



Central Durham Crematorium Joint Committee

Date Thursday 1 October 2020
Time 9.30 am
Venue Remote Meeting - This meeting is being held remotely via Microsoft Teams

Business

Part A

Items which are open to the Public and Press

1. Apologies for Absence
2. Substitute Members
3. Minutes of the meeting held 29 January 2020 (Pages 3 - 12)
4. Declarations of Interest, if any
5. External Audit Annual Review of the Return for the year ended 31 March 2020: (Pages 13 - 20)
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources / Treasurer to the Joint Committee.
6. Performance and Operational Report: (Pages 21 - 72)
Report of the Bereavement Services Manager and Registrar.
7. Financial Monitoring Report - Position at 31/08/20, with Projected Revenue and Capital Outturn at 31/03/21: (Pages 73 - 80)
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources / Treasurer to the Joint Committee.
8. Risk Register Update 2020/21 - 1: (Pages 81 - 88)
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources / Treasurer to the Joint Committee.

9. Internal Audit Charter: (Pages 89 - 110)
Report of the Interim Chief Internal Auditor and Corporate Fraud Manager.
10. Annual Review of the System of Internal Audit: (Pages 111 - 114)
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources / Treasurer to the Joint Committee.
11. Budget Strategy Report: (Pages 115 - 124)
Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources / Treasurer to the Joint Committee.
12. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

Helen Lynch
Head of Legal and Democratic Services

County Hall
Durham
23 September 2020

To: **The Members of the Central Durham Crematorium Joint Committee**

Durham County Council: D Bell, J Blakey, D Brown, J Chaplow (Vice-Chair), K Corrigan, A Hopgood, P Jopling, B Kellett, H Liddle, S Quinn, A Simpson and J Stephenson

Spennymoor Town Council: N Foster (Chair), B McAloon and C Sproat

Contact: Martin Tindle

Tel: 03000 269 713

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held in **Committee Room 1A , County Hall, Durham** on **Wednesday 29 January 2020** at **2.00 pm**

Present:

Councillor N Foster (Chair)

Durham County Council:

Councillors J Blakey, D Brown, J Chaplow (Vice-Chair), A Hopgood, P Jopling, B Kellett, H Liddle, S Quinn, A Simpson and J Stephenson

Spennymoor Town Council:

Town Councillor C Sproat

1 Apologies for Absence

Apologies for absence were received from County Councillors D Bell, K Corrigan and B McAloon.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meeting held on 27 September 2019 were confirmed as a correct record and were signed and initialled by the Chair.

4 Declarations of Interest

There were no Declarations of Interest submitted.

5 Quarterly Performance and Operational Report

The Bereavement Services Manager and Registrar, Graham Harrison asked Members to note the performance figures from 1 September 2019 to 31 December 2019 and the comparison to the same period for 2018, highlighting that there was a net increase of 41 cremations year on year. It was noted there was a total of 797 for the three-month period with the September to December profile breakdown showing 250 from Durham, 46 from Spennymoor and 501 from outside of the area.

The Joint Committee were informed that in respect of the new lower cost direct cremation option, for the period 1 April 2019 to 31 December 2019 the Crematorium had carried out nine unattended direct cremations and there had been no attended direct cremations.

Members were asked to note that the number of memorials sold had decreased slightly in comparison to the same period the previous year, with sales being £3,579 less than the comparable period last year.

The Bereavement Services Manager and Registrar asked Members to recall that at the September meeting of the Joint Committee it had been agreed to advertise for relief Crematorium Assistant posts. He explained that four applicants were shortlisted and following interviews on 19 December 2019, with two relief Crematorium Assistants employed. The Joint Committee were asked to note that the Business Administration Apprentice was due to complete the apprenticeship on 31 August 2020 and Members were asked to note two options in this regard: to delete the current Business Administration Apprentice post and create a full-time Technical Assistant post; or replace the Business Administration Apprentice post when the current post hold completes their apprenticeship in September 2020.

Councillors were reminded that it had been noted at the September meeting that for the eighth year running the Crematorium had achieved the Green Flag Award and that an application for the 2020 award had been submitted and progress would be reported back to a future meeting.

The Bereavement Services Manager and Registrar informed Members that the Crematorium had been asked to take part in the Durham "Heritage Open Weekend" in September 2020 and noted that in previous years it had been a popular event with around 80 - 100 attendees over those weekends.

In respect of the Recycling of Metals Scheme, it was noted there had been a second round of surplus nationally in 2019 and a cheque in the sum of £8,000 had been received from the Institute of Cemetery and Crematorium Management for the If U care Share Foundation.

It was added that arrangements had been made for the Chair to present the cheque and a photograph of the presentation and a letter of thanks were included in the report at Appendix 3. It was explained that a new nomination for Members to consider was for the Woodland Burial Site, put forward by the Friends of the Woodland Burial Site.

The Bereavement Services Manager noted that for the ninth year running St. Cuthbert's Hospice had provided a Christmas tree and baubles at the Crematorium, a facility to allow visitors to leave a personal message and place it on to the tree. A request had been received from St. Cuthbert's Hospice to continue to provide a tree in 2020 and it was noted no other requests from other organisations had been received.

Members were asked to recall the 2019/20 Capital Programme included work to alter the existing roadway to allow two-way traffic to enter and exit the Crematorium safely and to alleviate the current pinch point. It was explained that the works would hopefully be completed by the end of March 2020.

The Bereavement Services Manager and Registrar noted that some Members may have been aware of an electrical disruption at the Crematorium due to a cable being severed during housing development opposite the Crematorium. It was explained that the electricity was down for several hours, with a back-up generator delivered by the electricity company being used until the regular supply was restored. The Bereavement Services Manager and Registrar noted two options for Members to consider in respect of mitigating the risk of further disruption in the future.

The Chair thanked the Bereavement Services Manager and Registrar and asked for comments and questions.

Councillor H Liddle asked who would carry out the work if the Business Apprentice Post was not refilled or no Technical Assistant post was created. The Bereavement Services Manager and Registrar said if there was no replacement in terms of apprentice or creation of a Technical Assistant post then the remaining staff would need to pick up the work, but this wasn't a long term practical solution as the Business Administration Apprentice role had become an invaluable member of the team. The Vice-Chair, Councillor J Chaplow, noted that if we had the right person for the job, or there was a need for another apprentice then she believed the Crematorium should take them on. Councillor A Hopgood added she felt that if an apprentice had been taken on for two years, had completed their training and proved themselves then they deserved an opportunity for a job. The Head of Finance and Transactional Services, Paul Darby noted that the proposal was that the Technical Assistant post would be advertised, with the opportunity to apply to the specialist post being open for internal applications.

It was anticipated that should the current Business Administration Apprentice apply then they would be a strong candidate for the role.

Councillor A Hopgood noted at the last meeting she had made note of a flooding issue.

She noted that the Bereavement Services Manager and Registrar and his team had quickly met as regards the issue and had resolved the issue within a week, a fantastic response and wanted to thank the team.

Councillor D Brown asked for further information following a recent article in the Northern Echo which quoted the Bereavement Services Manager and Registrar, with reference to technology linked to reducing Nitrogen Oxide emissions. The Bereavement Services Manager and Registrar noted that the technology would be something to look at, however, this would be at the cremator replacement stage with the current cremators having many years left. He reminded Members that the priority had been to provide mercury abatement as a consequence of the changes in European environmental regulations.

Councillor P Jopling returned to the issue of the apprentice position and added that she felt if the time and resources had been used to help train the current apprentice, then they should be given the opportunity to apply for any Technical Assistant post that may be created.

Councillor J Blakey thanked the Bereavement Services Manager and Registrar and the work of his team in restoring power to the Crematorium as quickly as possible. She noted that she was aware of some noise disruption due to an air hammer during a service recently, however, she wished her thanks to be passed on to those workers involved in resolving the matter. She asked as regards a £30 charge in relation to non-viable foetuses, adding she had believed this was something the Crematorium had not charged for. The Bereavement Services Manager and Registrar noted the facility did not charge, however, the £30 was a medical reference fee, not a fee set by the Crematorium or Joint Committee. The Head of Finance and Transactional Services noted that the proposed fees and charges were set out within a report on the agenda and reminded Members of the harmonisation after Local Government Reorganisation with the Council's other facility at Mountsett. He added that the Mountsett Crematorium Joint Committee had agreed the proposed fees and charges at their meeting held the previous day.

Councillor A Hopgood asked if issues at the Woodland Burial site had been resolved, the Bereavement Services Manager and Registrar noted they had, with the issue now being dealt with by the County Council.

Councillor A Hopgood suggested that in relation to options to mitigate electrical disruption in the future it would be beneficial for figures for both options to be calculated and a further report to come back for Members to consider in due course.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the current situation with regards to the relief crematorium attendant's position.
- (iii) That a full time Technical Assistant post be created and advertised internally be agreed.
- (iv) That the continued success with regards to the Green Flag Award be noted.
- (v) That the situation with regards to Heritage open Weekend be noted.
- (vi) That the updated position with regards to the recycling of metals scheme be noted.
- (vii) That the friends of the Woodland Burial site being nominated in the next round of recycling of metals scheme be agreed.
- (viii) That St Cuthbert's Hospice providing a Christmas tree again in 2020 be agreed.
- (ix) That the current situation with regards to the improvements to the roadway be noted.
- (x) That further information as regards costs of options relating to mitigating electricity disruption be brought back to the Joint Committee for consideration.

6 Financial Monitoring Report 2019/20: Position at 31/12/19 with Projected Outturn to 31/03/20

The Joint Committee considered a joint report of the Interim Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2019 to 31 December 2019, together with the forecast outturn position for 2019/20, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report also detailed the funds and reserves of the Joint Committee at 1 April 2019 and forecast outturn position at 31 March 2019, taking into account the provisional financial outturn (for copy see file of Minutes).

The Head of Finance and Transactional Services explained that the updated projected outturn showed a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £785,208 against a budgeted surplus of £7523,729, £31,439 more than the budgeted position. Details of the significant variances were detailed in the report. It was noted that the major variances were set out at paragraph 11 onwards, by subjective analysis area.

The Head of Finance and Transactional Services went on to advise that in terms of the retained reserves at 31 March 2020, they were forecast to be £1,237,803 along with a General Reserve of £487,670 giving a forecast total reserves and balances position of £1,735,473 at the year end.

It was noted this represented a very strong position going forward, with a health level of reserves.

Resolved:

That the April to December 2019 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2020, including the projected year end position with regards to the reserves and balances of the Joint Committee be noted.

7 Provision of Support Services 2020/21

The Joint Committee considered a joint report of the Interim Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which outlined the propose Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham Crematorium Joint Committee for the period April 2020 to March 2021 (for copy see file of Minutes).

The Head of Finance and Transactional Services noted the two and a half percent increase to the fee reflected the anticipated staff pay award and the details of SLA were set out at Appendix 2.

Resolved:

That the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2020/21 be approved.

8 Fees and Charges 2020/21

The Joint Committee considered a joint report of the Interim Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which set out details of the proposed fees and charges for Durham Crematorium for 2020/21 (for copy see file of Minutes).

The Head of Finance and Transactional Services advised that taking into account inflationary and cost pressures, including the increase of the Medical Referee fee. It was recommended that the cremation fee is increased by £20 (2.9 percent) to £720 inclusive of medical referee, and environmental surcharge fees where appropriate in 2020/21. This increase had been factored into the draft budgets pending member approval.

Members were reminded that following Local Government Review in 2009 the fees and charges at the Central Durham Crematorium were harmonised with the charges at Mountsett Crematorium and that Mountsett Crematorium Joint Committee had met on 28 January 2020 and agreed their fees and charges.

A full schedule of the proposed fees and charges for Durham Crematorium was shown in Appendix 2 of the report, alongside benchmarking comparison data shown in Appendix 3.

The Head of Finance and Transactional Services noted the proposed increases to a weekend service of £35 and the Wesley Music System for visual display, webcasts and other additional services, which were as a result of increased costs that had been imposed by the suppliers. He added that even with the proposed increases, the fees proposed would be less than the current fees of other facilities in the region, with those facilities yet to set their fees and charges for 2020/21.

The Chair thanked the Head of Finance and Transactional Services and asked for comments and questions.

Councillor A Hopgood noted the explanation of the additional charges for the Wesley Music System, however she asked for clarification as regards a charge listed of £10 for an urn-box, she felt this was something that should be included within the main fee. The Bereavement Services Manager and Registrar noted that fee was for an additional urn-box, one box was provided as part of the cremation fee.

Resolved:

- (i) 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 the cremation by £20 (2.9%) per crematorium from £700 to £720.
- (ii) The proposed fees and charges are incorporated into the 2020/21 budget.

9 External Audit Arrangements 2019/20 to 2021/22

The Joint Committee considered a joint report of the Interim Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee relating to proposals for the continued delivery of external audit by Mazars LLP for the three financial years 2019/20 to 2021/22 (for copy see file of minutes).

The Head of Finance and Transactional Services, Paul Darby advised that Mazars LLP were also Durham County Council's auditor and that there was a good working relationship, Mazars were based in Durham, and they were familiar with the systems and reporting of the Council.

Resolved:

That the Joint Committee appoint Mazars to undertake the external audit arrangements for the 2019/20, 2020/21 and 2021/22 financial years.

10 2020/21 Revenue and Capital Budgets

The Joint Committee considered a joint report of the Interim Corporate Director of Regeneration and Local Services and Corporate Director of Resources which set out proposals with regards to the 2020/21 Revenue and Capital Budgets for Durham Crematorium (for copy see file of Minutes).

The Head of Finance and Transactional Services noted the report incorporated the information from the previous items, the support services SLA, fees and charges and added that, as stated previously, there would be scope for increase distribution of surplus in future years following the completion of the loan for redevelopment works.

Councillor B Kellett asked as regards the purchase and installation of memorial trees and the costs. The Head of Finance and Transactional Services noted the trees were in fact metal sculptures, enabling inscriptions to be placed on the trees in memory of people who had passed.

Councillor J Chaplow showed an example of a silver leaf which would be inscribed and placed on the memorial tree. Councillor B Kellet asked as regards the cost per leaf and capacity of the tree. The Bereavement Services Manager and Registrar noted the costs was £30, with a capacity of 150 per tree. Councillor B Kellett noted he felt interest would be high and that there may be a requirement to increase the number of trees. The Chair noted that if there was a requirement to increase capacity, he was sure this was something that officer would bring back to the Joint Committee.

Councillor J Blakey asked if there was any information as regards the new liner for the fountain, with such liners usually having a 30-year guarantee. The Bereavement Services Manager and Registrar noted there had been a rip which had caused a link and therefore a replacement was required. It was not known what had caused the rip in the liner.

The Finance Manager, Spennymoor Town Council, Tracey Woodhead asked if the increase in distribution of surplus for 2021 onward was a one-off increase for that year alone or would be for that year and subsequent years.

The Head of Finance and Transactional Services noted the increase in the distribution of surpluses in 2020/21 would be a recurring item thereafter, with the prospect of a further increase once the loan was fully repaid. Any further changes would be for agreement by the Joint Committee in future budget setting rounds.

Resolved:

- (i) That the revenue and capital budget proposals contained within the report and appendices be noted and approved.
- (ii) That the forecast level of reserves and balances at 31 March 2021 be noted.

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**Central Durham Crematorium
Joint Committee**

1 October 2020

**External Audit Annual Review
of the Return for the year ended
31 March 2020**



Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and
Climate Change**

**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 to the Central Durham Crematorium Joint Committee, the External Auditors (Mazars LLP) Annual Review of the Joint Committees Return for the financial year ended 31 March 2020.

Executive summary

- 2 In July 2020 the Joint Committees Annual Return for the year ended 31 March 2020 was submitted to Mazars LLP for audit under the limited assurance audit regime.
- 3 The audit has been completed and has not highlighted any material weaknesses around the Joint Committees system of internal control and accounting statements and reports no exceptions to the Return.

Recommendation(s)

- 4 Members of the Joint Committee approve the Joint Committees Annual Return for the year ended 31 March 2020 including the External Report 2019/20 Certificate (attached at Appendix 2).

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

Appendix 1: Implications

Legal Implications

The Accounts and Audit Regulations set out the legal and regulatory framework in which the accounts of the Joint Committee are prepared. The proposals within this report seek to strengthen the Joint Committees compliance with these.

Finance

There are no financial implications associated with this report.

Consultation

None. However, Officers of Spennymoor Town 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 CDCJC.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

No material issues were highlighted in the External Auditor's Report for the year ended 31 March 2020 thus demonstrating the Joint Committee's governance arrangements and awareness of risks associated with the Crematorium operations are considered to be appropriate.

Procurement

None.

Joint Committees

Annual Governance and Accountability Return for the financial year ended 31 March 2020

The annual governance and accountability return on pages 2 to 7 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the Joint Committee
- Section 3 is completed by Mazars LLP as the reviewer appointed by the Joint Committee.
- In addition, the internal audit report is completed by the Joint Committee's internal audit provider.

Each Joint Committee must approve Section 1 and Section 2.

Completing your annual governance and accountability return

Guidance notes, including a completion checklist, are provided on page 7 and at relevant points in the annual governance and accountability return.

Complete all highlighted sections. Do not leave any highlighted box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the annual governance and accountability return, together with your bank reconciliation as at 31 March 2020, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, Mazars LLP by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, the certified annual governance and accountability return will be returned to the Joint Committee for publication and public display of Sections 1, 2 and 3. It is recommended that you publish and display the annual governance and accountability return, including the external auditor's report, by 30 September 2020.

