



Annual Mountsett Crematorium Joint Committee

Date **Wednesday 28 June 2023**

Time **9.30 am**

Venue **Chapel - Mountsett Crematorium, Dipton**

Business

Part A

**[Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement]**

1. Membership of the Joint Committee
2. Apologies for Absence
3. Substitute Members
4. Declarations of Interest
5. Appointment of Chair
6. Appointment of Vice-Chair
7. Minutes of the Meeting held on 25 April 2023 (Pages 3 - 8)
8. Changes to Constitution/Terms of Reference - Report of the Clerk to the Joint Committee (Pages 9 - 22)
9. 2022/23 Annual Governance Statement - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee (Pages 23 - 40)
10. Revenue Outturn & Joint Committee's Annual Return for the Financial Year Ended 31 March 2023 - Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee (Pages 41 - 50)
11. Mountsett Crematorium Performance and Operational Report - Report of the Bereavement Services Manager and Registrar (Pages 51 - 54)

12. Forward Plan 2023/24 - Report of the Corporate Director of Resources and Treasurer to the Joint Committee (Pages 55 - 60)
13. 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
20 June 2023

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

Durham County Council:

Councillors: V Andrews, G Binney, J Charlton, C Hampson, A Hanson, P Heaviside, D Oliver, K Rooney and M Walton

Gateshead Council:

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

Contact: Lucy Gladders

Tel: 03000 269 712

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Chapel - Mountsett Crematorium, Dipton on **Tuesday 25 April 2023 at 9.30 am**

Present:

Councillor A Batey (Chair)

Durham County Council

Councillors V Andrews, J Charlton, C Hampson, A Hanson, P Heaviside, D Oliver and K Rooney

Gateshead Council:

Councillors M Ord

1 Apologies

Apologies for absence were received from Councillor M Walton (Durham) and Councillors D Bradford, K Dodds, L Green and S Green (Gateshead Council).

2 Substitute Members

There were no substitute members.

3 Minutes

The minutes of the meeting held on 30 January 2023 were confirmed as a correct record and signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 Performance and Operational Report

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

The Bereavement Services Manager provided a summary of performance for the period 1 January 2023 to 31 March 2023. He advised that 410 cremations had been

undertaken during the period, compared to 416 in the comparable period last year, a decrease of 6. The total number of cremations in 2022/23 was 1,445 compared with 1,463 in 2021/22, a decrease of 18.

The actual number of cremations undertaken was therefore 145 more than the budget position, resulting in an over achievement of cremation fee income of £90,985 in year.

Moving on to the sale of memorials the number and value of memorials sold of 25 / £5,306 compares to 29 / £5,597 in the same period last year, a decrease of 4 memorials and a small decrease in income of £291.

The Bereavement Services Manager further provided details of the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain which was to be held in June 2023.

Details were then reported regarding the recycling of metals scheme and it was noted that a payment of £6,000 was made to Cancer Research UK and to Red Sky Foundation following nominations from Members at the previous meeting. It was also noted that a new company was being trialled with regards to collection of metals for recycling which could increase distribution for more charities in the future.

With regards to energy improvement works, the Bereavement Services Manager advised that following discussions with the design services team it had been confirmed that they could not go out externally due to Health and Safety issues, and due to costs of materials, they were unable to reduce costs any further. Members were asked to consider the increase in costs and decide if they wished to go ahead with the works.

In conclusion, the Bereavement Services Manager considered it an appropriate time for Members to discuss the future options for the temporary cremator and the following four options were presented to Members:

1. Purchase the container that the cremator is currently housed in
2. Continue to rent the container
3. Contractor to remove the container and cremator
4. Contractor removes the container and the cremator is moved into storage

Due to the infrequent use of the temporary cremator and the financial implications, the Bereavement Services Manager recommended that Members approve Option 3.

With regards to the energy improvement works, Councillor Charlton asked what the long term benefits would be for the crematorium and questioned how long it would take for the costs to be returned in the form of energy savings. The Bereavement Services Manager advised that this was difficult to predict as energy costs were still rising. He informed the Joint Committee that some of the doors were old fashioned

and single glazed and some of the external doors had not been replaced since 1966.

Councillor Andrews believed if the work was essential, it needed to be done.

The Chair stated that the works were a huge cost but considered them necessary due to the age of the building and the lack of improvement works that had been carried out over the years.

E Thompson, Principal Accountant pointed out that the original sum of £75,000 was not a professional estimation and was based on the Bereavement Services Manager's best estimate over a year ago but costs have continued to increase since that time.

Councillor Ord believed it was better to do the works now as costs were continuing to rise.

Councillor Oliver asked for further clarification regarding the health and safety issue. The Bereavement Services Manager advised that if works were carried out externally, a coordinator would need to be appointed and this would be a further additional cost.

Councillor Heaviside confirmed that he was in support of the works and stressed the importance of good insulation to prevent further money being wasted.

Upon a vote being taken, the energy improvement works were agreed.

With regards to the temporary cremator, Councillor Quinn believed that option 3 was a sensible option.

Councillor Ord asked if the temporary cremator was used much. The Bereavement Services Manager confirmed that it had not been used at all during March 2023.

Councillor Heaviside noted there was spare capacity at Durham Crematorium which could be considered as a fallback position if required in the future.

Councillor Heaviside proposed that option 3 be approved. This was seconded by Councillor Charlton. Upon a vote being taken, option 3 was agreed.

Resolved

The Joint Committee

- a) Noted the current performance of the crematorium.
- b) Noted the attendance at the Joint Conference of the Federation of Burial & Cremation Authorities and the Cremation Society of Great Britain. The Joint

Committee noted the attendance of the Bereavement Services Manager and the Chair (to be appointed after the AGM in May 2023).

