 13 The 2020/21 allocations remain the same as 2019/20 and are as follows:

- Durham County Council - £227,500
- Gateshead Council - £122,500

## Earmarked Reserves

- 14 The transfer to the Repairs Reserve next year is budgeted in line with the 2019/20 level at **£15,000**.
- 15 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 **£11,813**. The forecast net increase to the Cremator Reserve is therefore budgeted to be **£64,868** in 2020/21.
- 16 The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2021, taking into account the 2019/20 Quarter 3 budgetary control report, the 2020/21 budget and the proposed transfers to / from earmarked reserves are as follows:
- General reserve of £298,328, an increase of £11,813 (4.1%) from 2019/20
  - Retained Reserves of £669,587 an increase of £152,138 (29.4%) from 2019/20

The estimated total reserves as shown in Appendix 2 at 31 March 2021 are **£967,915**.

- 17 Members should note that the 2020/21 budget proposal incorporates £143,320 of one off expenditure requirements which will provide further scope in the 2021/22 budget setting round.

## Background Papers

- 2019/2020 Budget and Financial Monitoring Reports
- 2020/2021 Budget Working Papers
- 2020/2021 Fees and Charges report.

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<b>Contact(s):</b>	<b>Paul Darby</b>	<b>03000 261930</b>
	<b>Ed Thompson</b>	<b>03000 263481</b>

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**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 2019/20 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 2020/21. 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.

## **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.

## **Climate Change**

None.

APPENDIX 2

<b>MOUNTSETT CREMATORIUM 2020/2021 BUDGET</b>				
<b>2018/2019 Actual Outturn (Memo Info)</b>	<b>2019/2020 Base Budget</b>	<b>2019/2020 Projected Outturn (QTR3)</b>		<b>2020/2021 Base Budget</b>
£	£	£		£
			<b>EXPENDITURE</b>	
144,839	153,575	154,041	Employees	172,452
296,038	179,881	139,922	Premises	262,340
506	600	2,962	Transport	900
64,824	77,644	93,678	Supplies and Services	78,845
4,168	8,211	4,805	Agency & Contracted	8,988
0	0	0	Capital Financing Costs	0
27,970	28,430	28,430	Support Service Costs	29,220
<b>538,346</b>	<b>448,341</b>	<b>423,838</b>	<b>Gross Expenditure</b>	<b>552,745</b>
<b>(961,338)</b>	<b>(955,050)</b>	<b>(1,026,519)</b>	<b>INCOME</b>	<b>(994,425)</b>
<b>(422,992)</b>	<b>(506,709)</b>	<b>(602,681)</b>	<b>Net Income</b>	<b>(441,680)</b>
			<b>Transfer to/from Reserves</b>	
15,000	15,000	15,000	- Repairs Reserve	15,000
243,102	141,709	237,681	- Cremator Reserve	76,680
0	0	0	- General Reserve	0
<b>(164,890)</b>	<b>(350,000)</b>	<b>(350,000)</b>	<b>Distributable Surplus</b>	<b>(350,000)</b>
<b>57,712</b>	<b>122,500</b>	<b>122,500</b>	<b>35% Gateshead Council</b>	<b>122,500</b>
<b>107,178</b>	<b>227,500</b>	<b>227,499</b>	<b>65% Durham County</b>	<b>227,500</b>

<b>Actual Balance @ 31/03/19</b>	<b>Budget Earmarked Reserves Balance @ 31/03/20</b>	<b>Revised (QTR3) Forecast Balance @ 31/03/20</b>	<b>Reserve</b>	<b>Transfer to Reserve</b>	<b>Transfer from Reserve</b>	<b>Budget Forecast Balance @ 31/03/21</b>
£	£	£		£	£	£
54,370	(69,370)	(69,370)	Repairs Reserve	(15,000)	0	(84,370)
291,129	(448,079)	(520,350)	Cremator Reserve	(76,680)	11,813	(585,217)
278,055	(286,515)	(286,515)	General Reserve	(361,813)	350,000	(298,328)
<b>623,554</b>	<b>(803,964)</b>	<b>(876,235)</b>	<b>TOTAL</b>	<b>(453,493)</b>	<b>361,813</b>	<b>(967,915)</b>

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