****Please note that this annual governance and accountability return is a variant of the version produced by JPAG for parish councils and other smaller authorities. As joint committees are not covered by JPAG's Practitioner's Guide it does not part of proper practice defined in the Practitioner's Guide.***

Guidance notes on completing the 2019/2020 return

1. Please make sure that your annual governance and accountability return is complete (ie no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed return. Any amendments must be approved by the Joint Committee, properly initialled and explanation provided. Annual governance and accountability returns containing unexplained or unapproved amendments may be returned and incur additional costs.
2. **Joint Committees must approve Section 1 on page 2 before approving Section 2 on page 3.**
3. Please use the checklist provided below. Use a second pair of eyes, perhaps a member of the committee or the Chair, to review your return for completeness before sending it to us. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Please make sure that the copy of the bank reconciliation confirming the balance held on your behalf which you send with the return covers all your bank balances. If the Joint Committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the accounting statements (Section 2 on page 3). You must provide an explanation for any difference between Box 7 and Box 8.
5. Please explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete numerical and narrative analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Please make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2019) equals the balance brought forward in the current year (Box 1 of 2020).
8. Please do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All highlighted boxes have been completed?	✓
	All additional information requested has been provided to us?	✓
Section 1	For any statement to which the response is 'no', an explanation is provided?	✓
Section 2	Joint Committee approval of the accounting statements is confirmed by the signature of the Chair of the approval meeting?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2019 agrees to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Internal Audit Report	All highlighted boxes completed by internal audit and explanations provided?	✓

Section 1 – Annual Governance statement 2019/20

We acknowledge as the members of:

Enter name of
Joint Committee here:

Central Durham Crematorium Joint Committee

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2020, that:

	Agreed		'Yes'
	Yes	No*	Means that the Joint Committee has
1 We approved the accounting statements prepared in accordance with the guidance notes within this Return	✓		Prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances and have reported our financial results to our host authority for inclusion in their accounts.	✓		has only done what it has the legal power to do and has complied with generally accepted good practice.
4 We carried out an assessment of the risks facing the Joint Committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
5 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the Joint Committee.
6 We took appropriate action on all matters raised during the year in reports from internal and external reviews.	✓		responded to matters brought to its attention by internal and external reviewers.
7 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Joint Committee and where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

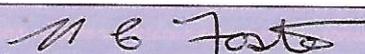
The annual governance statement is approved by this Joint Committee on:

24 July 2020

and recorded as minute reference:

Delegated Decision RES 3493

Signed by Chair at meeting where approval is given:



Clerk:

Sarah Grigor

Digitally signed by Sarah Grigor
Date: 2020.09.10 13:07:53 +01'00'

*Note: Please provide explanations to us on a separate sheet for each 'No' response. Describe how the Joint Committee will address the weaknesses identified.

Section 2 – Accounting Statements 2019/20 for

Enter name of
Joint Committee here:

Central Durham Crematorium Joint Committee

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1 Balances brought forward	1,667,403	1,887,441	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation		0	Total amount of local tax received or receivable in the year including funding from a sponsoring body. Exclude any grants received.
3 (+) Total other receipts	1,745,578	1,765,280	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line2). Include any grants received here.
4 (-) Staff costs	239,806	270,730	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan Interest/capital repayments	213,738	213,737	Total expenditure or payments of capital and Interest made during the year on the body's borrowings (if any).
6 (-) All other payments	1,071,997	1,341,752	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan Interest/capital repayments (line 5).
7 (=) Balances carried forward	1,887,441	1,826,502	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	1,908,027	2,193,020	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus long term investments and assets	4,156,165	4,459,678	This cell shows the value of all the property the Joint committee owns. It is made up of its fixed assets and long-term investments.
10 Total borrowings	409,957	208,423	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB)

I certify that for the year ended 31 March 2020 the accounting statements in the annual governance and accountability return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Paul Darby

Digitally signed by Paul Darby
Date: 2020.09.10 15:57:50 +01'00'

Date 10/09/2020

I confirm that these accounting statements were approved by the Joint Committee on:

24 July 2020

and recorded as minute reference:

Delegated Decision RES 3493

Signed by Chair of meeting where approval is given:

M B Foster

Section 3 – External Report 2019/20 Certificate

In respect of:

Enter name of
Joint Committee here:

Central Durham Crematorium Joint Committee

Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee has taken on the responsibility of ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares a return which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

This report has been produced in accordance with the terms of our engagement letter dated 7 February 2020 (“the Engagement Letter”) and in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements as published by IAASB.

We have performed the following work in respect of the annual governance and accountability return prepared by the Joint Committee:

- agreed the bank reconciliation to the annual governance and accountability return and bank statements;
- agreed the annual governance and accountability return to the trial balance or ledger;
- ensured the trial balance and accounting statements add up;
- agreed any precept or other income from local taxation / levy to the funding body;
- agreed any loans to the Public Works Loan Board or whoever the loan is with;
- checked the comparative figures to prior year accounts;
- undertook an analytical review of the figures and investigated variances above agreed tolerance levels;
- ensured that the accounting statements and annual governance statement have been signed and dated as required;
- investigated any no answers in the Annual Governance Statement; and
- investigated any no answers in the Internal Audit Report.

No exceptions were found

We have not subjected the information contained in our report to checking or verification procedures except to the extent expressly stated above and this engagement does not constitute an audit or a review and, as such, no assurance is expressed. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

You were responsible for determining whether the agreed upon procedures we performed were sufficient for your purposes and we cannot, and do not, make any representations regarding the sufficiency of these procedures for your purposes.

Our report is prepared solely for the confidential use of the Joint Committee. Our report must not be used for any purpose other than for which it was prepared or be reproduced or referred to in any other document or made available to any third party without the written permission of Mazars LLP.

We accept no liability to any other party who is shown or gains access to this report.

Signature

Mazars LLP

Mazars LLP, Durham, DH1 5TS

Date 18 September 2020

**Central Durham Crematorium
Joint Committee**

1 October 2020



Performance and Operational Report

Report of Graham Harrison, Bereavement Services Manager and Registrar

Electoral division(s) affected:

Countywide

Purpose of the Report

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

Executive summary

- 2 This report provides Members of the Central Durham Crematorium Joint Committee with an update of performance and operational matters at the crematorium.

Recommendation(s)

- 3 It is recommended that Members of the Central Durham Joint Committee:
 - a. Note the current performance of the crematorium;
 - b. Note the updated position with regards to the Technical Assistant post;
 - c. Note the updated position with regards to the recycling of metals scheme;
 - d. Note the options available for the cremation fee and approve Option 2 – reinstatement of the full 2020/21 fee from 1 November 2020;
 - e. Note the options available for the provision of webcasts and approve Option 2 – recommencement of the fees from 1 November 2020; and
 - f. Note and agree the content of the Service Asset Management Plan attached at Appendix 3, which will be factored into budget planning in 2021/22 and beyond.

Background

- 4 This report provides Members of the Central Durham Crematorium Joint Committee with an update of performance and operational matters at the crematorium since the last meeting of the Joint Committee.

Performance Update - Number of Cremations

- 5 The table below provides details of the number of cremations for the period 1 January 2020 to 31 August 2020 inclusive, with comparative data in the same period last year:

	2019/20	2020/21	Change
January	240 + 1*	233 + 1*	- 7 + 0*
February	220 + 2*	199 + 0*	- 21 - 2*
March	190 + 1*	226 + 1*	+36 + 0*
April	164 + 0*	338 + 0*	+ 174 + 0
May	216 + 1*	400 + 1*	+ 184 + 0*
June	164 + 2*	232 + 0*	+ 68 - 2*
July	186 + 1*	193 + 0*	+ 7 - 1*
August	166 + 2*	170 + 0*	+ 4 - 2*
TOTAL	1,546 + 10*	1,991 + 3*	+ 445 - 7*

* = Non-Viable Foetus (NVF) ** = Stillborns (STs) *** = Body parts

- 6 The full profile of where families came from can be seen in Appendix 2. In summary 545 came from Durham, 76 came from Spennymoor and 1,370 from other areas. There have been 3 NVF cremations undertaken for the period covered by this report compared to 10 in the comparable period last year. There were 445 more cremations undertaken in the period January to August 2020 compared to the same period last year with significant year on year variances experienced in April, May and June due to Covid-19.

Memorials

- 7 The table below outlines the number and value of the memorials sold in the period January to August 2020 compared to the same period the previous year.

	Jan-Aug 2019/20	Jan-Aug 2020/21
	Number £	Number £
Vase Blocks	15 9,544	14 9,166
Large Plaques	45 19,020	43 18,216
Small Plaques	7 1,827	9 2,280
Niche	7 7,401	3 3,707
Renewal	54 9,041	65 10,457
Total	128 46,833	134 43,826

- 8 The number and value of memorials sold 134 / £43,826 compares to 128 / £46,833 in the same period last year, which is an increase of 6 memorials sold and a decrease of £3,007 year on year.

Operational Matters

Staffing

- 9 Members agreed at the January 2020 meeting to advertise a full time Technical Assistant post.
- 10 There were 4 applicants shortlisted and following interviews on 23 July 2020 the Admin Apprentice was successful and commenced her new role on the 3 August 2020.
- 11 As Members will be aware, the Covid 19 pandemic placed the crematorium under immense pressure due to the increase in death rates.
- 12 To accommodate the additional workload extra staff were brought in from other Durham County Council services to cope with the demand. This meant that existing staff were having to carry out their normal duties whilst training other staff in the roles, ensuring that we could then have a bank of trained staff in order to operate a shift system and be able to operate 7 days a week. This shift system was in place for 2 months with staff working 10-hour days, 4 days on and 4 days off, which also included myself and the staff working bank holidays to cope with the demand.
- 13 The seating within the chapel had to be removed and replaced with 15 individual seats which allowed us to sanitise between each service ensuring that a safe distance of 2 metres can be maintained at all times.
- 14 The staff continue to cope with the demands and are an asset to the Crematorium and I would like to personally thanks them for their assistance during this difficult time.

Recycling of Metals Scheme

- 15 Members may recall from the last meeting that extra funds from collections in 2019 had resulted in a second round of nominations being made available, therefore we nominated the Friends of Durham Woodland Cemetery. Due to Covid 19 restrictions a cheque for £10,000 was handed to the Friends of Durham Woodland Cemetery, without involving the Chair or Vice Chair of the Joint Committee. A letter of thanks from the trustees is attached at Appendix 4.

Heritage Open Weekend

- 16 Members will be aware that the Durham Heritage Open Weekend has been running for several years and Durham Crematorium has been part of this event.
- 17 We were asked to participate in the September 2020 event, however due to Covid 19 it was decided not to take part this year.

Cremation Fee

- 18 Members agreed at the January 2020 meeting to increase the cremation fee on 1 April 2020 from £700 to £720, however, due to the outbreak of the Covid 19 pandemic, a decision was taken to freeze the price at £700 during this time. This is in line with actions taken by other Councils.
- 19 During the period 1 April to 31 August there were 1,333 cremations where the £20 price increase was not applied, equating to £26,660 in reduced revenues.
- 20 Discussions with neighbouring authorities have found that whilst they too had either frozen their prices or offered a discount, all had now reverted back to the planned 2020/21 cremation fee. In light of this two options are put forward for consideration:

Option 1. Continue to freeze the cremation prices at £700.

Option 2. Implement the previously agreed budgeted cremation price of £720 from 1 November 2020.

Recommended Option

Due to the reduction in cremation numbers back to normal levels and the approach taken by neighbouring authorities it is recommended that Members approve Option 2 and charge the budgeted £720 per cremation from 1 November 2020. This proposal has been factored into the financial outturn report.

Webcasts

- 21 Members agreed at the January 2020 meeting to increase the Webcast charges on 1 April 2020 from £36 to £48. However, due to the Covid 19 pandemic, it was agreed to provide the service free of charge due to the reduced numbers of only 15 mourners allowed in the chapel during a service. Each webcast currently costs £30 and they are currently being made available for all services.

- 22 During the period 1 April to 31 August there were 516 webcasts requested and provided free of charge at a cost of £15,480 and lost revenue of £24,768 (assuming all 516 webcasts were charged at £48).
- 23 Discussions with neighbouring authorities have found that whilst they also provided the Webcasts free or offered a discount initially, all have now started charging the fee again. In light of this two options are put forward for consideration:

Option 1. Continue to provide the Webcasts free of charge.

Option 2. Re-commence the Webcast fee of £48 from 1 November 2020.

Recommended Option

Due to the reduction in cremation numbers back to normal levels and the approach taken by neighbouring authorities it is recommended that Members approve Option 2 and re-commence the budgeted £48 per webcast from 1 November 2020. This has been factored into the financial outturn report.

Service Asset Management Plan

- 24 The Service Asset Management Plan (SAMP) was presented to Members on 27 September 2019 and has been reviewed and updated to provide further direction and highlight future budget pressures for the Joint Committee. The SAMP is attached at Appendix 3 and will need to be refined in line with any future decisions taken by Members.
- 25 The Service Asset Management Plan is split into four priorities of maintenance need and includes all of the completed and planned crematorium improvement works.

Priority 1 essential works for 2021/22 have been estimated to the sum of £277,057. These will need to be considered as part of the budget setting process for next year. These works include:

- Re-Decoration Works
- Carry out replacement of ride on grasscutter
- Carry out works to allow two-way passing at entrance and new gates.
- Carry out Re-lining of 2 cremators
- Install lighting to the crematorium entranceway.
- Replace floral tribute stands.
- Carry out replacement of cooler cassettes to cremators

- Carry out Re-lining of 1 hearth

Priority 2 works, which will need to feature in 2022/23 budget plans have been estimated to the sum of £5,000 and the works are set out below:

- Carry out Re-lining of 2 hearths

Priority 3 works, which would fall beyond the next two years, have been estimated to the sum of £24,000 and the works are set out below:

- Re-Decoration Works
- Carry out Re-lining of 1 hearth

Longer term works have been costed to the sum of £484,000 and some of the works include:

- Re-Decoration Works
- Carry out Re-lining of 2 cremators
- Carry out Re-lining of 2 hearths

Contact: Graham Harrison

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Appendix 1: Implications

Legal Implications

There are no legal implications associated with this report

Finance

As identified in the report with regards to the position of the Income.

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Equality and Diversity / Public Sector Equality Duty

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

Human Rights

There are no Human Rights implications associated with this report.

Crime and Disorder

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

Staffing

As identified in the report.

Accommodation

There are no accommodation implications associated with this report.

Risk

As identified in the report.

Procurement

There are no procurement issues associated with this report.

Climate Change

There are no climate change issues associated with this report.

Appendix 2: Breakdown of Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
DURHAM	61	62	57	77	122	67	58	41	545
BARNARD CASTLE	1			1	1		1		4
BILLINGHAM							1		1
BIRTLEY	1			1	5			2	9
BISHOP AUCKLAND	7	5	3	5	6	8	6	4	44
BISHOP MIDDLEHAM		1	1	3		1			6
BLACKHALL	2	1	4	1	12	6	4	1	31
CHESTER LE STREET	13	12	17	28	34	29	15	15	163
CHESHIRE				1					1
CHILTON	1	2	1	4	3	2	1	4	18
CONSETT	3	2		2	3	2	1	2	15
CROOK	8	2	8	11	6	2	4	8	49
DARLINGTON	1		1	1	2	1	1	1	8
EASINGTON	7	8	9	18	8	2	5	3	60
EAST RAINTON	1	1		1	1			1	5
ESH			2						2
EDMONDSLEY				1					1
ESH WINNING		3	1	2	2	7	2	5	22
FENCEHOUSES	1			1			2		4
FERRYHILL	8	5	4	7	5	5	3	3	40
FISHBURN			1	2	1	1			5
GATESHEAD				2		1			3
GREAT LUMLEY	1	3	3	3	2	2		3	17
HARTLEPOOL			1	1	4			1	7
HASWELL	1		2	1	1	1	2	1	9
HETTON LE HOLE	3	5	1	16	6	2	1	4	38
HEXHAM			1						1
HORDEN	7	3		3	9	5	5	3	35
HOUGHTON	4	6	14	9	14	5	7	5	64
HOWDEN LE WEAR	1		1						2
KENDAL	1								1
KIMBLESWORTH						1			1
LANCHESTER	1		2	1	1	2	1		8
LANGLEY PARK	9	6	2	5	6	3	2	4	37
LINCOLN					1				1
MORPETH			1						1
MURTON	4	3	7	7	8	4	3	2	38
NEW BRANCEPETH	1	2	2		1	1			7
NEWCASTLE	1		2	1	1		1		6

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
NEWTON AYCLIFFE	8	3	3	2	4	8	2	2	32
NORTHUMBERLAND				1	1	4		1	7
OUSTON	2	1		17	3			1	24
PELTON			1	2	5	2			10
PETERLEE	18	6	18	17	18	8	7	9	101
SACRISTON	4	7	3	4	1	3	1	6	29
SALTBURN					1				1
SEAHAM	12	11	6	18	31	11	9	9	107
SEDFIELD	2	2	2	4	1	7	1	2	21
SHILDON	4	1		1	7	3	2		18
SHINEY ROW								1	1
SHOTTON	3	1	3	6	8		4	3	28
SOUTH HETTON	2	3	2	1	2	2	3	3	18
SPENNYMOOR	9	9	16	7	12	8	12	3	76
STANHOPE	1					1			2
STANLEY	2		1	6	5		2	2	18
STATION TOWN	1	1	2	1					5
STOCKTON		1	1				1		3
SUNDERLAND		3	2	10	2	1	2		20
SUNNYBROW				1	2	1	1		5
SOUTHERN ENGLAND					1				1
THORNLEY	1		1	1		1	3		7
TOW LAW					1			1	2
TRIMDON	1	6	1	5	3	2	5	3	26
WASHINGTON	2	2	2	1	2	3	4	1	17
WEST AUCKLAND			1	1	2			1	5
WEST CORNFORTH			2	4	3	2	1		12
WHEATLEY HILL	4		4	8	8	1	5	3	33
WILLINGTON	5	5		3	6	1		4	24
WINGATE	1	3	6	1	3	3	1	2	20
WOLSINGHAM	1	2			1				4
WYNYARD					1				1
YORKSHIRE	1		1		1				3
WALES							1		1
TOTAL	233	199	226	338	400	232	193	170	1,991

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Central Durham Crematorium

Service Asset Management Plan 2020/21+

*To provide a sensitive, respectful service, fitting for the bereaved.
Our plan for maintaining and developing the site and its facilities*



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Foreword

Welcome to our eighth Service Asset Management Plan (SAMP) for the Central Durham Crematorium. The property and land that is our Crematorium is one of our key assets and we need to ensure that our approach to the management of it enables us to deliver our service in the best possible way, meeting the needs and expectations of customers and staff.

The publication of our property plan represents a significant moment in the Central Durham Crematorium Joint Committees approach to its property management. We need to view our premises, not simply as a building from which we deliver our service, but as an asset in the widest sense driving forward continual service improvement and investment.

We also increasingly need to see our property as a resource to deliver against the priorities set out in our service vision and also as a way of helping us to deliver a professional and dignified service for the residents of County Durham.