- c) Noted the distribution of recycling income to the respective charities.
- d) Considered the increase in costs of the energy improvement works and agreed for the works to go ahead.
- e) Considered the options for the temporary cremator and agreed to proceed with option 3.

6 Financial Monitoring Report - Provisional Outturn as at 31 March 2023

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee which provided details of the provisional outturn position for 2022/23 and the projected level of reserves and balances at 31 March 2023 (for copy see file of Minutes).

E Thompson, the Principal Accountant explained that the projected outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £176,923 against a budgeted surplus of £331,742, £154,819 less than the budgeted position.

The Principal Accountant outlined some of the reasons for the significant budget variances which included premises, cremator replacements, energy budgets, supplies and income.

Contributions to the earmarked reserves were also forecasted to be £154,819 less than originally budgeted and in line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £10,289 was required. An additional transfer of £188,077 was required due to the forecast overspend in year and resulted in a net transfer from the Cremator Replacement Reserve of £198,366.

The total reserves and balances position was forecast to be £754,819 at the year end comprising of a retained reserve of £435,844 and a general reserve of £318,975.

Resolved

That the report be noted.

7 Risk Register Update 2022/23 Review 2

The Joint Committee considered a joint report of the Corporate Director Neighbourhoods and Climate Change and Corporate Director of Resources and

Treasurer to the Joint Committee which provided details of the outcome of the half-yearly risk review in March 2023 (for copy see file of Minutes).

E Thompson, the Principal Accountant noted that since the previous review, one risk relating to potential non-compliance with Covid advisory safety measures had been downrated and it was anticipated that this risk would be taken off the register at the next review in September 2023.

Resolved

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

8 Annual Internal Audit Report 2022/23

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which presented the Annual Internal Audit Report for 2022/23 (for copy see file of Minutes).

P Monaghan, Audit Manager explained that the Annual Internal Audit Report provided an Opinion which made conclusions on the overall adequacy and effectiveness of the Committee's Framework of Governance, Risk Management and Control. The report provided a Substantial overall assurance opinion and identified that there was a sound system of control.

The Chair thanked the Audit Manager on behalf of the Committee for their hard work and good management.

Resolved

That the content of the Annual Internal Audit Report and the overall 'Substantial' opinion provided on the adequacy and effectiveness of the governance, risk management and control environment for 2022/23 be noted.

9 Other Business

The Chair raised an item of business.

Due to a recent personal experience, the Chair felt that the grounds of the crematorium were not friendly for those with a disability, pointing out that only two disabled bays existed in the car park, and the ramp to the side of the building was very steep. She also pointed out that there were cobbles which could be problematic for wheels on walking frames. The Chair felt the Committee should consider some maintenance work to help alleviate this issue or offer those visiting with a disability an alternative option for dropping off.

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**Mountsett Crematorium Joint
Committee**

28th June 2023

**Mountsett Crematorium, Joint
Committee,**

Changes to Constitution/Terms of Reference



Report of the Clerk to the Joint Committee

Electoral division(s) affected:

Countywide

Purpose of the Report

1. This report provides details of a review of the Mountsett Crematorium Joint Committee's Constitution, which in accordance with the Annual Governance Statement requirements is reviewed on an annual basis at the Joint Committee's Annual General Meeting

Recommendation(s)

2. It is recommended that:-
 - (i) the Committee note the outcome of the review of the Constitution of the Mountsett Crematorium Joint Committee in accordance with the requirements of the Annual Governance Statement; and reapprove the Constitution as set out in Appendix 2

Background Information

3. The Constitution which was last updated on 3rd July 2019 has been reviewed by the Clerk to the Mountsett Crematorium Joint Committee.
4. Members will recall that the Constitution fully reflects the constituent legal titles, expenditure and subsequent surplus distribution arrangements on a 65/35 basis, along with the policies regarding surplus transfer to reserves.

5. Members will again note that the constituent authority membership appointments and asset ownership remain as per the original constitution, dated 7th September 1976.
6. The Mountsett Crematorium Joint Committee will continue to operate within the procedure rules and financial regulations of the lead partner authority, Durham County Council who will continue to be responsible for the management of the facility and for supporting the Joint Committee.
7. The review has not highlighted any requirements for change to the current Constitution, which is attached at Appendix 2 for Members full consideration and therefore this report reaffirms continuation of the existing Constitution and governance arrangements set out within.

Background papers

- Mountsett Crematorium Joint Committee Constitution 3rd July 2019

Contact: Sarah Grigor

Tel: 03000 269 676

Clerk to the Joint Committee

Appendix 1: Implications

Legal Implications

The Joint Crematorium Committee of Durham and Mountsett were set up further to section 102(1)(b) of the Local Government Act 1972. Section 8.02(a) of Durham County Council Constitution, allows the Council to establish joint arrangements which may involve the appointment of a joint committee with other local authorities

Finance

There are no financial implications associated with this report.

Consultation

There are no requirements for Consultation

Equality and Diversity / Public Sector Equality Duty

There are no equality and diversity implications associated with this report.

Human Rights

There are no implications associated with this report.

Crime and Disorder

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

Staffing

There are no implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Risk

There are no risk implications associated with this report.

Procurement

There are no implications associated with this report.

Appendix 2

Mountsett Crematorium Joint Committee Constitution dated 2nd March 2015

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This Deed of Agreement is made the ...3rd...day of ...JULY.....2019

BETWEEN:-

- 1) The County Council of Durham, Durham County Council, County Hall, Durham and
- 2) The Borough Council of Gateshead of the other part.