I am confident that this new Service Asset Management Plan provides an important part of our service delivery approach.

Alan Patrickson
Corporate Director, Neighbourhoods and
Climate Change

1. Introduction

Our overall vision for all our cemeteries and crematoria, including The Central Durham Crematorium, is set out in our Service Development Plan and is:

- To provide a sensitive, respectful service fitting for the bereaved;
- To ensure that sympathetic, supportive and confidential advice is given to the recently bereaved on funeral service arrangements and give assistance in co-ordinating the funeral process if required;
- To provide consistent high-quality standards of maintenance in cemeteries and crematoria across County Durham, working to maximise value for money;
- To ensure the proper respect of all Council cemeteries and crematoria with fair Rules and Regulations, which are explained to all visitors;
- To work in partnership with our colleagues at Spennymoor Town Council through the Central Durham Crematorium Joint Committee.

Our vision reflects our overall Neighbourhoods and Climate Change aim which is to improve services and make a real difference to our communities. The Central Durham Crematorium SAMP is a document which can enable us to deliver our vision by: -

- Identifying the property needs of the service to enable it to deliver its vision
- Assessing the condition, sufficiency, suitability, accessibility and energy performance of our crematorium and looking at their appropriateness to deliver the future service.
- Identifying the portfolio gaps and appraising the options and priorities to close the gaps between future needs and current provision
- Mapping a way forward to deliver the changes needed which takes in to consideration available funding streams and opportunities.

Our Crematorium 'stand-alone' SAMP will inform the Neighbourhoods and Climate Change SAMP, which links to other Service Grouping SAMPs and the Corporate Asset Management Plan to ensure the Council and its partners obtain best value for property assets they occupy and gets maximum return from these assets in terms of meeting its objectives.



Durham Crematorium

1.1 How we fit in with Durham County Council and Spennymoor Town Council Corporate Priorities

Under the terms of the CDCJC Constitution, the Crematorium is legally vested in Durham County Council and operated by a Joint Committee on behalf of Durham County Council and Spennymoor Town Council. All employees engaged in the service are employed by Durham County Council. The Committee operates within a strict Code of Corporate Governance which comprises systems, processes, culture and values by which the Central Durham Crematorium Joint Committee directs and controls its activities (Section 1.2 below sets this out in further detail).

Durham County Council's Bereavement Services team (part of Environmental Services) manage the Crematorium on behalf of the Joint Committee. Bereavement Services align to the constituent authorities' corporate priorities through the Durham County Council, Council Plan 2016-19 and the Spennymoor Town Council Mission which is explored further below.

The Durham County Council, Council Plan 2020-23

The Plan links closely with our Budget/Medium Term Financial Plan (MTFP) and sets out how we will consider our corporate priorities for improvement, and the key actions we will take to deliver the longer-term goals in the Sustainable Community Strategy and our own improvement agenda. Bereavement Services has a role, along with all other services, to play in the achievement of the ambitions within the Plan.

The actions within the Plan are structured around the ambitions for County Durham:

- More and Better Jobs
- Long and Independent Lives
- Connected Communities
- An Excellent Council

The Excellent Council strand aligns closest to Bereavement Services, by:

- Improving efficiency and value for money
- Working to satisfy customer needs and expectations

The Spennymoor Town Council, Mission

Spennymoor Town Council's mission is "to engage with residents, working with all to make Spennymoor a better place for us all to live."

The Council has identified 5 goals that form the landscape within which the detailed aims and objectives will be developed. The 5 goals are:

1. Improve the working of Spennymoor Town Council – this includes STC organisation, teams and team working, processes, projects, controls, planning, income, spend, Councillors, Committees, meetings, interaction with organisations.
2. Implement open, relevant, timely, informative engagement with residents – this includes all communication channels through which STC engages with residents.
3. Improve the visibility of STC with residents – this includes all opportunities to engage face to face with residents.
4. Make Spennymoor a better place to live, in areas within STC control. Locations and services include Cemeteries, Play areas, Cow Plantation, Parking, Parks, Town Hall, Art Gallery, Events, Allotments, Community Centres and Halls, Toilets.
5. Make Spennymoor a better place to live, in areas outside STC control. Locations and services include Festival Walk, Parking, Infrastructure, Schools, Mining Museum, DLI store at Sevenhills, Durham Gate/Watson Park facilities, buildings and spaces in need of redevelopment.

STAGE 1: The purpose of our Service and how it may be changing in the future



An introduction to our Service; our roles and responsibilities, our links to Corporate Priorities, the scope of this Plan, and the anticipated changes to our Service over the next 10 years

1.2 Governance - The Central Durham Joint Crematorium Committee



STAGE 2: The future needs of our Service alongside our existing portfolio

Consideration of what our 'ideal' assets should look like in the future, an assessment of our existing portfolio and how it is performing, and an analysis of how our 'ideals' differ from our existing asset base



STAGE 3: The key areas of change for our Service

Develop priorities for our assets over the next 10 years, evaluating how we intend to deliver these (within available financial resources), and the impact that priorities will have upon our existing portfolio

Central Durham Crematorium Joint Committee comprises of 12 Durham County Councillors and 3 Spennymoor Town Councillors. The key elements that comprise the Joint Committee's governance arrangements include:

- Defining and documenting the roles and responsibilities of the Durham Crematorium Joint Committee member and officer functions, with clear delegation arrangements and protocols for effective communication.
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and officers.

Reviewing and updating financial instructions and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required in managing risks.

Durham County Council and Central Durham Crematorium Joint Committee Constitutions set out how they operate, how decisions are made and the procedures which are followed to ensure that these are effective, transparent and accountable to service users.

A risk management approach is in operation that aids the achievement of strategic objectives, supports decision making processes, protects the reputation and other assets of the Crematorium and is compliant with statutory and regulatory obligations. This involves regular reports by internal audit, to standards defined in the CIPFA code of practice, and in accordance with the Accounts and Audit Regulations 2015. These include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control at the crematorium, together with recommendations for improvement.

The annual report and accounts include a governance statement which is approved by the joint committee.

1.3 The scope of our Service Asset Management Plan (SAMP)

The Central Durham Crematorium SAMP is intended to show how our property assets should be developed to meet our continuing service delivery obligations and aspirations and is also a means by which we can map how our current property assets match the future needs of our Service. It is a strategic document which will provide us with a clear direction of travel for the future.

The main stages in the development of the SAMP are outlined in the left column and are covered in more detail throughout the document.

The SAMP provides the framework by which our existing property assets are aligned to our service delivery priorities. Overall it ensures that our buildings and land can support service needs and provide the opportunity to lead and enable change.

The SAMP will also be an important tool which, alongside those documents from other Service areas, will inform the Council's Corporate Asset Management Plan and the Central Durham Crematorium Maintenance Programme. This will enable us to;

- formulate a planned maintenance and repair programme,
- Consider property alterations, refurbishment works and new build projects.

The SAMP provides an effective link between the management of Crematorium utilised assets to ensure the efficient and effective delivery of service need. In order to achieve this, it is essential that we analyse our existing property performance and carry out a comprehensive review of our Crematorium. Asset information, including building condition data and the outcomes of access audits will be detailed in the SAMP and reflected within the performance data detailed in Section 4. This baseline information enables us to view the performance of the Central Durham Crematorium and provides a high-level overview of investment need.

2. Our Service

Bereavement Services provides professional, sympathetic, supportive and confidential advice on funeral service arrangements and can give assistance in co-ordinating the funeral process if required. Overall the service provided is a valued one that has achieved a Gold standard through the ICCM (Institute of Cemetery and Crematorium Management). There are also six green flags awarded to Council cemeteries and crematoriums including the Central Durham Crematorium, in recognition of their maintenance standards and community involvement. In August 2020, Bereavement Services was rated by ICCM as the Thirteenth best performing service in the country.

There are a number of areas of change that have affected delivery of our service. The main challenge to the Service was the requirement (from 1st January 2013) for 50% of all cremations to be mercury abated.

According to estimates from Public Health England, two thirds of adults and a quarter of children between two and 10 years old are overweight or obese. Obese children are more likely to become overweight adults and to suffer premature ill health and mortality, and by 2034, 70 per cent of adults are expected to be overweight or obese. Should this trend continue as indicated, we will have to adapt to dealing with larger clients for the foreseeable future. We need to monitor this trend and in the long term, consider adaptations to our existing crematorium facilities and equipment.

Since 2009 there has been significant investment in the Central Durham Crematorium, some of this work has included: -

Buildings		
New additional car park	£	182,899
Crematorium extension	£	953,983
New cremators and mercury abatement plant	£	1,292,918
Re-surfacing of car park	£	18,000
Alterations/upgrade to catafalque doors, heating control, fire alarms	£	29,745
Disabled Toilets upgrade	£	6,500
Improvement to office facilities	£	145,000
Alterations to Book of Remembrance Room	£	171,463
Improvements to ramp ways	£	18,569
Improvements to drainage system	£	18,398
Alteration to bin storage area	£	5,803
Installation of outside lighting to new office entrance	£	2,500
Refurbishment of chapel	£	122,698
Alterations to chapel doors	£	20,145
Refurbishment of the internal waiting room	£	131,819
Alterations to external waiting area	£	63,451
Improvements to crematorium heating	£	11,853
Additional toilet facilities	£	66,035
Replacement of seating in waiting room	£	3,380
Re-lining of hearths x1	£	3,800

Replacement of curtains/blinds to chapel area	£	3,857
Re decoration works	£	4,231
Upgrade Wesley Music system	£	3,679
Upgrade Wesley Tribute system	£	11,856
Replacement of copper roofing canopies	£	277,184
Purchase of weed ripping machine	£	3,514
Purchase of coffee machine	£	3,968
Purchase of electric mowing machine	£	8,595
Re decoration works	£	11,600
Replacement of lectern to chapel area	£	1,800
Re placement of windows to office & new paving	£	26,314
Re placement of shrub beds in grounds	£	7,150
Replacement of pathways around garden of remembrance	£	18,800
Creation of staff car parking area	£	56,466
Hedge Layering	£	2,903
Purchase of pressure washer	£	545
Replace exterior gates	£	940
Re-Decoration Works x 1	£	12,722
Carry out Re-lining of hearths x 1	£	4,160
Carry out energy improvement works	£	59,048
Replace organ	£	6,750
Improvements to wall by book of remembrance building	£	4,930
New paving around floral tribute area	£	15,800
Improvements to office accommodation	£	ongoing
Improvements to entrance roadway	£	ongoing
Improvements to boundary wall	£	7,720
Carry out Re-lining of hearths x 1	£	ongoing
Carry out Re-lining of cremators x 3	£	ongoing
Carry out enlarging of cremator 1	£	ongoing

Carry ou the replacement of grass with block paving	£	ongoing
To provide new surfacing to memorial garden	£	ongoing
To remove existing turning circle.	£	ongoing
To provide and install new liner for water fountain.	£	ongoing
To provide and install new viewing screens	£	ongoing
To provide and install new catafalque.	£	ongoing
Carry out replacement of chapel dome	£	ongoing
To provide and install security viewing camera.	£	ongoing
To purchase and install 2 memorial trees	£	ongoing
Total	£	3,823,491

2.1 The Vision for our Crematorium

The building and land utilised for our crematorium needs to work towards delivering the overall vision for both Durham County Council and Spennymoor Town Council, and our Service Vision described in Section 1. Bereavement Services works towards delivering the Altogether Better Council strand of the Council Plan. In addition, there are many external factors that have driven change across our Service i.e. the cremator replacement programme and Mercury Abatement issues, and the requirements to replace cremators able to accommodate the anticipated increase in adult obesity. To enable us to deliver our vision we require buildings that are legislatively compliant and provide an appropriate and sympathetic environment for the bereaved.

We will also need to ensure that a process of continual maintenance and periodic upgrade is established so that we can sustain an effective and efficient portfolio.

When considering future investment in our property portfolio we must therefore seek to ensure that we

- V1** Provide buildings which provide a sensitive, respectful service fitting for the bereaved
- V2** Provide cremators and abatement equipment which are fit for purpose and comply with the requirements set out in Environmental Protection Legislation and complies with Environment Protection Act 1990 and Statutory Guidance notes issued by DEFRA.
- V3** Maintain and develop the grounds and buildings of our crematorium to give comfort

3 The anticipated changes to the delivery of our Crematorium Services over the next ten years

As a service we also recognise that other challenges may lie ahead in the delivery of our service vision and aspirations and that it is important that we respond to any anticipated changes that may impact upon our Service delivery over the coming years, whether this be brought about by a shift in Government policy, changes in delivery methods, social or demographic changes etc.

As such, this section of our SAMP outlines the anticipated changes which we expect to appear on the horizon over the short term (up to 2 years), medium term (3 to 5 years) and longer term (6 to 10 years). In establishing these changes, we will then be able to map out how our existing property portfolio meets required needs and the changes we may need to make in the future.

Short-term changes (up to 2 years)

- To continue to respond to property and other service changes brought about through the implementation of the new changes with regards to the death certification process.
- To respond to the changes with regards to service delivery and the changes identified in the feasibility study for the crematorium improvements.
- To respond to any maintenance back logs during the financial years 2020/21 and 2021/22.

Medium-term changes (up to 3 to 5 years)

- As corporate priorities are reviewed in line with future Council Plans, we will need to revisit and adapt our own Service priorities so that these continue to align with any changing local needs
- Further to the draft Cemetery Policy we will continue to seek to have a sustainable crematoria and cemetery portfolio which is fit for purpose.

Long-term changes (up to 6 to 10 years)

- It is anticipated that the death rate is expected to increase from 2020 naturally placing greater pressures upon the service that we will need to provide. We will need to monitor changes and adapt/improve/replace our Crematoria and Cemeteries as necessary.
- The anticipated lifespan of our Cremators is about 20 years. At the end of the loan repayment period in 2021, the Annual contribution to the reserve fund will be a sum equivalent to the current loan and will allow a substantial reserve fund to be created. This will enable the installation of replacement cremators and mercury abatement equipment if necessary without the need to source capital funding. We will need to monitor any increase in costs and source additional or alternative funding where required.
- It is anticipated that adult obesity levels will increase substantially in the long term. We will need to monitor this trend and adapt our crematoria to accommodate our larger clients.

**THE FUTURE NEEDS OF OUR SERVICE
ALONGSIDE OUR EXISTING PROPERTY
PORTFOLIO**

4. Asset Supply Profile

If we are to achieve our ambition to provide a sensitive, respectful service fitting for the bereaved, we must have a land and property portfolio which assists us. This means we must provide buildings and grounds that give comfort and consolation.

Whilst major steps have been taken over recent years to improve our existing Crematorium there are still significant steps that we need to take to realise our vision, and as such it is essential that we have up to date knowledge of our existing asset base and how it is performing.

4.1 Our existing property assets

4.1.1 Central Durham Crematorium

The Crematorium is owned by Durham County Council and operated by a Joint Committee on behalf of Durham County Council and Spennymoor Town Council.

The Crematorium is nestled on the outskirts of Durham on South Road (A177 Just off A167) close to Durham Cathedral and serves the residents of the whole of County Durham and beyond. The Crematorium Chapel, designed by J P Chaplin, A.R.I.B.A is hexagonal in shape and has large windows, giving panoramic views over the meadowland surrounding the building and of the distant woodland surrounding the site. The Crematorium was opened in August 1960.

Areas are set aside for the scattering of cremated remains throughout the crematorium land and an atmosphere of peace and tranquillity prevails in the surrounding of the Crematorium.

Within the crematorium grounds there are also 2 bungalows which are owned by Durham County Council, both of these properties are currently rented out.

More recently an area of land to the bottom of the crematorium which is owned by Durham County Council was established as a community owned woodland burial site which was created by the Woodland Burial Trust by way of a lease agreement, however this went into administration and Durham County Council have now taken this over and are currently working with a friend's group on this site.

More recently Durham crematorium was granted Green Flag status for the ninth-year running.



Crematorium Chapel

In excess of 2,300 cremations are carried out each year.

4.1.2 Crematorium Chapel



Chapel of Remembrance

The Crematorium Chapel has recently been refurbished and now provides seating for up to 100 people with standing room for over 50. Adjoining the chapel is a waiting room. The covered floral display area is situated to the exit area of the chapel, in which relatives and friends can view floral tributes following the service. All areas of the crematorium are accessible to people in wheelchairs.

For the hard of hearing, induction loops are installed in the Chapel. Specially adapted toilet facilities, suitable for disabled persons, are provided adjoining the waiting room opposite the Chapel entrance. Guide dogs and assistance dogs are permitted to enter all parts of the buildings and grounds.

Service times are on every hour and half hour, allowing some 20 minutes for each service and giving time for the Chapel to be tidied between each funeral service.

The style, character and condition of the building are in keeping with the crematorium.

4.1.3 Chapel of Remembrance

A new Chapel of Remembrance building has also recently been constructed and this is now situated to the right-hand side of the crematorium chapel. There is also a facility available to place flowers within the building and vases are supplied which also house the two book of remembrance cabinets and a new touch screen book view facility.

4.2 How our Existing Assets are Performing

As part of the Authority's Corporate Property Database, details where available, are held on all assets utilised by Bereavement Services including Durham Crematorium, with regards to their condition, sufficiency, suitability accessibility and energy performance.

4.2.1 Condition/outstanding repairs

The condition survey that was previously carried out in respect of Durham Crematorium in 2019 showed that the premises are in good condition. There are however a number of works identified which will improve the service offered to the bereaved. This has a conditional estimated survey need of **£790,057**,

£277,057 considered as works which are urgent / essential and are included in the 21/22 budget. **£5,000** desirable works which are required in 22/23, **£24,000** for 2023/24 and **£484,000** are longer term works.

Premises Condition Summary (as at last survey in April 2019)

PROPERTY	TOTAL MAINTENANCE NEED BY PRIORITY (£)			
	PRIORITY 1 URGENT, ESSENTIAL (21/22)	PRIORITY 2 LONGER TERM DESIRABLE WORKS (22/23)	PRIORITY 3 LONGER TERM DESIRABLE WORKS (23/24)	PRIORITY 4 LONGER TERM WORKS (24/25 onwards)
Durham Crematorium	£ 277,057	£ 5,000	£ 24,000	£ 484,000
TOTAL				£790,057

The table above does include any requirements or costs in relation to the future replacement of the Cremators.

In seeking to address the condition needs of our crematorium, we routinely prioritise and address maintenance issues where possible through our Repairs and Maintenance Budget and Repair Reserve. Investment has been made in recent years to address the maintenance backlog and other repairs identified by the premise's manager through a premise's suitability assessment.

4.2.2. Sufficiency

Unfortunately, sufficiency assessments are not planned to be undertaken across the Councils Portfolio – the resources are not unfortunately available to do so.

However, Durham Crematorium is optimally used by residents of Durham County Council and Spennymoor Town Council providing sufficient needs for the bereaved; however, this may only become an



Crematorium general view

issue for Durham Crematorium where death rates do increase considerably. Sufficiency will, where resources allow, be looked at as one part of the Councils Property Review Programme although the property review programme covers whole portfolio areas rather than one individual property such as Durham Crematorium.

4.2.3 Suitability

Unfortunately, suitability surveys assessments are not planned to be undertaken across the Councils Portfolio – the resources are not unfortunately available to do so.

The manager of Durham Crematorium has carried out a basic suitability audit, the results of which are set out below at Section 6 (Gap analysis)

However, providing investment into the current building will provide suitability in terms of service delivery and the right location.

Suitability is about whether the property users/customers consider that the premises meet requirements in terms of use. A series of questions are asked around whether staff/customers find the heating/lighting/ventilation/decoration staff facilities and general aesthetics etc. in their opinion as good/fair/poor. This detail helps to inform future investment requirements. In this instance, the premises manager advised in his opinion what the issues were in terms of suitability and this enabled the gaps to be drawn out. It is possible although, we usually find that the premises manager is the best source of knowledge, that there may be other suitability issues that staff/customers may be able to highlight which could, subject to service approval and of course resources are included in the premises Investment Plan.

4.2.4 Accessibility

As part of the Council's recognised duty to plan for improved access to facilities for disabled or impaired service users, staff and visitors, Durham Crematorium was subject of an accessibility audit carried out in 2011. A feasibility report to deliver these works was carried out by our in-house Design Team.

4.2.5 Energy performance

Annual energy performance details are collated on all assets utilised by Bereavement Services and



Crematorium front entrance

include information around energy consumption (electricity and gas) and water consumption. These figures are reported as part of the Corporate Asset Management Plan. The latest figures available for 2019/20 show that the energy consumption for Durham Crematorium was in excess of 1,203,982

Kilowatt-hours (kWh) (based on a gross internal area of 560.31 sqm). In monetary terms, this consumption cost the Crematorium Joint Committee in excess of £47,160 during 2019/20.

The total water consumption in 2019/20 was also in excess of 6159 m³; again, in monetary terms this consumption cost in excess of £7,335 per year.

The tables below provide a summary of the energy performance of Durham Crematorium during 2019/20. In light of our commitment to support the Council's sustainability and climate change agendas we recognise the need to improve these energy performance statistics over the coming years, particularly in respect of carbon emissions from our buildings.

Energy Performance Summary

Year	TOTAL ENERGY CONSUMPTION (kWh)	TOTAL ENERGY CONSUMPTION (£)	TOTAL WATER CONSUMPTION (m³)	TOTAL WATER CONSUMPTION PER SQM
2019/20	1,203,982	47,160	6159	10.99

As Durham Crematorium buildings and the cremator is updated and/or replaced it should be the prime objective to reduce all these figures.

The data collated shows us that

- For obvious reasons the Crematorium consumes a far greater amount of gas and electricity (based on kWh usage) than the Council average. This is considered to have a consequent knock on effect on CO² emissions
- Water consumption is below the Council average.

Energy Proposals

Proposals included fully exploring the possibilities that may allow further use of the waste heat generated by the heat exchangers. The crematorium project team investigated ways in which the surplus heat from 2 cremators could be utilised however it was felt that this be put on hold, as well as the possibility of the installation of solar energy panels to the building.

In 2016 Durham crematorium was subject to an energy assessment and recommendations were made to improve energy performance, therefore an energy improvement option feasibility report was undertaken in 2018 to identify improvements. Members agreed to this report and energy improvement works were undertaken in 2019.

Resomation

Water cremation is the new alternative to flame cremation and burial. Giving people a new choice, environmentally friendly option that offers a natural process using water instead of flames. Natural water cremation is the new, greener alternative to flame cremation and burial. This natural approach to cremation uses water instead of flame to reduce the body to ashes and offers people the choice of a gentler, more environmentally-friendly end of life solution. Families across North America are already choosing this natural process for their departed loved ones. With a growing global population that is becoming increasingly aware of their environmental footprint more and more people are seeking greener alternatives, both in life and death. With no harmful emissions and wider environmental benefits, water cremation is a natural alternative to existing end of life solutions, giving people a new, modern option to consider when planning a funeral.



What are the benefits?

By offering water cremation to families in your community, you can:

- Provide a greener alternative to people at the end of life so they have an environmentally friendly choice
- Be one of the first in the country to introduce this as a service
- Be part of something that is modernising the funeral industry and changing the way people make a

Resomation

Unfortunately, due to Covid 19, this has been put back and will be looked at in the future.

5. Asset demand Profile

Being mindful of the anticipated changes that our Service is likely to face over the next 10 years, it is important that we consider what our 'ideal' property portfolio should look like to reflect our future needs. In this section of our SAMP we therefore take a 'blank piece of paper' to set out what our real asset needs are, without being restricted by our existing portfolio.

These 'ideals' are however tempered by a realistic appreciation that we do not have infinite resources.

5.1 Our ideal property assets for the future

In assessing what our ideal Crematorium should look like we have analysed the needs of our Service. In doing so we have recognised that our assets need to be fit for purpose and provide for changes in legislation and government guidance whilst delivering improvements and maximising the opportunity to achieve value for money.

As part of Property Assets for the future we carried out a survey of users on our open evening held in May 2013 and an online survey was again undertaken in 2019. This highlighted some future investments going forward.

The table below sets out the considerations for our Crematorium:

<p>Location</p> <ul style="list-style-type: none">• A woodland or parkland setting in an area of undulating ground with good natural features and mature trees• Accessible by public transport• Section 5 of the Crematoria Act 1902 stipulates that no crematorium shall be within:<ul style="list-style-type: none">○ 200 yards of any dwelling house○ 100 yards with consent○ 50 yards of any public highway nor in any consecrated part of a burial ground <p>Size</p> <ul style="list-style-type: none">• A minimum of two hectares (approximately five acres) per estimated 1000 cremations per annum <p>Layout and image</p> <ul style="list-style-type: none">• Entrances and exits should not be in close proximity to incompatible establishments• Entrances and exits should not be located on main trunk roads• The flow of traffic to the building should be simple, dignified, uninterrupted and screened.• Shared vehicular entrance and exit roads should be at least five metres wide.

Cont. ...

Customer needs

- Entrances and exits to ancillary rooms should flow through the building in sequence.
- Adequate car parking facilities which are DDA compliant.
- Undercover entrances
- The entrance hall or vestibule should be spacious and provide for toilet facilities
- The waiting room should have adequate seating capacity, toilet facilities and be set out to allow the arrival of the cortege to be seen by those waiting.
- The vestry should be located at the front of the building
- The chapel should provide for 80/100 mourners and should be flexible enough to allow for funerals of different denominations. It should be set out in such a way that provides for the comfort and use of all mourners and is DDA compliant
- The provision of a cremator that is compliant with Environmental legislation and Secretary of State guidance particularly in relation to mercury abatement
- The provision of an adequate and suitable music system including an organ
- CCTV to allow for traffic monitoring, chapel and crematory arrangements and security.
- A suitably designed and appropriate for use catafalque.
- The provision of a Committal Hall and viewing room
- Provision of adequate and suitable ancillary accommodation including a Bearers Room Chapel of Rest, Coffin Storage Facilities, Treatment Room for Cremated Remains and staff facilities.
- Provision for commemorative floral tributes to be accommodated within the general vicinity of memorials.
- Provision of chamfered terra-cotta brick or stone edging to the walks of the Garden of Remembrance to allow for the fixing of memorial plates.
- Provision of a Book of Remembrance
- Provision of a Columbaria

Other Requirements

- The provision of a Chapel of Remembrance, hexagonal shaped 8' sides, situated to the right hand side of the crematorium in an area designed for the floral tribute. The building should be designed so that it can be used for the storing and display of the Books of Remembrance, in suitable cabinets. Ideally this chapel should be separate from the main building and close to the Garden of Remembrance. Visitors, who wish to view the Books of Remembrance, or quietly mediate in the chapel, should not be disturbed by mourners attending services and vice versa.



Memorial Garden



Life and Soul Garden

6. Supply and Demand Comparison (Gap Analysis)

The aim of the gap analysis is to review our existing Crematorium against our anticipated future requirements. We need to provide the right environments and particularly the right buildings with the right facilities, which project the right image to our service users and the wider community. By examining our existing crematorium (Section 4) against our 'ideal' property portfolio (Section 5) we can see what improvements and modifications this will need to entail, which in turn allow us to target available resources towards our areas of greatest need and importance over the coming years.

6.1 How our 'ideal' property portfolio differs from our 'existing' asset base

Investment has been made to reduce our overarching maintenance need and to improve facilities in line with our changing service delivery need requirements. Over the last 8 years total investment of over 3.7 million has been carried out on the replacement of cremators, crematory extension and additional car parking facilities, along with office and chapel improvements. Despite this investment however, there are gaps between our current asset portfolio and our 'ideals' for the future.

6.1.1 Cremator Replacement and Mercury Abatement

The anticipated lifespan of the Cremators at Durham Crematorium is in excess of 20 years. In 1998/99 prior to LGR, the Central Durham Crematorium Joint Committee established a Cremator Replacement Reserve Fund with an annual contribution of 30k factored into the revenue budget. Following LGR, the Committee updated its reserve policy approving that all additional surplus generated (over and above budget) to be transferred to the Cremator replacement reserve. For the recent project to build an extension to the crematory and the installation of new cremators and abatement plant £600k was used from reserves to offset the total cost of project.

In 2004 DEFRA issued guidelines in the cremation industry advising that at least 50% of all cremations

should be mercury abated by the end of 2012. Should this not be achievable, legislation would be introduced whereby all crematoria undertaking excess of 1970 cremations during 2003 would be required to install abatement equipment.

The Federation of Cremation Authorities felt that rather than the cost of Mercury Abatement being met by the busiest crematoria the cost should be shared around the industry and introduced the CAMEO scheme (a burden sharing scheme where those who with abatement equipment would receive payment from those without, based on the number of cremations undertaken)

In 2003 Durham Crematorium carried out significantly more cremations than the threshold set out in the 2003 legislation (1,326) and was therefore compelled to install equipment in line with legislation. In consideration of this Members of the Joint Committee agreed to install abatement equipment.

6.1.2 Outstanding Repairs

Durham Crematorium is well located in terms of the service required and provides an ideal atmosphere for customers and users. We consider that both are suitable for use and matches the majority of the criteria set out as our 'ideals'. There are however, improvements that can be made to portfolio which are identified below:

Repairs and maintenance investment from 2021/22 onwards are currently estimated at £790,057 through the implementation of a robust repairs and maintenance strategy. There are also other works in the long-term categories in the condition survey that will need to be considered going forward.

The investment does not include the future Cremator Replacement requirements.

In addition to those works identified in the Condition Survey, a number of works which are outside the scope of this particular survey type have been identified. As detailed below an identified portfolio gap is the need to have a maintenance plan which will address repair and improvement need going forward. The Plan has been developed and is set out at Section 8.2 below and includes work identified outside the condition survey remit.

6.1.3 Suitability



As highlighted in Section 4 Suitability Surveys are not planned to be undertaken across the Councils Portfolio – the resources are not unfortunately available to do so. The Durham Crematorium property manager has carried out a suitability audit which has shown generally the suitability of the building to deliver the service is good.

Health and Safety requirements are being satisfactorily met and the premises are considered suitable in terms of internal layouts. The location of the Chapel of Remembrance is considered suitable in terms of image location and environment being situated away from the main chapel in a secluded and peaceful area setting the right tone for the service it provides.

The main areas of weakness in terms of suitability are: -

Redecoration

The Durham Condition Survey includes redecoration requirements and indicative costs (£18k) with the work required in 2021. Therefore it is proposed that this is placed on a two-year cycle and that funding be secured in order to carry out this work. It is however appreciated that redecoration works may need to be aligned to the delivery of other maintenance and improvement works

GAP 1	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	Target: April 2021
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Ride on Grass cutter

The current ride on grass cutter requires upgrading as this is starting to show signs of wear and tear and is required all year round to assist in grass cutting and snow ploughing duties.

GAP 2	Source budget provision and carry out a replacement for ride on grass cutter	Target: July 2021
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Existing roadway.

The existing roadway is totally unsuitable for allowing two cars to pass and enter /exit safely. A price was obtained however this has come in over budget and therefore extra budget will be required to complete works.

GAP 3	To provide additional budget to complete works to install new gates and allow two way passing to the crematorium.	Target: April 2021
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Existing lighting.

The existing lighting is totally unsuitable for allowing pedestrians to enter /exit safely as there is no lighting columns from the car park to the gates.

GAP 4	Source budget to install lighting to the crematorium.	Target: April 2021
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Floral tribute stands

The current floral tribute stands require upgrading as these are starting to show signs of wear and tear and are required all year round.

GAP 5	Source budget provision and carry out a replacement for floral tribute stands	Target: July 2021
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Heat exchanger Cooler Cassettes

The current Heat exchanger Cooler Cassettes have been in situ since the cremators were installed and require replacing.

GAP 6	Source budget provision and carry out a replacement for Cooler cassettes.	Target: July 2021
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Re lining of hearth

The current cremators have been in situ since 2012 and hearths need replacing.

GAP 7	Source budget provision and carry out Re-lining of hearth.	Target: December 2021
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Re lining of hearth

The current cremators have been in situ since 2012 and hearths need replacing.

GAP 8	Source budget provision and carry out Re-lining of hearth.	Target: December 2022
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Re lining of hearth

The current cremators have been in situ since 2012 and hearths need replacing.

GAP 9	Source budget provision and carry out Re-lining of hearth.	Target: December 2023
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Redecoration

The Durham Condition Survey includes redecoration requirements and indicative costs (£18k) with the work required in 2021. Therefore it is proposed that this is placed on a two-year cycle and that funding be secured in order to carry out this work. It is however appreciated that redecoration works may need to be aligned to the delivery of other maintenance and improvement works

GAP 10	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	Target: April 2023
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Carry out Re-lining of cremators

The current cremators have been in situ since 2012 and will shortly require re-lining.

GAP 11	Source budget provision and carry out Re-lining of cremators.	Target: December 2024
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6.1.4 Accessibility

Equality colleagues will develop an Access Strategy the purpose of which, is to identify accessibility works through Audits and to agree, working alongside services, and through the priorities identified in SAMPs accessibility works that will be carried out.

We are committed to ensuring that all our premises are DDA compliant.

6.1.5 Energy

As identified in Section 4.2.5 our energy costs are high, for obvious reasons, when compared to the rest of the Council portfolio. Notwithstanding that comparables are not presently available; we remain committed to reducing our energy costs and CO² emissions. From June 2012 the heating for the crematorium buildings has been mainly provided via a plate heat exchanger fitted to the no 2 cremator, early indications are that the heating bills will be reduced by 60% as a result of this installation.

7. Closing the gaps in our Provision

As determined by our Gap analysis there is specific areas that require investment so that we are able to achieve our 'ideal' property, and thus allow us to deliver our service vision. In order for the SAMP to be an effective planning tool in mapping our progress, it will be reviewed annually to take account of future emerging needs, whilst also re-visiting our stated priorities (Section 8)

7.1 How we intend to close the 'gap'

We recognise the need to use asset management planning as a strategic tool to tackle our property related issues and problems, and to steer investment in line with our priorities. The key projects and targets which we believe will enable us to close some of the 'gaps' are set out in section 8, and the platforms which can enable us to reach our property 'ideals' for the future described below

7.1.1 Reserve Fund

In 2003/04 (pre-Local Government Re-organisation) a ring-fenced reserve fund, met from surpluses generated by the crematorium, was established for the purpose of which was to accommodate the future capital investment requirements regarding cremator replacement and any risk / Asset management issues as they might arise. These reserves were developed in the context of a financial strategy aimed at providing sufficient funding within the Durham Crematorium accounts. The Reserve Fund presently comprises:

Reserve	Balance @ 1st April 2020 £	Transfer to Reserve £	Transfer from Reserve £	Estimated Balance @ 31st March 2021 £
Masterplan Memorial Garden	(66,250)	(5,000)	0	(71,250)
Major Capital Works	(1,147,423)	(366,845)	120,632	(1,393,636)
Cremator Reline Reserve	(107,755)	(25,000)	0	(132,755)
Small Plant	(7,405)	(2,000)	0	(9,405)
Total	(1,328,833)	(398,845)	120,632	(1,607,046)

In addition, the following Revenue Budgets are available for Repairs and Maintenance

General repairs and maintenance	Equipment Repairs and Servicing	Total R&M budget
£22,600	£67,000	£95,605

7.2 How we intend to monitor the ‘gaps’ in our provision

The Central Durham Crematorium Joint Committee meets Quarterly to discuss all issues relating to Durham Crematorium which are highlighted through the Bereavement Services Manager reports. In addition to their remit as set out in Section 2, the Committee will also be used as a means to refine the recognised gaps in our portfolio, direct funds and monitor delivery of our SAMP.

7.3 How we intend to determine future investment priorities and mitigate risk

Durham Crematorium is providing the required service to the residents of County Durham and other users of our service however, as with any property changes and improvements are continually required to keep up to date with 21st century service delivery needs, with routine investment also required in respect of repairs and maintenance issues to prevent premises from further deterioration.

In developing priorities for investment, and to ensure that required Service delivery improvements are made, we have adopted a robust options appraisal process in order to consider needs fully, whilst also

following the Council's corporate risk assessment protocols when assessing any project or investment opportunity.

7.3.1 Options Appraisals and Criteria for Determining Priorities

As a Service, we always ensure that full options appraisals are undertaken by a team of multi-disciplined officers when considering investment, including representatives from Bereavement Services and colleagues in Asset Management. Advice and support is also taken from other appropriate Council Services where required. The aim of any options appraisal is to provide value for money solutions that meet our strategic objectives and which also:

- Consider all delivery avenues for projects, including changes in the way we provide our service
- Undertake feasibility options for projects which involve maintenance and refurbishment works and,
- Prepare fully costed project appraisals, whilst also identifying project benefits and risks

In future months/years, we will need to undertake full and robust options appraisals in respect of the 'gaps' that have been identified (as set out in Section 6) and how we will deliver value for money solutions in respect of these issues.