WHEREAS:-

1. The Authorities to the Deed have by virtue of Section 102(1) of the Local Government Act 1972 the Local Government Act 2000 the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 the Local Authorities and all and every power enabling them agreed and resolved to constitute a joint committee to exercise the powers which each of the Authorities hereto might respectively have exercised by virtue of the Cremation Acts 1902 and 1952 for the provision running, maintenance and management of the existing Crematorium at Mountsett within the County of Durham which is more particularly described in paragraph 1 below.
2. The said Authorities now wish to constitute the said joint committee on the terms set out below and to the intent that the Deeds of Agreement between the said Authorities and dated 7th September 1976 and 8th September 1983 shall cease to have effect.

NOW in pursuance of the said agreement and the respective resolutions and in consideration of these presents **THIS DEED WITNESSES** as follows: -

1. Definition and Interpretation

- 1.1 In this agreement the following expressions have the meanings set out below, unless the context otherwise requires.

'Authority' either Durham or Gateshead and 'Authorities' shall be construed accordingly.

'Annual meeting' the annual meeting of the Joint Committee held each year in accordance with paragraph 7.2 of this agreement.

'Chief Executive' the head of an Authority's paid service being the person designated as such under Section 4 of the Local Government and Housing Act 1989.

'Clerk', the person appointed by virtue of paragraph 16.1 to carry out certain duties allocated by this agreement.

'Council' the Council of elected members of one or other of the Authorities to this agreement.

'Crematorium' the crematorium known as Mountsett Crematorium which includes all buildings grounds equipment and other property appurtenant there.

'Financial year' the period running from 1st April in one calendar year until 31st March in the next calendar year (inclusive).

'Joint committee' the Mountsett Crematorium Joint Committee constituted by this agreement.

'Member' unless the context otherwise so requires, a member of the Joint Committee.

'Monitoring officer', Durham County Council's Head of Legal and Democratic Services being the person designated under Section 5 of the Local Government and Housing Act 1989 or this officer's nominated deputy in the case of absence or illness.

'Ordinary meeting', any meeting of the Joint Committee that is not an Annual Meeting or a Special Meeting.

'Principal Office' in the case of Durham County Council, the Council Offices, County Hall, Durham and the case of Gateshead Council the Civic Centre as referred to at the beginning of the agreement.

'Special meeting' a meeting of the Joint Committee convened in accordance with paragraph 7.6 of this Agreement.

2. Duration of Joint Committee

The Authorities shall constitute the Joint Committee from the Commencement Date and the Joint Committee shall continue thereafter unless and until determined by either Authority or both of them under the provisions contained in this agreement.

3. Name of Joint Committee

The Joint Committee shall be known as the Mountsett Crematorium Joint Committee.

4. Provision and Location of Crematorium

4.1 The Crematorium is located on the Crematorium Site which was acquired by the Authorities prior to the date hereof.

4.2 The Crematorium site is vested 60% in Durham County Council and 40% Gateshead Council by virtue of Section 120(4) of the Local Government Act 1972 and all and every power so enabling and registered at HM Land Registry with Title Absolute Title Number.

5. Membership

- 5.1 The Joint Committee shall consist of Members appointed by the Authorities as follows: -
- 5.1.1 Each Authority shall appoint from its own membership nine Members from Durham County Council and seven Members from Gateshead Council which appointments shall reflect the political balance of each authority.
 - 5.1.2 Subject to the provisions of this agreement each Member shall continue in office for a period of one year or until such time as he shall cease to be a member of the Council by whom he is appointed whichever is the sooner and any provision in the Procedure Rules of either Authority to the contrary is hereby waived. Each member shall be eligible for re- appointment until such time as he shall cease to be a member of the council by whom he is appointed.
 - 5.1.3 If either Authority does not appoint the number of Members which it is entitled to appoint the other Members of the Joint Committee shall be competent to carry out the business thereof pursuant to this agreement.
 - 5.1.4 Any person who is a member of the Councils of both Authorities shall only represent the first Authority to appoint him as a Member and any subsequent appointment by the other Authority shall be void.
 - 5.1.5 The Chief Executive of each Authority shall notify the Chief Executive of the other Authority and the Clerk within fourteen days of any appointment of a member of his Council to the Joint Committee.
 - 5.1.6 Any member may at any time resign his office as such Member by notice addressed to the Clerk who shall forthwith notify the respective Chief Executives of each of the Authorities.
 - 5.1.7 Any member may be removed at any time by resolution by the Authority by whom he was appointed but such removal should only become effective upon receipt by the Clerk of notification thereof.

6. Chair and Vice Chair

- 6.1 At the first meeting of the Joint Committee and subsequently at its Annual Meeting in each successive year the Joint Committee shall select one of its Members as Chair and another as Vice Chair for the forthcoming year provided that at no time shall the Chair and Vice Chair be members of the same Authority.

6.2 The Chair of the Committee shall alternate between both authorities on an annual basis unless otherwise agreed at the Annual meeting of the Committee.

6.2.1 The elected Chair and Vice Chair shall remain in office until the next Annual Meeting unless by reason of death resignation disqualification or any other cause before that time and upon a vacancy occurring during the term of office another Member from the same Authority shall be appointed by the Joint Committee to fill the vacancy until the next Annual Meeting.

6.3 If there is equality of votes as to the appointment of Chair or Vice Chair, then the Chair for the time being of that meeting shall have a second or casting vote.

7. Substitute Members

Any member who is unable to attend a meeting of the Joint Committee for any reason may appoint another member of the relevant authority of which he is a member as a substitute member provided notification of the named substitute is given to the Clerk (including by electronic means), before four o'clock on the day before the meeting in question and thereon the substitute member shall be entitled to attend that meeting only and (subject to the requirements relating to the declaration of interests contained in the Code of Conduct of the Council of which he is a member) shall be entitled to speak and vote on all items of business. A member may only substitute another member from the relevant authority of which he is a member.