A high-level options appraisal on each gap identified is shown below. This details potential high-level considerations for taking forward work to minimise our identified gaps.

High level options to minimise the 'gaps' in our portfolio

	GAP IDENTIFIED	OPTION 1	OPTION 2
GAP 1	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	Do Nothing	Maintenance Plan
GAP 2	Source budget provision and carry out a replacement for ride on grass cutter	Do Nothing	Maintenance Plan
GAP 3	To provide additional budget to complete works to install new gates and allow two way passing to the crematorium.	Do Nothing	Maintenance Plan
GAP 4	Source budget to install lighting to the crematorium	Do Nothing	Maintenance Plan

GAP 5	Source budget provision and carry out the replacement of floral tribute stands	Do Nothing	Maintenance Plan
GAP 6	Source budget provision and carry out the replacement of cooler cassettes	Do Nothing	Maintenance Plan
GAP 7	Carry out Re-lining of hearths	Do Nothing	Maintenance Plan
GAP 8	Carry out Re-lining of hearths	Do Nothing	Maintenance Plan
GAP 9	Carry out Re-lining of hearths	Do Nothing	Maintenance Plan
GAP 10	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	Do Nothing	Maintenance Plan
GAP 11	Source budget provision and carry out Re-lining of cremators.	Do Nothing	Maintenance Plan

7.3.2 Risk Assessments

The Council has a formal adopted Risk Management Policy and Strategy which sets out the approach to risk management. It ensures consistency of approach and an understanding of the management of business risks across the Council, with each Service having a designated Risk Manager to mitigate risks associated with Bereavement Services strategic business objectives.

Through this SAMP we therefore hope to consider the areas of greatest risk to our assets over the short to medium term, and particularly for those 'gaps' which have been identified. In turn this will also help us to determine whether additional finances, which cannot be presently met from our Reserve Fund, are required and avoid longer-term service delivery problems. The approach to risk assessment through the SAMPs is approached by reviewing each identified gap in turn and highlighting potential risks

Property Risk Assessment (for' gaps' in existing portfolio)

Page 4 of 4

	GAP IDENTIFIED	RISK IDENTIFIED	MITIGATION
GAP 1	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	<ol style="list-style-type: none"> 1. The Reserve fund resources available to carry out repairs outside the urgent and essential category so will not suffice 2. Re-decoration on a 2-year cycle will not align with maintenance plan 	<ol style="list-style-type: none"> 1 Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund. 2 Develop a suitable re-decoration investment plan and align this with urgent and essential category works
GAP 2	Source budget provision and carry out a replacement for ride on grass cutter	<ol style="list-style-type: none"> 1. Grasscutter requires replacing. 2. Resources may not be available to carry out this work. 	<ol style="list-style-type: none"> 1. Develop a suitable investment plan for re-placement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund
GAP 3	To provide additional budget to complete works to install new gates and allow two way passing to the crematorium.	<ol style="list-style-type: none"> 1. The Reserve fund resources available to carry out this work are outside the urgent and essential category so will not suffice 2. Resources may not be available to carry out these works. 	<ol style="list-style-type: none"> 1.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund 2. Develop a suitable investment plan for alteration work and align this with longer term desirable category works
GAP 4	Source budget to install lighting to the crematorium	<ol style="list-style-type: none"> 1. The Reserve fund resources available to carry out this work are outside the urgent and essential category so will not suffice 2. Resources may not be available to carry out these works. 	<ol style="list-style-type: none"> 1.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund 2. Develop a suitable investment plan for alteration work and align this with longer term desirable category works
GAP 5	Source budget provision and carry out replacement of floral stands.	<ol style="list-style-type: none"> 1. Existing floral stands require replacing. 2. Resources may not be available to carry out these works. 	<ol style="list-style-type: none"> 1. Develop a suitable investment plan for re-placement work. 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund
GAP 6	Source budget provision and carry out the replacement of cooler cassettes.	<ol style="list-style-type: none"> 1. The Reserve fund resources available to carry out this work are outside the urgent and essential category so will not suffice 2. Resources may not be available to carry out these works. 	<ol style="list-style-type: none"> 1.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund 2. Develop a suitable investment plan for alteration work and align this with longer term desirable category works
GAP 7	Source budget provision and carry out Re-lining of hearth	<ol style="list-style-type: none"> 1. Cremators require new hearths. 2. Resources may not be available to carry out these works. 	<ol style="list-style-type: none"> 1. Develop a suitable investment plan for re-placement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund
GAP 8	Source budget provision and carry out Re-lining of hearth	<ol style="list-style-type: none"> 1. Cremators require new hearths. 	<ol style="list-style-type: none"> 1. Develop a suitable investment plan for re-placement

		2. Resources may not be available to carry out these works.	work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund
GAP 9	Source budget provision and carry out Re-lining of hearth	1. Cremators require new hearths. 2. Resources may not be available to carry out these works.	1. Develop a suitable investment plan for re-placement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund
GAP 10	Secure a suitable budget, and develop a 2-year schedule for internal and external redecoration	1. The Reserve fund resources available to carry out repairs outside the urgent and essential category so will not suffice 2. Re-decoration on a 2-year cycle will not align with maintenance plan	1 Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund. 2 Develop a suitable re-decoration investment plan and align this with urgent and essential category works
GAP 11	Carry out Re-lining of cremators	1. Existing cremators requires re lining. 2. Resources may not be available to carry out these works.	1. Develop a suitable investment plan for re-line work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund

8. Our priorities for delivery

In terms of our priorities over the short, medium and long term, we have already established our property gaps, this section of the SAMP summarises our key projects required to close these gaps. These projects are detailed at Appendix A and show how these projects are aligned to the identified gaps. The Appendix also demonstrates how these projects align themselves with our Vision as set-out in Section 1. These will be subject to updates as the SAMP moves forward.

8.1 Cremator Replacement and Relining

In the long term (10 years) our priority will be to ensure our that our cremators continue to control mercury emissions from the Crematorium – The Environmental Protection (England) (Crematoria Mercury Emissions) Direction 2008, advising that at least 50% of all cremations should be mercury abated by 1st January 2013 and 100% by 2020.

Notwithstanding the legislative imperative above, there also exists the issue of operational costs and CO² emissions (Section 4 above) and potential rising maintenance and repair costs. The cremators lifespan in 2012 was estimated to be approximately 20 years and as the cremators get older costs associated with maintenance and repair will rise, and parts will be obsolete.

In the short to medium and long term we will continue to maintain our crematorium and reline our cremators. Cremator relining will be carried out:

- No1 Cremator 2024,2028,
- No 2 Cremator 2024,2028,
- No3 Cremator 2024,2028,

Cremator Hearth Replacement:

- No1 Cremator 2022,2025,2028,2031,
- No 2 Cremator 2021,2024,2027,2030
- No3 Cremator 2023,2026,2029,

8.2 Outstanding Repairs (identified in the Condition Survey)

In the short (2021/22) to medium term (2022/23) our aim is to address those urgent repair and maintenance works, identified in our Condition Survey and those repairs identified by the Bereavement Services Manager & Registrar.

Previously we had carried out Feasibility studies which in turn lead to the redevelopment work in creating an extension to the Crematorium. This allowed us to install the latest Cremator equipment and mercury abatement system and a number of alternative improvements.

This will also ensure appropriate investment is made across our crematorium including the development of a maintenance and investment plan. This will form part of an overall 5-year investment plan for the improvement of our crematorium.

8.2.1 Maintenance Plan

Our crematorium will be subject to an annual maintenance regime to ensure that is maintained to an appropriate standard with, financial and other risks also controlled. As part of this we recognise that the maintenance of our assets will fall into two distinct categories:

- **Reactive Maintenance** – i.e. the repair of components upon failure. Repair may have to take place immediately (emergency repairs) or almost immediately (urgent repairs) in order that the premises may continue to function effectively or safely, and
- **Planned Maintenance** – i.e. carried out to reduce the level of reactive maintenance, by replacing component and elements of repair before they have deteriorated to a critical level. This will comprise of both regular servicing of equipment and inspection/testing in accordance with the requirements of regulations (routine maintenance) and planned repair or replacement of deteriorated components, such as maintenance carried out according to planned recurrent cycles (for example, redecoration) or according to the lifecycle of the component/element (for example re-roofing)

Over the next year we will continue to address any reactive needs in the estate, as and when they may arise, and we will also seek to undertake planned maintenance works. Those works which need to be considered for investment are listed below, with any works not addressed during 2021/22-22/23, rolled forward.

The works and costs listed below are estimated and as such are indicative costs only. A Feasibility Study will be required before final budget costs can be established.

Planned Maintenance 2021/22 – Priority 1

Project	Budget	Est Cost
Re-Decoration Works x 1	Premises	18,000*
Carry out a replacement for ride on grass cutter	Reserves	25,000*
To install new gates and adjust roadway to allow two way passing to the crematorium	Reserves	57,257*
Carry out Re-lining of crematorsx 2	Reserves	71,300*
Planned maintenance 2022/2023- Priority 2 Install lighting to the crematorium	Reserves	10,000*
Carry out a replacement for floral tribute stands	Premises	2,500*
Carry out a replacement for cooler cassettes	Reserves	88,000
Carry out Re-lining of hearths x 1	Premises	5,000
ESTIMATED TOTAL SPEND		277,057

Planned maintenance 2022/2023- Priority 2

Project	Budget	Est Cost
Carry out Re-lining of hearths x 1	Premises	£ 5,000
ESTIMATED TOTAL SPEND		£ 5,000

Planned maintenance 2023/2024- Priority 3

Project	Budget	Est Cost
Re-Decoration Works x 1	Premises	£ 18,000*
Carry out Re-lining of hearths x 1	Premises	£ 6,000
ESTIMATED TOTAL SPEND		£ 24,000

Planned maintenance 2024 onwards - Priority 4

Project	Budget	Est Cost
Re-Decoration Works x 4	Premises	£ 72,000
Carry out Re-lining of cremators x 2, Year 2024,2028	Reserves	£ 370,000
Carry out Re-lining of hearths x 3, Year 2024	Premises	£ 42,000
ESTIMATED TOTAL SPEND		£ 484,000

* Estimate

8.3 Suitability

In the short term (2021/22), our aim is to address those issues works which have potential health and safety implications. Our priority will also be to ensure that our crematorium continues to meet the expectations of all our service users and demonstrates a professional and dignified service.

8.4 Accessibility

Our aim is to ensure that are premises are DDA compliant and to provide better accessibility through our premises as identified.

9. Financial Resources available to deliver our priorities

Investment in our Crematorium is supported through our Crematorium Reserves. This is reviewed annually by the Durham Crematorium Joint Committee and is aligned to its budget setting processes.

In order to ensure that the repairs identified within this Service Asset Management Plan can be carried out, funding is to be allocated from a number of sources as including: -

- Repairs and Maintenance Revenue Budget
- Contributions from the Major Capital Works Reserve
- Contributions from the Cremator Reline Reserve
- Reduced contributions to the Major Capital Reserve in future years
- Borrowing



Central Durham Crematorium Joint Committee

1st September 2020

Dear Sir/Madam,

RE: Donation from the ICCM Metal Recycling Scheme

I am writing on behalf of the Trustees of the Friends of Durham Woodland Cemetery (DWC) to express our sincere gratitude for the generous donation awarded to us from the ICCM Metals Recycling Scheme.

As you know, Durham Woodland Cemetery is a relatively new type of provision offered by Durham County Council to those bereaved families that prefer a natural setting for the burial of their loved ones or their ashes. Often, the choice of DWC is deeply personal, and reflects a commitment to nature and the environment, with many people having booked plots years in advance.

Our Friends group was set up with the aim of enhancing these personal connections, providing help and advice to those who are exploring a Woodland burial, and providing a route for volunteers to engage with the care and maintenance of the site. Our membership is open to anyone who wishes to maintain a link with this special place.

Recently we have been exploring ways to provide a more tangible way for members to get involved, with the idea of fundraising for a specific project. We are exploring ideas for a more permanent memorial bearing the names of loved ones, that could also provide a focal point for the Woodland, or a place for visitors to rest and shelter from the weather. This incredibly generous donation will enable us to make huge strides to making these ideas a reality.

We will never forget that this contribution is made possible by relatives who are mourning the loss of their loved ones, and who have to make difficult decisions about the conduct of a funeral at a very emotional and stressful time. We intend to ensure that their generosity, and that of your committee is commemorated in all that we do with this donation.

With sincere thanks, on behalf of all the Trustees

Matthew Jones

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**Central Durham Crematorium
Joint Committee**

1 October 2020



**Financial Monitoring Report –
Position at 31/08/20, with
Projected Revenue and Capital
Outturn at 31/03/21**

Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and
Climate Change**

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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report provides members of the Central Durham Crematorium Joint Committee with details of the provisional outturn position for 2020/21 and the projected level of reserves and balances at 31 March 2021.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2020 to 31 August 2020, together with a forecast revenue and capital outturn position for 2020/21, 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 2020 and forecast final position at 31 March 2021, 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 £1,036,345 against a budgeted surplus of £761,132, £275,213 more than the budgeted position.
- 5 Contributions to earmarked reserves are forecast as £335,981 more than originally budgeted, due mainly to additional cremation income.

- 6 In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £20,100 is required. This results in a net transfer to the Major Capital Works Reserve of £246,213 in year.
- 7 The retained reserves of the CDCJC at 31 March 2021 are forecast to be £1,607,046 along with a General Reserve of £517,770, giving a forecast total reserves and balances position of £2,124,816 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to August 2020 financial monitoring report and associated provisional revenue and capital outturn positions at 31 March 2021, including the projected year position with regards to the reserves and balances of the Joint Committee.

Background

- 9 Scrutinising the financial performance of the Central Durham 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 Central Durham Crematorium

Financial Performance

- 10 Budgetary control reports, incorporating outturn projections, are considered by Neighbourhoods and Climate Change Management Team on a quarterly 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 Central Durham Crematorium are included within this report.
- 11 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 Central Durham Crematorium.

Subjective Analysis (Type of Expenditure)	Base Budget 2020/21 £	Year to Date Actual April – August £	Provisional Outturn 2020/21 £	Variance Over/ (Under) £
Employees	285,430	153,524	315,159	29,729
Premises	277,255	140,571	321,583	44,328
Transport	2,800	1,484	3,200	400
Supplies & Services	136,051	64,732	146,596	10,545
Agency & Contracted	9,184	4,756	11,603	2,419
Capital Charges	213,738	0	213,738	0
Central Support Costs	40,310	0	40,310	0
Gross Expenditure	964,768	365,066	1,052,189	87,421
Income	(1,725,900)	(961,911)	(2,088,534)	(362,634)
Net Income	(761,132)	(596,844)	(1,036,345)	(275,213)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	91,632	0	366,845	275,213
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(637,500)	0	(637,500)	0
80% Durham County Council	510,000	255,000	510,000	0
20% Spennymoor Town Council	127,500	31,875	127,500	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2020 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2021 £
General Reserve	(497,670)	(657,600)	637,500	(517,770)
Masterplan Memorial Garden	(66,250)	(5,000)	0	(71,250)
Major Capital Works	(1,147,423)	(366,845)	120,632	(1,393,636)
Cremator Reline Reserve	(107,755)	(25,000)	0	(132,755)
Small Plant	(7,405)	(2,000)	0	(9,405)
Total	(1,826,503)	(1,056,445)	758,132	(2,124,816)

Explanation of Significant Variances between Original Budget and Forecast Outturn

12 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 of £1,036,345 against a budgeted surplus of £761,132, £275,213 more than the budgeted position.

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

13.1 *Employees*

The outturn shows a forecast overspend of **£29,729**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are projected to overspend by **£29,729** due to Covid-19 redeployment, overtime and training costs.

13.2 *Premises*

The outturn shows a forecast overspend of **£44,328** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to the relining of hearth is not needed this year resulting in an underspend of **(£3,450)**.
- Cremator repairs are forecast to overspend by **£43,000** due to the heat exchanger cooling cassettes having to be replaced on Cremator 3, following a routine service.
- Mortuary refrigerator packs are overspent by **£1,648** due to Covid-19.
- Cremator servicing, grounds maintenance and building maintenance is forecast to be overspent by **£3,130**.

13.3 *Supplies and Services*

The outturn shows a forecast overspend of **£10,545** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£15,556**.
- Purchasing of webcasts is forecast to overspend by **£7,000** due to the free provision as mentioned in the Bereavement Services Manager's report.

- Other general office costs such as purchase of urns, subscriptions and vending machines are expected to underspend by **(£10,511)**.
- The conference and seminars budget will underspend by **(£1,500)** due to the cancellation of the annual conference.

13.4 Income

An increase in income of **(£362,634)** from the 2020/21 budget is included within the outturn forecasts. The reasons for this are identified below:

- The outturn includes an increase of 587 cremations compared to the budget, totalling increased income to budget of **(£388,260)**. The outturn allows for a total of 2,787 cremations against a budgeted 2,200 during 2020/21.
- Miscellaneous sales and Book of Remembrance entries are expected to be higher than budget resulting in additional income of **(£3,624)**.
- Sale of urns is forecast to underachieve by **£16,000**. It was agreed at the January 2020 meeting to increase the cost of urns to £10 and to sell them with every cremation, however this has not yet commenced due to Covid-19.
- Organ fee income is forecast to be **£1,250** underachieved as the organ is not currently permitted due to Covid-19.
- Interest received is forecast to be underachieved by **£12,000** as the bank accounts are not accruing any interest due to the current interest rate of 0.1%.

14 Capital Programme

The following table highlights the capital outturn of the Central Durham Crematorium:

	Base Budget 2020/21 £	Revised Budget 2020/21 £	Year to Date Actual April - Aug £	Forecast Outturn 2020/21 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works					
Carry out energy improvement works	0	0	4,119	4,119	4,119
Office accommodation improvements	0	25,503	11,413	11,413	(14,090)
Improvements to roadway	0	7,473	0	0	(7,473)
Replacement of chapel dome	20,000	20,000	0	20,000	0
Re-lining of 2 cremators	71,300	71,300	0	0	(71,300)

	Base Budget 2020/21 £	Revised Budget 2020/21 £	Year to Date Actual April - Aug £	Forecast Outturn 2020/21 £	Variance to Revised Budget Over/ (Under) £
Redevelopment Works					
Enlarging of cremator 1	70,000	70,000	0	65,000	(5,000)
Total	161,300	194,276	15,532	100,532	(93,744)

The majority of the energy improvement works were carried out in 2019/20 and the costs in the current year relate to unbudgeted final account claims.

The office accommodation improvements were included in the 2019/20 budget but the works were not completed by the year end so the budgets were carried forward into the current year . The improvements have now been completed with an underspend of £14,090.

The roadway improvements were included in the 2019/20 budget but the works were not completed so the remaining budget was carried forward into the current year. However, the budget will not be spent in the current year and a larger project to widen the access road and gates has been included in the 2021/22 SAMP.

The re-lining of the cremators will not be completed in the current year and instead will be completed in 2021/22. All other work is expected to be completed in the current financial year and within budget.

The cost of the Redevelopment Works is being financed from the Major Capital Works reserve.

15 Earmarked Reserves

Contributions to earmarked reserves are forecast as £335,981 more than originally budgeted, due mainly to the additional cremation income.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£20,100** is required. This results in a net transfer to the Major Capital Works Reserve of £246,213.

The retained reserves of the CDCJC at 31 March 2021 are forecast to be £1,607,046 along with a General Reserve of £517,770, giving a forecast total reserves and balances position of £2,124,816 at the year end.

Contact: Paul Darby

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Ed Thompson

Tel: 03000 263481

Appendix 1: Implications

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 Central Durham Crematorium are included within the body of the report.

Consultation

None. However, Officers of Spennymoor Town 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 CDCJC.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

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.

Central Durham Crematorium
Joint Committee

1 October 2020

Risk Register Update 2020/21 - 1



Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and
Climate Change**

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

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To inform the Central Durham Crematorium Joint Committee of the outcome of the half-yearly risk review in September 2020.

Executive summary

- 2 A service risk register and a health and safety risk register are maintained in accordance with Durham County Council's methodology and approach to risk management.
- 3 Following a review of the service risk register, the outcome is that the net evaluation of each risk remains within the risk appetite. The only major change relates to additional resilience and controls implemented to manage excess deaths in response to the Covid-19 pandemic.

Recommendation(s)

- 4 It is recommended that members of the Crematorium Joint Committee note the content of this report and the updated position.

Background

- 5 A service risk register and a health and safety risk register are maintained in accordance with Durham County Council's methodology and approach to risk management, further details of which are included in **Appendices 2 and 3**.

Risk Review

- 6 The current service risk register is included in **Appendix 4**.
- 7 The Managing Excess Deaths risk is clearly sensitive to the incidence of a second wave of COVID-19 or a local outbreak. As part of the pandemic response, the daily number of cremations are reported through Durham County Council's COVID-19 governance arrangements. Temporary staffing resource has been provided through redeployments from Parks & Countryside, Neighbourhood Wardens and Civic Pride services. An emergency shift working system is also in operation.
- 8 A profile of service risks is included in **Appendix 5**.

Conclusion

- 9 Following a thorough review with the management of the Crematorium, the net evaluation of each risk remains within the risk appetite (shaded area in appendix 5).

Contact:	Paul Darby	Tel: 03000 261930
	Kevin Roberts	Tel: 03000 269657

Appendix 1: Implications

Legal Implications

There are no direct implications, but effective risk management helps to ensure compliance with legal and regulatory obligations.

Finance

There are no direct financial implications, but effective risk management helps to avoid or minimise financial loss.

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Equality and Diversity / Public Sector Equality Duty

None

Climate Change

None

Human Rights

None

Crime and Disorder

None

Staffing

None

Accommodation

None

Risk

This report supports the delivery of the objectives of the Durham County Council's Risk Management Strategy. Each risk has been evaluated using Durham County Council's risk management methodology. Maintaining and continually reviewing the risk register is a key component of the control and governance framework for the Central Durham Crematorium Joint Committee.

Procurement

None

Appendix 2: How Central Durham Crematorium risks are managed

Two risk registers have been developed for Durham Crematorium, containing service and health and safety risks respectively. They are maintained in accordance with Durham County Council's methodology and approach to risk management. Regular reviews are undertaken to ensure that risk management continues to be embedded and that the risk registers are kept up to date, taking current issues into account.

Service Risk Register

The service risk register is maintained by the Bereavement Services Manager & Registrar (Countywide), supported by Durham County Council's Principal Risk and Governance Officer. Risk assessments are based on the impact on finance, service delivery and stakeholders if the risk materialises, and on the likelihood that the risk will occur over a given period, as shown in appendices 3A and 3B. This requires an evaluation of the gross risk and the net risk, which takes into account mitigating control measures. Formal reviews are undertaken twice a year and reported to the Central Durham Crematorium Joint Committee.

Health and Safety Risk Register

The health and safety risk register is maintained by the Bereavement Services Manager & Registrar (Countywide), supported by Durham County Council's Occupational Health and Safety Team. Risk assessments are based on the potential severity of injury and the likelihood of occurrence, as shown in the table below. This requires an evaluation of the net risk, which takes into account mitigating control measures. In line with Durham County Council's procedures, an in-depth review is undertaken every three years. A light-touch review is also undertaken twice a year. A single, overarching health and safety risk is included in the service risk register, which is reported to the Central Durham Crematorium Joint Committee twice a year.

HEALTH & SAFETY RISK ASSESSMENT CRITERIA		Likelihood (a full definition of each rating is set out in the detailed methodology)			
		1 Very Unlikely	2 Unlikely	3 Likely	4 Very Likely
Impact	4 Extreme Death or multiple deaths; substantial damage.	Low Risk	Medium Risk	High Risk	High Risk
	3 Severe Loss of limb or multiple injuries; significant damage.	Low Risk	Medium Risk	High Risk	High Risk
	2 Minor Three day or greater injury or illness; insignificant damage.	Insignificant	Low Risk	Medium Risk	Medium Risk
	1 Negligible Less than a three-day injury or illness; superficial damage.	Insignificant	Insignificant	Low Risk	Low Risk

Civil Emergencies

Durham County Council is jointly responsible for responding to civil emergencies (such as severe weather events, network power losses and flu epidemics) through the County Durham and Darlington Local Resilience Forum. An explanation of the arrangements for managing the risk of such events and a copy of the latest Community Risk Register can be found on the web page of the County Durham and Darlington [Local Resilience Forum](#).

Appendix 3A: Strategic Risk Assessment Criteria – Impact Factors

Factor and Description		Financial	Service Delivery/ Performance	Stakeholder and Reputation
5	Critical	> / = £15M > 5% of Service/ budget	<ul style="list-style-type: none"> Inability to meet statutory duties Key services can no longer be delivered – emergency actions needed, which need Cabinet approval. Significant legal action or challenge Intervention or sanctions by regulatory body / prosecution or litigation (including corporate manslaughter) Strike action which is Council-wide or service-wide in a critical service for a long period (in context of a project, this can also mean that the project cannot proceed, or that several critical benefits/ opportunities cannot be achieved) 	<ul style="list-style-type: none"> Perception of the majority of potential partners and stakeholders that the Council is not 'fit to deal with'. Loss of life
4	Major	£5M - £15M 3% - 5% of Service/ budget	<ul style="list-style-type: none"> Major disruption to some statutory and / or non-statutory services i.e. key service delivery adversely affected – crisis management implemented, which needs Cabinet approval. Strike action which is Council-wide or service-wide in a critical service for a short period. (in context of a project, this can also mean major disruption to delivering the project, or that a critical benefit/ opportunities cannot be achieved) 	<ul style="list-style-type: none"> Serious reputational damage to the Council regionally/ nationally/ internationally Damage to relationships with central government or other public bodies e.g. Environment Agency, other Councils Perception of small number of potential partners and stakeholders that the Council is not 'fit to deal with'. Serious injury to individual
3	Moderate	£1M - £5M 1% - 3% of Service/ budget	<ul style="list-style-type: none"> Moderate disruption to statutory and / or non-statutory services i.e. some disruption to service delivery – action plans to rectify Service fails to maintain existing status under inspection regimes e.g. Ofsted Resolution requires approval at CMT level Limited strike action within a service (in context of a project, this can also mean moderate disruption to delivering the project, or moderate impact on achieving benefits/ opportunities) 	<ul style="list-style-type: none"> Results in negative Regional or National press / media coverage Minor reputational damage to the County Council Major criticism by other stakeholders e.g. partners, central government Significant impact on the quality of life for a large section of the community
2	Minor	£0.5M - £1M 0.2% - 1% of Service/ budget	<ul style="list-style-type: none"> Minor service disruption / customer dissatisfaction i.e. little disruption to service delivery – no long term or permanent impact on key services Capable of resolution by Service Management Team (in context of a project, this can also mean minor disruption to delivering the project, or minor impact on achieving benefits/ opportunities) 	<ul style="list-style-type: none"> Results in negative press coverage within County Durham Minor criticism by Community or other stakeholders e.g. Partners, central government Significant number of complaints from service users Serious reputational damage to own service area Significant impact on the quality of life for a small section of the community
1	Insignificant	< £0.5M < 0.2% of Service/ budget	<ul style="list-style-type: none"> Insignificant service disruption e.g. very little or no disruption to services Impairment of quality of service Capable of resolution by head of service and their management team (in context of a project, this can also mean insignificant disruption to delivering the project, or insignificant impact on achieving benefits/ opportunities) 	<ul style="list-style-type: none"> Results in negative press coverage within the locality / ward Insignificant criticism by community or other stakeholders e.g. partners, central government Insignificant number of complaints from service users Minor reputational damage to own service area

Appendix 3B: Strategic Risk Assessment Criteria – Likelihood Factors

Factor and Description		Expected Frequency
5	Highly Probable	<ul style="list-style-type: none"> • More than once a year • Something that is already occurring or is likely to be a regular occurrence throughout a one-year period • Inevitable i.e. the event is expected to occur in most circumstances • >80% chance of occurring
4	Probable	<ul style="list-style-type: none"> • Once a year • Something that has occurred in the last year or is likely to occur at least once throughout a one-year period. • Probable or where the conditions of the loss occur on a regular basis i.e. the event will probably occur in most circumstances • 61% to 80% chance of occurring
3	Possible	<ul style="list-style-type: none"> • Every 1-3 years • Likely only to happen at some point over the next 1 to 3 years. • Possible but responding to well understood situations i.e. the event might occur at some time • 31% to 60% chance of occurring
2	Unlikely	<ul style="list-style-type: none"> • Every 3-5 years • Likely only to happen at some point over the next 3 to 5 years or likely to continue to occur i.e. the event is not expected to occur • 11% to 30% chance of occurring
1	Remote	<ul style="list-style-type: none"> • Over 5 years • Rare activity or is unlikely based on current intelligence i.e. the event may only occur in exceptional circumstances • < 10% chance of occurring

Appendix 4: Service Risk Register for Central Durham Crematorium

This is a list of service risks, ranked in order of net risk evaluation, based on the strategic risk assessment criteria in appendices 3A and 3B. Where changes to the risk assessment have occurred during the last quarter, these are indicated in the last column.

Ref	Risk	Net Impact	Net Likelihood	Net Risk Score	Conclusion	Changes/ Comments
1	Managing excess deaths	Minor (6)	Possible (3)	18	Treat	Additional controls have been implemented as part of the COVID-19 pandemic response.
2	Serious breach of health and safety legislation	Moderate (8)	Unlikely (2)	16	Tolerate	
3	ICT and Power Failure	Minor (5)	Unlikely (2)	10	Tolerate	
4	Loss of knowledge and ability to cover existing workload through premature staff loss	Minor (5)	Unlikely (20)	10	Tolerate	
5	Breakdown of the partnership (with Spennymoor Town Council)	Moderate (7)	Remote (1)	7	Tolerate	
6	Sickness absence of key staff	Moderate (7)	Remote (1)	7	Tolerate	
7	Failure of Cremators / Specialist Equipment	Minor (6)	Remote (1)	6	Tolerate	
8	Damage to Public or Vehicles due to tree branches falling	Insignificant (3)	Unlikely (2)	6	Tolerate	
9	Disclosure of confidential information through incorrect disposal / maintenance of information (data breach).	Minor (5)	Remote (1)	5	Tolerate	
10	Loss of Income/Money	Minor (5)	Remote (1)	5	Tolerate	
11	Potential breach of equality and diversity legislation	Insignificant (3)	Remote (1)	3	Tolerate	

Appendix 5: Profile of Service Risks for Central Durham Crematorium

Service Risks

This matrix profiles all service risks shown in appendix 4, based on the net risk evaluation. The shaded area represents the corporate risk appetite.

As the net evaluations of all risks are within the risk appetite, they are considered to be at an acceptable level.

Impact					
Critical (score 13 – 15)					
Major (score 10 – 12)					
Moderate (score 7 – 9)	5 Partnership 6 Sick Absence	2 Health & Safety Breach			
Minor (score 4 – 6)	7 Cremators 9 Confidentiality 10 Income Loss	3 ICT & Power Failure 4 Staff Loss	1 Excess Deaths		
Insignificant (score 1 – 3)	11 Equality & Diversity Breach	8 Tree Branches			
Likelihood	Remote (score 1)	Unlikely (score 2)	Possible (score 3)	Probable (score 4)	Highly Probable (score 5)

**Central Durham Crematorium
Joint Committee**

1 October 2020

Internal Audit Charter



**Report of Stephen Carter, Interim Chief Internal Auditor and
Corporate Fraud Manager**

Electoral division(s) affected:

Countywide

Purpose of the Report

1. This report seeks agreement to the revised Internal Audit Charter, to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plan for 2020/21.

Executive summary

2. The Internal Audit Charter defines the Internal Audit Service's purpose, authority and responsibility. It establishes 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 defines the scope of internal audit activities.
3. The Charter reflecting the changes made to the PSIAS in 2017 was previously considered by the Joint Committee at its meeting of 27 September 2019. The Charter is subject to annual review by the Chief Internal Auditor and Corporate Fraud Manager. On this occasion, with no new revisions made to the PSIAS and in only needing to reflect name changes further to the appointment of the Interim Chief Internal Auditor and Corporate Fraud Manager and the Corporate Director of Neighbourhoods and Climate Change, it is considered that no further amendments to the Charter are required.

Recommendation

4. It is recommended that in considering the content of the report, the Joint Committee approve the Internal Audit Charter attached at Appendix 2.

Background

5. The Public Sector Internal Audit Standards (PSIAS), that came into effect from April 2013, and which were subsequently revised from 01 April 2017, define internal audit as:

‘an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

Other useful documents

Report to Durham County Council’s Audit Committee on 29 June 2020

Appendix 1: Implications

Legal Implications

Compliance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs

Consultation

None. However, Officers of Spennymoor Town 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 CDCJC.

Equality and Diversity / Public Sector Equality Duty

There are no implications

Climate Change

There are no implications

Human Rights

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 direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

Procurement

There are no implications

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INTERNAL AUDIT CHARTER

**For the Provision of an Internal Audit Service to the
Central Durham Crematorium Joint Committee**

**September
2020**

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Introduction

1. The purpose of this Charter is to establish the terms of reference for the delivery of Internal Audit to the Central Durham Crematorium Joint Committee by Durham County Council Internal Audit & Risk Services. It sets out the purpose, authority and responsibility of Internal Audit.

Statutory Basis

2. Internal Audit is a statutory service in the context of the Accounts and Audit Regulations(England) 2015, which state that:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”
3. The Public Sector Internal Audit Standards (PSIAS) and CIPFA’s Local Government Application Note (LGAN), which came into effect April 2013, constitute proper practices to satisfy the requirements for larger relevant local government bodies as set out in the Accounts and Audit Regulations 2015. The PSIAS were updated on 01 April 2017 and the Charter has been updated to reflect these changes.
4. Section 151 of the Local Government Act 1972 states that every local authority should make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs (The Chief Financial Officer (CFO)). CIPFA has defined proper administration in that it should include, ‘compliance with the statutory requirements for accounts and internal audit’.
5. The CIPFA Statement on the Role of the Chief Financial Officer states that the CFO must:
 - Ensure an effective internal audit function is resources and maintained
 - Ensure that the authority has but in place effective arrangements for internal audit of the control environment
 - Support internal audit arrangements and
 - Ensure the audit committee receives the necessary advice and information so that both functions can operate effectively
6. This Internal Audit Charter recognises the mandatory nature of the PSIAS including the definition of Internal Auditing, the Mission of Internal Audit, the Code of Ethics and the Standards themselves.
7. As required by the PSIAS, this Charter defines the group or body determined to fulfil the roles and responsibilities of the ‘board ‘and ‘senior management’ for the purpose of internal audit activity, as referred to in the individual standards. These definitions are set out in Appendix C.

Definition

8. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Mission

9. The mission of the Internal Audit Service is "to enhance and protect the Joint Committee's values by providing risk based and objective assurance, advice and insight".

Code of Ethics

10. Internal Auditors in the UK public sector organisations must conform to the Code of Ethics, (the Code), as set out in the PSIAS. The Code applies to both individuals and entities that provide internal auditing services.
11. The Code consists of 4 principles that are relevant to the profession and practice of internal auditing and set out the rules of conduct that describe behaviour norms expected of internal auditors to guide their ethical conduct. The 4 principles are integrity, objectivity, confidentiality and competency.
12. Internal auditors must also have regard to the Committee on Standards in Public Life, "Seven Principles of Public Life", those being:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership

Strategic Aims

13. Our overall strategy is to support the Joint Crematorium in achieving its aims and objectives through the provision of a high quality internal audit service that gives management reasonable assurance on the effectiveness of the Joint Crematorium's internal control environment and acts as an agent for change by making recommendations for continual improvement.
14. The service aims to be flexible, pragmatic and to work in collaboration with management to suit organisation needs. Through a risk based approach to audit planning, the service will make a positive contribution to corporate governance arrangements and assist management in developing a framework for achieving objectives within acceptable levels of risk.