8. Meetings of the Joint Committee

8.1 The first meeting of the Joint Committee shall be convened by the Clerk.

8.2 The Joint Committee shall hold an Annual Meeting before the end of June in each year.

8.3 Other than the Annual Meeting, meetings shall be held at such places and on such dates and at such times as the Joint Committee may decide from time to time save that meetings shall be held not less than quarterly.

8.4 Ordinary meetings and Annual Meetings of the Joint Committee shall be convened by the Clerk who shall deliver notice thereof to each member at least five clear days before the date of the meeting.

8.5 With the notice referred to in paragraph 7.4 the Clerk shall send a copy of the agenda for the meeting which shall include:

- provision for the declaration of personal and prejudicial interests by Members for the purposes of the Code of Conduct issued under Section 50 Local Government Act 2000.
- all items of business which have been, or are deemed to have been, referred to the Joint Committee by a Council resolution of either Authority.
- all reports submitted by any officer of either Authority; and
- any item of business directed to be included by the person appointed to preside at the meeting.

8.6 A quorum of four members must be present to constitute a meeting
Provided that there is at least one member present from each Authority.

8.7 The Chair and two members of the Joint Committee may at any time by notice specifying the business to be transacted and sent to the Clerk require a Special Meeting of the Joint Committee to be convened and the Clerk shall accordingly convene a special meeting which shall be held within thirty clear days of receipt by the Clerk of the said notice.

8.8 The Clerk shall give Members of the Joint Committee at least five clear days' notice of the Special Meeting and such notice shall specify the business proposed to be transacted.

8.9 No business shall be transacted at a Special Meeting other than that specified in the notice sent to the Clerk and referred to in paragraph 7.7 above.

9. **Person Presiding at Meetings**

9.1 The Chair or in his absence the Vice Chair shall preside at every meeting provided that if both the Chair and the Vice Chair are absent the Members present shall elect another Member of the Joint Committee who shall preside at that meeting.

10. **Voting**

10.1 Every matter at a meeting of the Joint Committee shall be decided by a simple majority of those Members voting and present and, in the venue, at the time the question is put. In the case of an equality of votes in relation to a particular item of business then consideration of that item shall be adjourned and shall be deferred for decision at a future meeting of the Joint Committee to allow informal discussion to take place between the parties

10.2 Except where a requisition is made under the next paragraph 9.3, the method of voting at meetings of the Joint Committee shall be by show of hands.

- 10.3 If a requisition for a recorded vote is made by any three Members present before a vote is taken on any question or motion, the voting shall be recorded so as to show whether each Member present voted for or against that question or motion or abstained from voting.

11. Minutes

- 11.1 The Clerk shall be responsible for keeping a record of attendance and a record of the business transacted at every meeting of the Joint committee and the minute book shall be submitted to and signed at the next following meeting.
- 11.2 The person presiding at the next following meeting referred to in paragraph 10.1 shall put the question that the minutes be approved as a correct record of the previous meeting.
- 11.3 No discussion shall take place upon the minutes, except upon their accuracy. If no question is raised as to accuracy or if it is raised then as soon as it is disposed of, the person presiding shall sign the minutes.
- 11.4 Copies of the minutes of every meeting of the Joint Committee and any sub-committee thereof shall as soon as possible after each meeting be sent by the Clerk to the Chief Executive of each authority.

12. Sub-Committees

- 12.1 The Joint Committee may from time to time appoint sub-committees for any general or special purpose in connection with their powers and functions for the purposes of advising and reporting back to the Joint Committee. Any sub-committee so appointed shall consist of a minimum of three members and shall include at least one Member from each Authority.
- 12.2 Subject to clause 11.1 the Joint Committee shall at the time of appointing any sub-committee resolve what shall be the terms of reference of that sub-committee.

13. Vacancies

- 13.1 No act or proceeding of the Joint Committee shall be questioned on account of any vacancy or on account of any defect in the appointment of any Member.

14. Capital Expenditure

- 14.1 If the Joint Committee shall at any time require to incur capital expenditure for the:

14.1.1 The acquisition of property

14.1.2 The construction of works, or

14.1.3 Any other capital purposes in connection with its powers.

14.2 Then the use of part or all of any profits or surplus made in any financial year shall be used to finance capital expenditure or upon agreement of the Joint Committee may carry forward part or all such profits or surplus as required to finance known future capital expenditure.

15. Revenue Expenditure

15.1 All losses/deficits or profits/surpluses either incurred or generated as a result of the normal operational business of the Joint Committee in any financial year shall be borne or distributed in the following percentages 35% Gateshead and 65% Durham County Council. This arrangement shall be subject to review at least every five years with the first review taking place in March 2015.

15.2 Any losses identified during the financial year should be first met by any available reserves. In the absence of available reserves each Authority should make a relevant contribution in accordance with the % mentioned in paragraph 14.1.

15.3 As soon as possible after the end of any financial year the Joint Committee shall calculate the exact net revenue expenditure for the preceding year and shall request or make payments to each Authority to be allocated in accordance with the % mentioned in paragraph 14.1 (total to the agreed distributable surplus amount).

15.4 The Joint Committee upon agreement may use or carry forward retained surplus made in any financial year for the purpose of:

15.4.2 Paying debts

15.4.3 Meeting contingencies

15.4.4 Meeting future expenses

15.5 But any amount of such profit or surplus not so applied (as agreed annually at the Annual General Meeting) shall be returned to the Authorities. Payable to each authority by the 1st October in each year.

16. Interest on Sums Due

16.1 Any sum properly payable by either of the Authorities to the Joint committee whether of a capital or revenue nature, which is not paid by

the due date shall be liable to interest at the base lending rate of the Co-operative Bank plc until such time as the sum due is paid in full.

17. Appointment of Officers

- 17.1 (a) The Clerk shall be the Head of Legal and Democratic Services or their appointee of Durham County Council.
- (b) The Treasurer shall be the Corporate Director Resources of Durham County Council or anyone appointed by him.
- 17.2 The Joint Committee shall appoint and pay such employees as it deems necessary to provide equip maintain and manage the Crematorium and all services and duties ancillary thereto and required to be provided by virtue of this agreement or by statute and such employees shall be enabled to join any pension scheme which employees of Durham County Council are entitled to join by virtue of their individual contracts of employment.
- 17.3 The functions of the Joint Committee shall be dealt with by Durham County Council officers (identified at clause 16 above). For the avoidance of doubt the identified officers shall include officers succeeding to the named officer's responsibilities on any re-organisation.

18. Accounts

- 18.1 The Treasurer shall keep accounts of all monies received by and all expenditure of the Joint committee as may be required for the purposes of Part 8 of the Local Government Act 172.
- 18.2 As soon as practicable after the end of the Financial Year the Joint Committee shall send to each Authority a full report of the operations of the Joint Committee during the last financial year and a copy of the accounts thereof.
- 18.3 Durham County Council will carry out an annual audit of the accounts and the Joint Committee will provide a copy of the report thereof to each of the Authorities as soon as practicably possible after receipt of the same.
- 18.4 When this agreement is silent the Mountsett Crematorium will operate within the procedure rules and financial regulations of the lead partner authority, Durham County Council, who will continue to be responsible for the management of the facility and for supporting the Joint Committee.

19. Performance of Agreement

19.1 The Authorities shall at all times take all or any action as may be necessary for giving full effect to this agreement and every provision and obligation contained herein and any decision made by the Joint Committee pursuant hereto. Each party shall be committed to mutual cooperation and assistance to give effect to the terms of this Agreement which shall include:

- a) the setting up of a joint officer meeting to discuss and formulate advice and reports to the Joint Committee and;
- b) not less than twenty business days before the date of any Joint Committee prior notification of agenda items only shall be given to officers of each Authority of items intended to be tabled as items of business for the Joint Committee in order to ensure that the same may be fully considered by officers of each Authority. An officer Neighbourhood services Director of Resources from each authority to be involved in a pre-meeting to the committee hearing.

19.2 Each Authority shall bear its own costs for the negotiation preparation completion and stamping of this agreement.

19.2.1 If either Authority shall fail to carry out any necessary act required to be taken pursuant to paragraph 18.1 above, the other may implement any reasonable measures necessary to give effect to this agreement or any proper decision of the Joint Committee and the reasonable costs thereof shall be recoverable as a debt from the Authority which so failed to act.

20. Termination

20.1 If the Authorities or either of them shall wish to determine this agreement or make any alteration to the terms hereof then in default of agreement between the Authorities the matter shall be referred to arbitration in accordance with paragraph 20 below.

21. Arbitration

Any dispute between the Authorities under or arising out of this agreement shall be referred to a single arbitrator to be agreed upon by the Authorities or in default of agreement to be nominated by the Secretary of State for Communities and Local Government or such other Government Minister as shall be appropriate in accordance with and subject to the provision of [the

Arbitration Acts 1950 and 1979] or any statutory modification or re-enactment of them for the time being in force.

22. Complaints

Any complaint received by the Joint Committee or either or both of the Authorities relating to the Crematorium or any officer employed thereat or to the performance of functions under this agreement shall be dealt with in the first instance in accordance with Durham County Council's formal complaints procedure and if the complaint is not resolved as a result of that process or if a complaint is received from the Local Government Ombudsman dealt with by the Monitoring Officer.

IN WITNESS whereof the Parties hereunto have caused their respective Common Seals to be affixed to this Deed the day and year first before written

EXECUTED as a DEED (but not delivered until the date of it) by the affixing of **THE COMMON SEAL** of **THE COUNTY COUNCIL OF DURHAM** was hereunto affixed **BY ORDER:**

B. Smith



THE COMMON SEAL of **THE BOROUGH COUNCIL OF GATESHEAD** was hereunto Affixed in the presence of:-

MAYOR

Hood



SOLICITOR TO THE COUNCIL *B. McHenry*

**Mountsett Crematorium Joint
Committee**

28 June 2023

2022/23 Annual Governance Statement



Joint Report of

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

**Paul Darby, Corporate Director of Resources and Treasurer to the
Joint Committee**

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 This report provides details of the Annual Governance Statement (AGS) for the year April 2022 to March 2023. The AGS will need to be formally approved by Members as part of the consideration of the Joint Committees Return for the financial year ended 31 March 2023 and is attached at Appendix 2.

Executive summary

- 2 This report details the Joint Committee's 2022/23 Annual Governance Statement, which demonstrates how the Joint Committee complies with the requirements of the Accounts and Audit Regulations 2015 in relation to the annual review of the effectiveness of its system of internal control.
- 3 The statement is contained within Section 1 of the Joint Committee's Annual Governance and Accountability Return and must be considered and approved in advance of the approval of the annual accounts.
- 4 There are seven assertions within the statement relating to good governance, financial management and internal control. Evidence is provided within the report setting out how the Joint Committee has complied with each assertion, providing Members with assurance that governance arrangements are sound and operating effectively.
- 5 Members will be aware that the annual Internal Audit report provided a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2022/23. This opinion has been taken into account in providing the

assurance that the Joint Committee requires in considering the Annual Governance Statement.