Objectives of Internal Audit

15. Our primary objective is the provision of reasonable, not absolute, evidenced based assurance on the effectiveness of the **whole** of the Council's risk management, control and governance environment to the Corporate Management Team and the Audit Committee.
16. The provision of our annual assurance opinion will be in compliance with professional guidelines and in accordance with the Accounts and Audit Regulations. Our annual opinion will be included in the Council's Annual Governance Statement which forms part of the Council's published annual Statement of Accounts.
17. To determine the audit opinion the internal audit service will review, appraise and report upon:
 - The adequacy of risk identification, assessment and mitigation
 - The adequacy and application of controls to mitigate identified risk
 - The adequacy and extent of compliance with the Council's corporate governance framework
 - The extent of compliance with relevant legislation
 - The extent to which the organisation's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money
 - The quality and integrity of financial and other management information utilised within the organisation.
18. When presenting the annual audit opinion the Head of Internal Audit will:
 - Disclose any qualification to that opinion, together with the reasons for that qualification
 - Present a copy of the finalised audit report reflecting work carried out in accordance with the agreed Service Level Agreement (SLA) and the detailed terms of reference agreed with the Crematorium Superintendent
 - Draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement
 - Present a statement on conformance with the PSIAS and the results of a Quality Assurance and Improvement Programme (QAIP) required by the PSIAS.

Outcomes of Internal Audit

19. The main outcome of Internal Audit is the provision of independent assurance to “those charged with governance”, which within the Joint Committee, is the Committee itself, on the effectiveness or otherwise of the Joint Committee’s risk management, control and governance arrangements and in so doing we contribute to:
 - Improved identification and management of risks contributing to improved performance management and the successful achievement of the Council’s vision and priorities.
 - Improved corporate governance through helping to support compliance with relevant legislation, the Joint Committee’s policies, plans and procedures.
 - Improved accountability, safeguarding of assets and interests and use of public resources
 - Improved quality and reliability of financial and other management information used to support informed decisions

Independence, Objectivity and Authority

20. To be effective Internal Audit must operate independently and in an unbiased manner and have unrestricted access to all information deemed necessary in the course of its work.
21. The Head of Internal Audit has direct and unrestricted access to any employee or elected member.
22. For day to day operational activities the Head of Internal Audit reports to the Joint Committee’s Treasurer but maintains independence by reporting in her/his own name on functionality of the audit service direct to the Joint Committee.
23. Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to all records, assets, elected members, personnel and premises, including those of partner organisations or external contractors conducting business on behalf of or in partnership with the Joint Committee, in order to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
24. Internal Audit will remain free from interference by any element in the organisation including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of the necessary independent and objective standards.
25. Objectivity is maintained by ensuring that all internal auditors are free from any conflicts of interest and being free from direct management responsibility for the development, implementation or operations of any of activities audited.
26. Internal Auditors will not be allocated to assurance reviews in areas where they have had a responsibility for, or have undertaken any significant advice and consultancy work, within the previous 2 years.

27. As the Head of Internal Audit also has responsibility within Durham County Council for corporate risk management, counter fraud and insurance services, arrangements will be made for any audit work to be carried out in these areas by a suitably experienced and qualified auditor. In these cases the Head of Internal Audit will remove themselves from the review process of these audits and all findings and draft reports will be shared at their conclusion with both the Head of Internal Audit and the Corporate Director, Resources in order to apply the necessary safeguards as set out in PSIAS standard 1112 where the Chief Audit Executive has roles beyond Internal Auditing.

Scope of Audit Work

28. Internal Audit's role applies to all functions and services for which the Joint Crematorium is responsible, including those delivered by its partners where appropriate.
29. In addition to the regular review of all key systems of internal control which forms the bulk of our assurance work, Internal Audit will:
- Respond to requests for support, advice and guidance on implementing and/or improving best practice control procedures for current and new systems.
 - Promote the development and effective implementation of Control and Risk Self Assessments (CRSA) as outlined within the Audit Approach Section of this Charter.
 - Provide support, advice and guidance on risk and controls to staff involved in the design and implementation of new systems and processes.
 - Provide assistance on key projects, including attendance on project boards, and conduct specialist consultancy and value for money reviews. The scope of this work is agreed with management and is subject to having the necessary resources, skills and ensuring suitable assurance over our independence and objectivity. Any significant advice and consultancy work that may be considered to impact on the independence of the Internal Audit Service will be reported to the Audit Committee for approval.
 - Be alert in all its work to risks and exposure that could allow fraud or corruption to occur and to any indications that a fraudulent or corrupt practice may have been occurring
 - Review controls where a potential fraud has been detected/reported to provide assurance that the alleged fraudulent activity is unable to continue and to prevent a reoccurrence.
 - In consultation with appropriate officers, determine the most appropriate course of action by which fraud and irregularities should be investigated.
30. It must be noted that whilst Internal Audit will promote fraud awareness, it does not have responsibility for the prevention and detection of fraud and corruption. Internal Audit cannot guarantee that fraud or corruption will be detected in its work. Managing the risk of fraud and corruption is the responsibility of service managers.

Audit Planning

31. The level of internal audit resources required to deliver an annual audit opinion will be specified in a SLA to be agreed by the Joint Committee.
32. A risk based approach to annual audit planning and the agreement of detailed terms of reference will be applied to allow sufficient work to be undertaken each year to draw reasonable conclusion and assurance on the effectiveness of the whole of the Joint Committee's risk management, control and governance arrangements in a way which affords suitable priority to the Joint Committee's objectives and risks.
33. In consultation with management internal audit will
 - Consider the Joint Committee's risk across two categories:
 - a. **Strategic Risks** - these are the business risks that may arise both internally and externally from the Joint Committee which should be included in the Strategic Risk Register
 - b. **Operational Risks** - these are the risks that arise directly from the core activities of delivering services which should be included in the Operational Risk Register
34. Risk registers will inform but not drive the internal planning process and internal audit will audit those risks where controls have been identified as the means of managing the risk. Priority will be given to those risks which have a high gross score and a low net score, where the effective management of the risk is heavily dependent on the identified controls, and there is little or no other source of assurance.
35. Some key risks where a high level of assurance is required to demonstrate the continuous effectiveness of internal controls, for example those associated with key financial systems, will be subject to annual review. The timing of annual reviews will be agreed in consultation with management wherever possible.
36. The level of audit resources required to deliver, at the very least, both a minimum level of independent assurance and adequate provision for advice and consultancy will be considered by the Head of Internal Audit and incorporated into draft SLA's to be approved by the Joint Committee.
37. Minimum assurance levels will be informed by the maturity of the Joint Committee's risk management arrangements and the reliance that can be placed on other assurance sources. Any concerns the Head of Internal has over the quantity and quality of skills available to deliver the required level of assurance, or to add value through its advice and consultancy work, will be referred to the Section 151 Officer, (Chief Financial Officer), and the Joint Committee for consideration.
38. Draft SLA and annual audit plans will be considered by the senior management and approved and monitored by the Joint Committee.

Audit Approach

39. Internal Audit will adopt a risk based approach to all our assurance work as outlined below:

Strategic Risk

Reviews of strategic risks will provide assurance that:

- Risk management processes, defined by the Joint Committee's risk management strategy and policy, are in place and are operating as intended
- Managers are responding to risks adequately and effectively so that those risks are reduced to an acceptable level
- The controls that managers have in place are successful in managing those risks

Operational Risk

40. Reviews of key service delivery activities and key systems will provide assurance on the effectiveness of
- Compliance with corporate governance arrangements
 - Risk identification, assessment and business continuity
 - The control environment to manage identified risks and to ensure that the Joint Committee's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money, including
 - Information governance (quality and integrity of financial and other management information and how it is used and communicated)
41. Internal Audit will adopt a risk based approach to evaluate the effectiveness of controls designed to mitigate risks through substantive testing and/ or compliance testing. Compliance testing will confirm if a control actually exists and substantive testing will provide assurance that the control is effective and / or is consistently applied. The level of testing will be relative to the impact and likelihood of the risk occurring due to a control weakness.
42. Internal Audit will work with service managers to help embed effective risk management by supporting them to carry out a control and risk assessment (CRA) of risks for each annual audit review in advance of the audit.
43. Internal Audit will agree the objectives and risks associated with each key system or service delivery area to be reviewed with the Bereavement Services Manager prior to the start of each annual audit to ensure that the scope and objectives of each review are focused on providing assurance on the high or significant risks identified through the CRA. Terms of reference will be issued to the Bereavement Services Manager to formally agree the scope of each review, identified keys risks, potential impact and expected key controls.

Audit Reporting

44. Each annual audit will be the subject of a formal report and will include an audit opinion.
45. Towards the end of an audit we will arrange an exit meeting with the Bereavement Services Manager where we will share and discuss our initial findings. The discussion will seek to eliminate any inaccuracies in our findings so that these can be resolved before a formal draft report is issued. Draft reports will ask the Bereavement Services Manager to provide a management response to the recommendations made and agree target implementation dates and responsible officer.
46. To assist the Bereavement Services Manager in his response we categorise the importance of our recommendations as High, Medium or Best Practice. Details of how we assess the importance of audit findings leading to these recommendation rankings are given in Appendix A.
47. It is the responsibility of management to address audit findings and implement audit recommendations or other agreed appropriate action, or accept the risk resulting from not taking action.
48. An overall assurance opinion will be provided on each annual audit review to help inform the overall opinion required to support the Joint Committee's Annual Governance Statement.
49. The determination of our audit assurance opinion is derived from the overall level of assurance, positive as well as negative, on the effectiveness of controls operating in each specific area reviewed and is informed by the risk identified through recommendation rankings.
50. Where a Limited assurance opinion is given the control framework in place is considered to be ineffective and requires improvement to maintain an acceptable level of control. Further details of how assurance opinions are derived are given in Appendix A.
51. Management responses to recommendations made in the draft report will be incorporated into the audit report that will then be reissued as the final version. A copy of the final report will be shared with the Council's External Auditor on request.
52. The CRA will be updated with any further expected controls identified through the audit process and details of actual controls in place, and issued to Bereavement Services Manager as part of the reporting process. If controls are considered to be inadequate, recommended action to improve controls will also be entered to provide management with the necessary information to update risk registers which can then be regularly reviewed.
53. Wherever possible the circulation of audit reports will be agreed at the outset and will have due regard to confidentiality and legal requirements. Information gained in the course of audit work remains confidential without limiting or preventing internal audit from meeting its wider reporting responsibilities.

54. Internal Audit will follow-up progress made by management in responding to the draft report and on the implementation of all high and medium priority recommendations agreed. Any concerns on the lack of appropriate management action will be reported to the Joint Committee.
55. Where a limited assurance opinion is given, it is the intention of Internal Audit to follow up the audit within six months of issue to verify that agreed actions have been taken in line with recommendations made. A follow up report detailing progress made and any actions that are still to be completed will be prepared on completion of the review.
56. In accordance with the PSIAS, to maintain organisational independence, Internal Audit will report on the functionality of the audit service to the Joint Committee by:
 - Presenting the proposed SLA and planned annual audit coverage for each year covered by the SLA:
 - Presenting an Annual Audit Report and audit opinion detailing all work undertaken to formulate the annual opinion on the entire control environment, including reliance placed on work of other assurance bodies.
 - The annual audit report will also demonstrate the extent of compliance with the PSIAS and the results of the Quality Assurance and Improvement Programme, including internal and any external assessments carried out, and will draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement.

Audit Resources, Skills and Service Quality

57. In order for Internal Audit to demonstrate high standards of professional conduct, the Internal Auditor must be impartial in discharging all responsibilities. Bias, prejudice or undue influence must not be allowed to limit or override objectivity.
58. The service is required to operate in accordance with compliance with both the PSIAS and the LGAN. Policies and standard working practices have been put in place to ensure all audit staff understand and comply with the PSIAS/LGAN.
59. An important element of the PSIAS is the requirement to undertake regular quality assurance assessments and maintain a QAIP.
60. A quality assurance framework, detailing the policies, procedures and working practices under which the service operates has been defined and documented in an Audit Manual.
61. The Head of Internal Audit is responsible for providing periodically a self-assessment on the effectiveness of the internal audit service and compliance with agreed procedures to ensure professional standards are maintained. Any areas of non-compliance with the standards and or the LGAN will be reported as part of the Annual Audit Report to senior management and the Joint Committee.

62. In accordance with the PSIAS, an external assessment will be carried out at least every five years. The results of this external assessment will also be reported to senior management and the Joint Committee.
63. The service is provided by Durham County Council's in house internal audit team, supported in specialist areas as and when considered necessary by a third party partner. The staffing structure will, as far as possible, be comprised of a suitable mix of qualifications, experience and skills.
64. The Head of Internal Audit ensures internal audit resources are sufficient to meet its responsibilities and achieve its objectives. Resource requirements are reviewed annually. Any concerns that the Head of Internal Audit has regarding resources available to deliver the service in accordance with the SLA and PSIAS will be reported to the Chief Finance Officer and the Joint Committee.
65. Individual training needs are identified in accordance with the County Council's Performance Appraisal Scheme and supplemented by regular audit skills assessments and post audit reviews. As well as basic training in audit techniques and the development of specialist skills, the service is committed to coaching and mentoring its staff and to providing opportunities for continuous professional development to all staff (CPD).
66. Internal Audit maintains its awareness of national and local issues through membership and subscription to professional bodies such as CIPFA's Better Governance Forum, Technical Information Service, Finance Advisory Network (FAN), County Chief Internal Auditor Network, the Institute of Internal Auditors as well as liaison with external audit and networking with other internal audit service providers.
67. The service will keep abreast of best audit practice by adhering to CIPFA's and the IIA's practice advisories and practice guides, where applicable, as well as networking with other internal audit service providers. In this regard the service considers trends and emerging issues that could impact the Joint Committee.
68. In accordance with the requirements of the Accounts and Audit Regulations 2015, an annual review of the effectiveness of the internal audit service is undertaken by the County Council's Audit Committee. This will be informed by a review of the service carried out by the Corporate Director Resources and from consideration of the Quality Assurance and Improvement Programme and any internal or external assessments required by the PSIAS. By reviewing the service the Audit Committee is able to gain assurance that the service maintains its independence and objectivity, that it is effective and conforms to the expected professional quality standards so that it can place reliance on its work and the annual audit opinion.
69. The outcome from the annual effectiveness review is reported to the County's Corporate Management Team and Audit Committee as part of the Annual Internal Audit Report. The outcome of the annual effectiveness review and the QAIP will also be reported to senior management and the Joint Committee in accordance with the PSIAS.

Approval and Review

70. The Head of Internal Audit will annually review this Charter to ensure that it is kept up to date and fit for purpose. The Charter is endorsed by senior management and approved by the Joint Committee. Any amendments will be reported to Joint Committee for approval.

Key Contact

Head of Internal Audit

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Corporate Fraud Manager

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Other Related Documents

- Other related documents that should be read in conjunction with this Charter are:
 - Public Sector Internal Audit Standards
 - CIPFA's Local Government Application Note
 - Service Level Agreement for the Provision of Audit Services

ASSESSMENT OF AUDIT FINDINGS, RECOMMENDATIONS AND AUDIT OPINIONS

APPENDIX A

Findings

Individual findings are assessed on their impact and likelihood based on the assessment rationale in the tables below:

Impact Rating	Assessment Rationale
Critical	A finding that could have a:
	Critical impact on operational performance (Significant disruption to service delivery)
	Critical monetary or financial statement impact (In excess of 5% of service income or expenditure budget)
	Critical breach in laws and regulations that could result in significant fine and consequences (Intervention by regulatory body or failure to maintain existing status under inspection regime)
	Critical impact on the reputation of the Council (Significant reputational damage with partners/central government and/or significant number of complaints from service users)
	Critical impact on the wellbeing of employees or the public (Loss of life/serious injury to employees or the public)
Major	A finding that could have a:
	Major impact on operational performance (Disruption to service delivery)
	Major monetary or financial statement impact (1-5% of service income or expenditure budget)
	Major breach in laws, regulations or internal policies and procedures (non compliance will have major impact on operational performance, monetary or financial statement impact or reputation of the service)
	Major impact on the reputation of the service within the Council and/or complaints from service users
Minor	A finding that could have a:
	Minor impact on operational performance (Very little or no disruption to service delivery)
	Minor monetary or financial statement impact (less than 1% of service income or expenditure budget)
	Minor breach in internal policies and procedures (non compliance will have very little or no impact on operational performance, monetary or financial statement impact or reputation of the service)

Likelihood	Assessment criteria
Probable	Highly likely that the event will occur (>50% chance of occurring)
Possible	Reasonable likelihood that the event will occur (10% - 50% chance of occurring)
Unlikely	The event is not expected to occur (<10% chance of occurring)

Overall Finding Rating

This grid is used to determine the overall finding rating.

LIKELIHOOD			
Probable	M	H	H
Possible	L	M	H
Unlikely	L	L	M
	Minor	Major	Critical
	IMPACT		

Priority of our recommendations

We define the priority of our recommendations arising from each overall finding as follows;

High	Action required, that is considered imperative , to improve the control environment so that objectives are not exposed to unacceptable risks through lack of or weaknesses in critical or key controls.
Medium	Action required to improve the control environment so that objectives are not exposed to risks through weaknesses in controls.
Best Practice	The issue merits attention and its implementation will enhance the control environment.

Overall Assurance Opinion

Based upon the ratings of findings and recommendations arising during the audit as summarised in risk matrix above we define the overall conclusion of the audit through the following assurance opinions:

Substantial Assurance	There is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some weaknesses, which expose objectives to risk.
Limited Assurance	There are weaknesses in key areas in the system of control, which expose objectives to unacceptable levels of risk.