Recommendation(s)

6 It is recommended that:-

- The content of the 2022/23 Annual Governance Statement is noted.
- The Chair and Treasurer approve and sign the 2022/23 Annual Governance Statement as part of the consideration of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023.

Background

- 7 The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in a way which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8 In discharging this overall responsibility, the Mountsett Crematorium Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and performance.
- 9 The Mountsett Crematorium Joint Committee has adopted and operates under (via Durham County Council, its lead Authority), a Local Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework – ‘Delivering Good Governance in Local Government’. The Annual Governance Statement (AGS) explains how the Joint Committee complies with this code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to an annual review of the effectiveness of its system of internal control.
- 10 The AGS will need to be formally signed by the Chair and Treasurer (Durham County Council’s Corporate Director: Resources) to the Mountsett Crematorium Joint Committee and published along with the Mountsett Crematorium Joint Committee’s Annual Return no later than the 30 June 2023.

The Annual Governance Statement (AGS)

- 11 The Annual Governance Statement for Joint Committees is based around a number of statements or assertions in relation to good governance, financial management and internal control.
- 12 In approving the AGS, the Joint Committee is required to provide an answer of ‘yes’ or ‘no’ to each assertion.
- 13 The Joint Committee is expected to have relevant evidence in place to support each ‘yes’ answer and would need to provide an explanation to the external auditor if it is not able to provide a ‘yes’ answer, including details of how the Joint Committee will address any identified weaknesses in its governance arrangements.

- 14 The seven assertions relevant to the Joint Committee are summarised below:
- i. We approved the accounting statements prepared in accordance with the guidance notes within this Return.*
 - ii. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*
 - iii. 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.*
 - iv. 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.*
 - v. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*
 - vi. We took appropriate action on all matters raised during the year in reports from internal and external reviews.*
 - vii. 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.*
- 15 The statement is initially compiled by the Finance Manager, Neighbourhoods & Climate Change in accordance with guidance contained within the Framework and reflects the current position within the Joint Committee.
- 16 The statement is evidence based and relies upon the review of the effectiveness of internal audit undertaken by the Audit Committee of the lead authority (Durham County Council) along with written assurances from the Bereavement Services Manager, internal audit's views, having carried out a review during the year and commented on the assurance given by each, external auditors and other review agencies and inspectorates and the assurances contained within their reports to the Mountsett Crematorium Joint Committee.

17 The Statement is submitted to the Mountsett Crematorium Joint Committee for approval with submission to External Audit – Mazars LLP by 31 July 2023.

Contact:	Philip Curran	Tel: 03000 261967
	Cathy Mallam	Tel: 03000 268580

Appendix 1: Implications

Legal Implications

The Accounts and Audit Regulations and Code of Practice 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 regulations.

Finance

Finance planning and management is a key component of effective corporate governance.

Consultation

Engaging local communities meets a core principle of the CIPFA/SOLACE guidance.

Equality and Diversity / Public Sector Equality Duty

Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

Ensuring staff are adequately trained and professionally competent to meet the core principles of the CIPFA/SOLACE guidance.

Accommodation

Asset Management is a key component of effective corporate governance.

Risk

Risk is intrinsic to the system of internal audit and governance.

Procurement

None.

Appendix 2: Annual Governance Statement

1 Responsibility

The Mountsett Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a responsibility under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness. This Committee was established in 1964 by the Urban District Councils of Stanley and Consett (transferred to Derwentside District Council, 1976) and the Urban District Councils of Blaydon and Whickham (transferred to Gateshead Metropolitan Borough Council, 1976).

Following Local Government Reorganisation in 2009, as successor to Derwentside District Council, Durham County Council acts as the lead authority.

The Mountsett Crematorium Joint Committee is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk and performance.

The Mountsett Crematorium Joint Committee has adopted a local code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework `Delivering Good Governance in Local Government` and operates under the policies and strategies including Contract Procedure Rules, Financial Procedure Rules, Financial Regulations, developed, agreed and adopted by the Durham County Council, its lead authority.

2 Requirements

The Accounts and Audit Regulations 2015 require smaller authorities to prepare an Annual Governance Statement (AGS) every year.

The AGS is set out in Section 1 of the Joint Committees Annual Governance and Accountability Return and sets out seven statements or 'assertions'. These are summarised below:

- i. We approved the accounting statements prepared in accordance with the guidance notes within this Return.*
- ii. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.*
- iii. 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.*
- iv. 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.*
- v. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.*
- vi. We took appropriate action on all matters raised during the year in reports from internal and external reviews.*
- vii. 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.*

In approving the Annual Governance Statement, the Joint Committee is required to provide an answer of 'yes' or 'no' to each of the above assertions.

The Joint Committee is expected to have relevant evidence in place to support each 'yes' answer and would need to provide an explanation to the external auditor if it is not able to provide a 'yes' answer, including details of how the Joint Committee will address any identified weaknesses in its governance arrangements.

This document evidences how the Joint Committee complies with the requirements behind each assertion, as set out in 'Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to Proper Practices'.

3 Governance Arrangements during 2022/23

The key elements of the systems and processes that comprise the governance arrangements are detailed in Durham County Council's Local Code of Corporate Governance, which is documented in the Council's Constitution. This sets out the key documents and processes that determine the way the Council is directed and controlled to meet the seven statements or assertions.

The following sections demonstrate assurance that the Council has complied with each of these assertions in practice, and also highlights where we have further improved our corporate governance arrangements during 2022/23.

Assertion 1: We approved the accounting statements prepared in accordance with the guidance notes within this Return

The Joint Committee prepares a Revenue and Capital budget in advance of each financial year and robust budget setting processes are in place to support the Joint Committee's decision making process. The budget makes prudent but realistic estimates of income and expenditure, capital investment requirements and the need to maintain prudent levels of reserves.

Comprehensive monthly budgetary control systems including income and expenditure reconciliations and the preparation of regular financial reports which indicate actual expenditure against budget and forecast year end positions are also undertaken and reported quarterly to the Joint Committee, with corrective action being taken where required to address any budget issues.

The Treasurer is responsible for:

- ensuring the proper administration of the financial affairs of the Joint Committee
- establishing the Financial Management Standards and monitoring compliance with them
- reviewing the Financial Management Standards regularly to ensure they remain fit for purpose
- ensuring that proper professional practices, standards, and ethics are adhered to
- advising on the key strategic controls necessary to secure sound financial management
- ensuring that financial staffing resources are adequate to maintain adherence to these standards

- establishing a framework of documented business processes that support these financial management standards and ensuring that they are reviewed regularly

The Joint Committee prepares accounting statements each year via the Annual Return and these are supported by comprehensive working papers, supporting records and reconciliations.

Officers undertake a monthly reconciliation of the Joint Committee's bank accounts to the accounting records held on its financial management system. Quarterly budgetary control reports setting out actual spending and income against budget and details of financial performance are reported to the Joint Committee. The year end bank reconciliation also forms part of the year end external audit's limited assurance review.

The Joint Committee uses the lead authority, Durham County Council's Investment Strategy for short term investments.

The Finance Manager, Neighbourhoods & Climate Change is responsible for putting in place sound arrangements for ensuring that the Joint Committee's annual accounts are accurately prepared in accordance with statutory obligations and proper practices. The accounting statements are set out in the Annual Return and are prepared in accordance with 'Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements'. The accounting statements are approved by the Joint Committee prior to 30 June every year, in accordance with the statutory timetable set out in the Accounts and Audit regulations 2015.

Assertion 2: We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

The Joint Committee, via its lead authority Durham County Council has in place comprehensive Financial Management Standards governing how it operates in accordance with the law and proper practices. These are supported by various policies and procedures covering specific requirements.

The Financial Management Standards cover how the Joint Committee orders goods and services, incurs liabilities, manages debtors, makes payments and handles receipts and how it puts in place efficient arrangements for safeguarding public money. A Risk Management strategy is in place supported by risk registers. Risk assessments are carried out and the registers updated on a six monthly basis. The Joint Committee employs an Internal Auditor to undertake audits of all key

services and systems and report on possible weaknesses or required improvements in internal controls. The system of internal control is risk based and focussed on key risk areas such as cash and fixed assets.

The Joint Committee, via its lead authority pays its staff in accordance with an approved establishment list and grading structure and in line with the terms and conditions as set out in the National Joint Council for Local Government Services 'Green Book' which sets out the national agreement on pay and conditions of service for local government staff. Comprehensive internal controls and checks are in place around the payroll system with significant internal audit time spent checking the accuracy and legitimacy of salary payments. The Joint Committee is responsible for ensuring compliance with all duties under employment legislation and has met its pension obligations and is not aware of any instances of non-compliance.

The Corporate Director: Resources and Treasurer to the Joint Committee is responsible for ensuring that the Joint Committee meets its statutory responsibilities in relation to VAT and putting in place robust arrangements for the processing of VAT and ensuring that the quarterly VAT claims are processed accurately and on time. All finance officers have had VAT training.

The Joint Committee revises its Service Asset Management Plan (SAMP) in September every year and ensures that its assets are secured, properly maintained and efficiently managed. This is demonstrated by:-

- Continuing to identify the property needs of the service to enable it to deliver its vision
- Continuing to assess the condition, sufficiency, suitability, accessibility and energy performance of the 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

The lead authority, Durham County Council has in place a Treasury Management policy and an annual Treasury Management strategy which includes the framework for the management of loans and comprises:

- Current treasury position
- Capital financing plans (including Prudential and Treasury Indicators)
- Interest Rate Outlook
- Policy on borrowing in advance of need

- Investment Strategy
- Minimum Revenue Provision Policy
- Policy on use of external service providers

The Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the annual report of the Chief Internal Auditor and Corporate Fraud Manager, and also by comments made by the external auditors and other review agencies and inspectorates.

Assertion 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.

The Joint Committee is responsible for ensuring that all relevant laws and regulations have been complied with in the undertaking of all service activity and decision making.

Durham County Council and Mountsett 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.

Mountsett Crematorium Joint Committee ensures that its financial management arrangements conform to CIPFA standards by:-

- Appointing as its Treasurer, the Corporate Director: Resources from the lead authority along with the Finance Manager, Neighbourhoods & Climate Change under the scheme of delegated responsibilities by the Treasurer. The Corporate Director and Finance Manager are professionally qualified and possess the necessary skills, knowledge and experience to perform effectively in both a financial and non-financial role
- Ensuring the finance function in support to the Treasurer is adequately qualified and resourced to fulfil its duties and a structure is in place that provides a line of professional accountability for the finance staff

- Ensuring that key CIPFA Codes such as the Prudential Framework for Local Authority Capital Finance and the Treasury Management Code are complied with where required
- Having a clearly articulated Medium Term Financial Plan/Reserves Strategy and Policy
- Producing Monthly Budgetary Control Reports which are considered on a quarterly basis by the Joint Committee
- Ensuring proper Internal Audit, Risk and Governance arrangements are in place
- Maintaining the Service Asset Management Plan.

Membership to the Federation of Burial and Cremation Authorities, which requires that each year a signed declaration, is made so that the Codes of Practice have been strictly adhered to. The Crematorium is also subject to bi-annual inspection by the regulator (DCC) who has to be satisfied that all Environmental Legislation is being implemented.

Performance monitoring undertaken through the use of comparative statistics with other crematoria and across years.