DEFINITIONS UNDER PSIAS

APPENDIX B

Standard		Reference to board or senior management	Proposed body/group to fulfil role	
Ref	Title		Senior Management	Board
		<ul style="list-style-type: none"> • Making appropriate enquiries of management and the CAE to determine whether there are inappropriate enquiries of management and CAE to determine whether there are inappropriate scope or resources limitations 		
1130. C2	Impairment to Independence or Objectivity	Approval must be sought from the board for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement		The Joint Committee
1312	Quality Assurance and Improvement Programme (QAIP)	<p>External Assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The CAE must discuss with the board:</p> <ul style="list-style-type: none"> • The form of external assessments • The qualifications and independence of the external assessor or assessment, including any potential conflict of interests <p>NB The Public Sector requirement of this standard states,</p> <p>“The CAE must agree the scope of external assessments with an appropriate sponsor e.g the Accounting / Accountable Officer or Chair of the audit committee as well as with the external assessor or assessment team”</p>		The Joint Committee
1320	Reporting the results of QAIP	The CAE must communicate the results of the quality assurance and improvement programme to senior management and the board .	John Hewitt Alan Patrickson	The Joint Committee

DEFINITIONS UNDER PSIAS

APPENDIX B

Standard		Reference to board or senior management	Proposed body/group to fulfil role	
Ref	Title		Senior Management	Board
1322	Disclosure of Non-Conformance	Instances of non-conformance with the definition of Internal Auditing , the Code of Ethics or the standards impacts the overall scope or operation of the Internal Audit Activity, must be reported to the board by the CAE. More significant deviations must be considered for inclusion in the annual governance statement		The Joint Committee
2020	Communications and Approval	The CAE must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. Where the CAE believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board .	John Hewitt Alan Patrickson	The Joint Committee
2060	Reporting to Senior Management and the Board	The CAE must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must include significant risk exposures and control issues, including fraud risks governance issues and other matters needed or requested by senior management and the board.	John Hewitt Alan Patrickson	The Joint Committee
2600	Communicating the Acceptance of Risk	When the CAE concludes that management has accepted a low level of risk that may be unacceptable to the organisation, the CAE must discuss the matter with senior management . If the CAE determines that the matter has not been resolved, the CAE must communicate the matter to the board .	John Hewitt Alan Patrickson	The Joint Committee

NB. The role of Chief Audit Executive referred to in the Standards is that undertaken by the Chief Internal Auditor and Corporate Fraud Manager.

**Central Durham Crematorium
Joint Committee**

1 October 2020

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



Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and
Climate Change**

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

Electoral division(s) affected:
Countywide

Purpose of the Report

1. The purpose of this report is to advise the Joint Committee 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 2020.

Executive Summary

**Conformance with UK Public Sector Internal Audit Standards
(PSIAS)**

2. In April 2013, the Public Sector Internal Audit Standards (PSIAS) became effective. The standards apply to Internal Audit in all parts of the public sector in the UK and are mandatory. The standards are intended to reflect that "a professional, independent and objective internal audit service is one of the key elements of good governance". The standards were revised from 01 April 2017 and it is these standards that Internal Audit works to.

**Summary of the outcomes from the review carried out by DCC
Audit Committee**

3. The Audit Committee considered, at its meeting on 29 June 2020, a report presented by the Chief Internal Auditor and Corporate Fraud Manager that provided evidence on the effectiveness of the service during 2019/20. This took the form of a self-assessment against the key elements of the PSIAS and considered the following current arrangements for Internal Audit:

- The structure and resourcing level, including qualifications and experience of the audit team.
 - The extent of conformance with the PSIAS in producing quality work.
 - Ensuring audit work was successfully delivered in the most appropriate areas on a prioritised (risk) basis.
 - The overall performance of the Internal Audit team.
4. For 2019/20 this demonstrated that the Section was conforming to the Code's requirements and was based on the revised PSIAS brought into effect on 01 April 2017.

Recommendation

5. The Joint Committee is asked to note:
- The information provided that demonstrates the efficiency and effectiveness of the Durham County Council Internal Audit Service.

Background

6. The Joint Committee's internal audit provider is Durham County Council Internal Audit Services. The service is delivered in accordance with a Service Level Agreement (SLA) approved by the Joint Committee at its meeting on 27 September 2019.
7. In order to place reliance on the work of internal audit, and the annual audit opinion provided through it on the adequacy and effectiveness of the control environment operating across the Joint Committee, it is important that the Joint Committee is assured that the service is effective.
8. Under the Accounts and Audit Regulations 2015, Durham County Council as a large public body is required to carry out an annual review of the effectiveness of its Internal Audit Service. Whilst there is no such legal requirement for the Joint Committee as a small body under these regulations to do likewise, assurance can be provided on the effectiveness of the service provided to the Joint Committee from this review.

Other useful documents

Report to DCC Audit Committee 29 June 2020

Contact: Paul Darby

Tel: 03000 261930

Appendix 1: Implications

Legal Implications

Completion of the self-assessment review ensures compliance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs Consultation

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Equality and Diversity / Public Sector Equality Duty

There are no implications

Climate Change

There are no climate change issues associated with this report.

Human Rights

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 direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

**Central Durham Crematorium
Joint Committee**

1 October 2020

Budget Strategy Report



Joint Report of

**Alan Patrickson, Corporate Director of Neighbourhoods and
Climate Change**

**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 a range of issues that will need to be considered as part of medium-term financial planning for the Central Durham Crematorium. The report sets out proposals to increase the surplus distribution to both partner authorities from 2021/22 together with details of the budget planning assumptions over the coming three years. The views of the committee on these issues are sought in advance of the 2021/22 budget setting process.

Executive summary

- 2 The current level of surplus distribution to partner authorities was implemented on 1 April 2020 following Members consideration of the Budget Strategy report in September 2019 and the 2020/21 budget in January 2020.
- 3 There has been significant capital investment of over £3.8m at Central Durham Crematorium since Local Government Reorganisation in 2009, with further investments of nearly £800k planned for the coming years in line with the Service Asset Management Plan.
- 4 The next cremator replacement works are not scheduled until 2032 and would cost in the region of £1.6 million.
- 5 Loan repayments from the redevelopment works in 2011 end in 2020/21 and the £213k loan budget has been removed and factored into the medium-term budget forecasts.

- 6 Fees and charges, which are harmonised with Mountsett Crematorium are currently £720 and a proposed increase of £20 in 2021/22 to £740 would still mean that they remain the lowest in comparison with all neighbouring facilities and well below the average of £823.
- 7 A new private crematorium at Castle Eden has been granted planning permission and is expected to be completed in the next couple of years. This is likely to have an impact upon business at the Durham Crematorium.
- 8 The current surplus distributed is £637,500 per year (£510,000 to Durham County Council and £127,500 to Spennymoor Town Council). The budget strategy report considered in September 2019 envisaged a further increase in the surplus redistribution in 2021/22, with an increase of £218,750 (£175,000 DCC and £43,750 STC). The updated forecasts contained in this report confirm that this is still achievable.
- 9 An updated robust medium-term budget forecast has been produced for the Joint Committee and this demonstrates that the reserve balances of the Joint Committee are still projected to be healthy and sufficient to meet the liabilities and commitments of the Joint Committee for the coming years.

Recommendation(s)

- 10 It is recommended that Members of the Joint Committee: -
 - i. note and consider the contents of the report;
 - ii. approve the proposed increase in the fees and charges and the increase in the surplus redistribution, as identified in the report; and
 - iii. agree to review the budget strategy and surplus redistribution in two years' time in preparation for the 2023/24 budget setting year.

Background

- 11 The current level of surplus distribution to partner authorities was implemented on 1 April 2020 following Members consideration of the Budget Strategy report in September 2019 and the Budget Setting report in January 2020.
- 12 The earmarked reserves of the Joint Committee have built up significantly in recent years, in advance of the next planned cremator replacement programme, which is estimated for 2032. Increases to the fees and charges at the crematorium, which are harmonised with Mountsett Crematorium, have also been kept to a minimum over recent years, resulting in the current charges being the lowest of all neighbouring facilities and significantly below the regional average.
- 13 A new private crematorium at Castle Eden is expected to open in the next couple of years and this is likely to have an impact upon business at the Durham Crematorium.

Capital Investment at the Crematorium

- 14 Since Local Government Reorganisation (LGR) in 2009 there has been significant investment in the Central Durham Crematorium totalling £3,823,491 with the major improvement works including:

Project	Cost £
New additional car parking	182,899
Crematorium extension	953,983
New cremators and mercury abatement plant	1,292,918
Improvement to office facilities	145,000
Alterations to book of remembrance room	171,463
Refurbishment of chapel	122,698
Refurbishment of internal waiting rooms	131,819
Replacement of copper roofing canopies	277,184

- 15 The estimated costs of current and future improvements, as identified in the Service Asset Management Plan, together with proposed funding arrangements are summarised in the table below:

Year	Estimated SAMP Investments £	Proposed Funding Arrangements	
		Premises Budget £	Earmarked Reserves £
2020/21	194,170	32,870	161,300
2021/22	277,057	25,500	251,557
2022/23	5,000	5,000	0
2023/24	24,000	24,000	0

Year	Estimated SAMP Investments £	Proposed Funding Arrangements	
		Premises Budget £	Earmarked Reserves £
2024 onwards	484,000	114,000	370,000
Total	984,227	201,370	782,857

Cremator Replacement

- 16 The three cremators at the crematorium were installed in 2012/13, with full mercury abatement equipment being installed at that time. They have a life expectancy of 20 years, so the next cremator replacement programme is not scheduled until approximately 2032.
- 17 Based upon the cremator replacement works currently underway at Mountsett Crematorium it is estimated that the next cremator replacement programme at Durham would cost in the region of £1.6 million, based upon today's market prices. However, these requirements could be subject to change in the event of future changes in legislation affecting the provision of crematorium services.

Loan Repayment

- 18 In 2011, as part of the financing arrangements to fund the redevelopment works, the Joint Committee agreed to a £1.8m loan from Durham County Council to fund the cremator replacements and extension, repayable over 10 years. The annual loan repayments are £213,737 with the last repayment due to be made in 2020/21.
- 19 It was originally planned to reinvest the £213,737 loan budget into the Major Capital Works Reserve from 2021/22 in preparation for the next cremator replacement programme in 2032. However, due to the projected level of reserves, this is no longer be required. The removal of the £213,737 budget from 2021/22 has been factored into the medium-term budget forecasts.

Earmarked Reserves

- 20 The projected reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2021 are as follows:

	Balance @	Balance @
	1 April 20	31 Mar 21
Earmarked Reserve	£	£
General Reserve	(497,670)	(517,770)

Earmarked Reserve	Balance @	Balance @
	1 April 20	31 Mar 21
	£	£
Masterplan Memorial Garden	(66,250)	(71,250)
Major Capital Works	(1,147,423)	(1,393,636)
Cremator Reline Reserve	(107,755)	(132,755)
Small Plant	(7,405)	(9,405)
Total	(1,826,503)	(2,124,816)

Fees and Charges

- 21 The fees and charges at Central Durham Crematorium are harmonised with those at the Mountsett Crematorium. A £20 (2.9%) increase was applied in 2020/21 and the current budgeted cremation fee (inclusive of medical referee's fees) is £720.
- 22 Due to the Covid 19 pandemic the cremation fees were frozen at £700 but are proposed to increase to the budgeted £720 charge from 1 November 2020, as referred to earlier in the Bereavement Services Manager's report.
- 23 The current cremation fees for crematoria across the region, shown in the table below, indicates an average cremation fee of £823 (inclusive of medical referees fees and environmental surcharge where appropriate) across the region:

Crematorium	Cremation Fee
Gateshead	£739
North Tyneside	£765
Stockton	£765
Middlesbrough	£790
South Tyneside	£816
Northumberland	£820
Newcastle	£842
Sunderland	£865
Hartlepool	£872
Coundon	£884
Darlington	£900
Average	£823

- 24 The projected number of cremations at the Central Durham Crematorium in 2020/21 is 2,787, which will be 587 more than the budgeted position of 2,200, however this year has seen increased cremations as a result of Covid-19. The number of cremations at Durham in the previous five years is shown below:

Year	Cremations
2015/16	2,247
2016/17	2,324
2017/18	2,294
2018/19	2,392
2019/20	2,350

- 25 The table below indicates how much additional income could be generated annually with fee increases ranging from £10 (1.4%) to £50 (7.0%) and with incremental increases in the budgeted cremation numbers, compared to the current budgeted position of 2,200.

No of Cremations	Increase in fees £				
	£10	£20	£30	£40	£50
2,200	£22,000	£44,000	£66,000	£88,000	£110,000
2,250	£58,500	£81,000	£103,500	£126,000	£148,500
2,300	£95,000	£118,000	£141,000	£164,000	£187,000
2,350	£131,500	£155,000	£178,500	£202,000	£225,500
2,400	£168,000	£192,000	£216,000	£240,000	£264,000
2,450	£204,500	£229,000	£253,500	£278,000	£302,500
2,500	£241,000	£266,000	£291,000	£316,000	£341,000

- 26 Members will be aware that a new private sector facility is being constructed in Castle Eden. This will undoubtedly impact the Crematorium and it may be prudent to stick to the current forecast of cremation numbers rather than increase the budget estimates at this stage.
- 27 Mountsett Crematorium is scheduled to replace their two cremators in the coming months and their Joint Committee is proposing a £20 increase in the fees to help finance the prudential borrowing costs related to the replacement works. Members may recall that Mountsett Crematorium Joint Committee did not increase their fees and charges in 2015/16 when the major redevelopment works were being carried out at Central Durham Crematorium and applied the increase put forward to this committee in 2016/17. In lieu of the proposal by the Mountsett Crematorium, and taking into account the desire to maintain harmonised charges across County Durham, it is proposed to reciprocate this joint arrangement and increase the charges at the Central Durham Crematorium by £20 in 2021/22.

- 28 Should the 2021/22 cremation fees be increased by £20 (2.8%) and assuming a prudent forecast of 2,200 cremations again next year an additional £44,000 income would be generated by the Joint Committee next year and this increase has been built into the medium term budget forecasts at this stage.
- 29 The proposed 2021/22 cremation fee of £740 would still remain the lowest in comparison with all other neighbouring facilities in the region and £144 below the current charge at the nearest facility at Coundon.

Surplus Redistribution

- 30 Members will recall that the Constitution sets out the constituent authority title deeds and subsequent surplus distribution arrangements to Durham County Council (DCC) / Spennymoor Town Council (STC) on an 80 / 20 basis.
- 31 The current surplus distributed is £637,500 per year (£510,000 to DCC and £127,500 to STC).
- 32 Members may recall that the last budget strategy report in September 2019 recommended that the surplus distribution be reviewed and increased again in 2021/22, taking into account the ending of the prudential borrowing loan to part fund the crematorium redevelopment works.
- 33 Whilst maintaining a strong financial position for the Joint Committee it is recommended that Members approve an increase in the distribution of surpluses of £218,750 from 2021/22 as detailed in the table below and the increase has subsequently been factored into the Medium Term Budget Forecast:

Constituent Authority	2020/21 Distributable Surplus £	2021/22 Distributable Surplus £	Increase from 2020/21 £
Durham County Council	510,000	685,000	175,000
Spennymoor Town Council	127,500	171,250	43,750
Total	637,500	856,250	218,750

Medium Term Budget Forecast

- 34 In terms of financial modelling for the Central Durham Crematorium, the following working assumptions have been applied:
- Premises budgets have been adjusted for priority repair costs (in line with the SAMP requirements);

- The capital charges budget relating to the loan repayment has been removed in 2021/22;
- Contributions from earmarked reserves to fund the planned capital works (in line with the SAMP) have been built into the budget forecast;
- A £20 increase per cremation has been factored into the income budget from 2021/22;
- An increase of £218,750 in 2021/22 for surplus redistribution to the constituent authorities has been built into the budget forecast;
- Expenditure includes a 2.5% increase to reflect pay and price inflation in 2022/23 and 2023/24,
- Income includes a modest £10 annual increase in cremation fees in 2022/23 and 2023/24,
- The estimated / budgeted level of cremations remains at 2,200 per annum;

35 The table below provides a financial summary of the revenue budget, capital budget and forecast earmarked reserves of the Joint Committee projected for the next three financial years:

Revenue Budget	Base Budget 2020/21 £	Forecast Budget 2020/21 £	Base Budget 2021/22 £	Base Budget 2022/23 £	Base Budget 2023/24 £
Expenditure	964,768	1,052,189	743,661	741,240	779,246
Income	(1,725,900)	(2,088,534)	(1,769,900)	(1,791,900)	(1,813,900)
Net Income	(761,132)	(1,036,345)	(1,026,239)	(1,050,660)	(1,034,654)
Transfer to / (from) Reserves					
Masterplan Memorial Garden	5,000	5,000	5,000	5,000	5,000
Major Capital Works	91,632	366,845	137,989	162,410	146,404
Cremator Reline Reserve	25,000	25,000	25,000	25,000	25,000
Small Plant	2,000	2,000	2,000	2,000	2,000
Distribute Surplus	(637,500)	(637,500)	(856,250)	(856,250)	(856,250)
80% Durham CC	510,000	510,000	685,000	685,000	685,000
20% Spennymoor Council	127,500	127,500	171,250	171,250	171,250

Capital Budget	Budget 2020/21 £	Forecast 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £
Energy improvement works		4,119			
Office improvements		11,413			
Enlarging of one cremator	70,000	65,000			
Replacement of chapel dome	20,000	20,000			
Relining of 2 cremators	71,300		71,300		
Replace ride on grass cutter			25,000		
New gates & widen entrance			57,257		
Lighting to the crematorium			10,000		
Replace cooler cassettes			88,000		
Total Spend	161,300	100,532	251,557	0	0
Transfer to / (from) Reserves					
Major Capital Works	(90,000)	(100,532)	(180,257)		
Cremator Reline Reserve	(71,300)		(71,300)		
Small Plant Reserve					

Earmarked Reserve	Balance @ 1 April 2020 £	Balance @ 31 March 2021 £	Balance @ 31 March 2022 £	Balance @ 31 March 2023 £	Balance @ 31 March 2024 £
General Reserve	(497,670)	(517,770)	(530,970)	(537,570)	(544,170)
Masterplan Memorial Garden	(66,250)	(71,250)	(76,250)	(81,250)	(86,250)
Major Capital Works	(1,147,423)	(1,393,636)	(1,338,168)	(1,493,978)	(1,633,782)
Cremator Reline Reserve	(107,755)	(132,755)	(86,455)	(111,455)	(136,455)
Small Plant	(7,405)	(9,405)	(11,405)	(13,405)	(15,405)
Total	(1,826,503)	(2,124,816)	(2,043,248)	(2,237,658)	(2,416,062)

Conclusion

- 36 The budget forecast demonstrates that having incorporated all of the proposed changes, including the increased surplus redistribution, the reserve balances of the Joint Committee are still projected to increase, demonstrating a sound financial position for the coming years.

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Appendix 1: Implications

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 Central Durham Crematorium are included within the body of the report.

Consultation

None. However, Officers of Spennymoor Town 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 CDCJC.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

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.