The Internal Audit Section is also subject to an annual review of its activities and performance. Evidence of the effectiveness of the Audit Service is presented to, and reviewed by the Audit Committee of the lead authority, Durham County Council. The assurance provided by the review is presented to, considered by and minuted by the Mountsett Crematorium Joint Committee.

The Joint Committee has various measures in place to ensure that it does not take any decisions during the year that may exceed its powers or contravene any laws, regulations or proper practices. The lawfulness of all decisions referred to the Joint Committee is always considered by senior officers and is clearly referenced in reports, particularly in relation to decisions involving income or expenditure. The Joint Committee is not aware of any instances of non-compliance with law and regulations during 2022/23.

The Corporate Director of Resources & Treasurer to the Joint Committee ensures full compliance with the requirements of the Accounts and Audit Regulations 2015 in relation to the Joint Committee's financial management, accounting and audit arrangements.

The financial results of the Joint Committee are reported to the lead authority, Durham County Council at the end of every financial year for inclusion in their accounts.

Assertion 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.

Durham County Council and Mountsett 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 the decision making processes, protects the reputation and other assets of the Crematorium and is compliant with statutory and regulatory obligations.

The Mountsett Crematorium Joint Committee ensures that the Risk Management approach:-

- Is conducted in accordance with the Risk Management Policy and Strategy of Durham County Council. The Bereavement Services Manager is advised by the Corporate Risk Management Working Group where strategic and operational risks are considered
- Has strategically aligned the Internal Audit and Fraud service provision to enable access to trained investigators and allow greater coverage of counter fraud work when required
- Includes a Fraud Awareness training programme undertaken by Senior Officers

Involves regular reports by internal audit to those charged with governance, to standards defined in the CIPFA Code of Practice and in accordance with the Accounts and Audit Regulations 2015. These include the Chief Internal Auditor and Corporate Fraud Manager's independent opinion on the adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement.

Risk based assessments of key financial systems (as approved in the SLA) are carried out in the final quarter of the financial year to ensure maximum coverage of the Crematorium's financial transactions and provide an informed opinion on the robustness, adequacy and effectiveness of the system of internal control, at the crematorium, together with recommendations for improvement.

The production of a Risk Register with regular reviews undertaken by the Bereavement Services Manager along with action plan reports are produced and approved where necessary. Full details are reported to the Joint Committee on a six monthly basis.

Service and operational risk registers are maintained through an evaluation of the gross risk based on an assessment of the impact and likelihood of the risk occurring. The net risk is evaluated on the same basis after taking into account mitigating control measures. Net risk evaluations are agreed by consensus and actions to mitigate and/or tackle issues arising from the individual risks are agreed for the upcoming year.

Risks are evaluated in a logical and straightforward process. Service risk assessments are based on the impact on finance, service delivery and stakeholders if the risk materialises, and also the likelihood that the risk will occur over a given period. Operational risk assessments are based on Durham County Council's health and safety risk assessment criteria, which include the likelihood of occurrence.

Assertion 5: We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

The Joint Committee's internal audit provider is Durham County Council Internal Audit Services, whose service is delivered in accordance with a Service Level Agreement (SLA) approved by the Joint Committee every three years. The Internal Audit service is delivered in accordance with the requirements of the Accounts and Audit Regulations 2015 'for undertaking 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'.

The Internal Audit service applies a risk based audit approach and when determining the annual audit opinion considers the following:

- 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 Durham County 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

The Internal Audit service conforms to the requirements of the UK Public Sector Internal Audit Standards (PSIAS) as evidenced through an external assessment by 'self-assessment with independent external validation'.

Durham County Council's Financial Management Standards include a specific requirement that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work. This complies with the requirements of the Accounts and Audit Regulations 2015.

Assertion 6: We took appropriate action on all matters raised during the year in reports from internal and external reviews.

The Joint Committee's Internal Auditor reports the conclusions and recommendations from every audit examination to the Joint Committee on an annual basis and follows up on audit recommendations in subsequent audits to ensure that they have been implemented.

The Joint Committee considers the annual review of the Annual Return from the external auditors and the Corporate Director of Resources and Treasurer to the Joint Committee would put in place an action plan to deal with any matters raised, as and when necessary.

Assertion 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.

During the annual closedown of the accounts, the Corporate Director of Resources and Treasurer to the Joint Committee assess whether there have been any events during the financial year or after year end, which may have potential consequences on the Joint Committee's finances. If any such events are identified, the Treasurer will determine whether the financial consequences need to be reflected in the accounting statements and disclose them as necessary.

4 Significant Governance Issues

Mountsett Crematorium Joint Committee is fully committed to the principles of Corporate Governance, and has made further progress in recent months in developing its arrangements.

The Internal Audit Section sought further assurance, via its annual plan of work and review of key systems.

As a result, Internal Audit has provided **Substantial** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2022/23. This opinion provides assurance that there is a sound system of control in operation and there are no significant control weaknesses that warrant inclusion within the Annual Governance Statement.

5 Assurance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and the system of internal control by the Mountsett Crematorium Joint Committee and are satisfied that plans to address weaknesses and ensure continuous improvement of the system are in place.

SIGNED:

Chair to the Joint Committee

28 June 2023

Corporate Director of Resources and Treasurer to the Joint Committee

28 June 2023

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**Mountsett Crematorium Joint
Committee**

28 June 2023

**Revenue Outturn & Joint Committees
Annual Return for the Financial Year
Ended 31 March 2023**



Joint Report of

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

**Paul Darby, Corporate Director of Resources and Treasurer to the
Joint Committee**

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 This report seeks approval of the Joint Committees Annual Return (attached at Appendix 3) for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2023. It also includes details of the final outturn position against the approved budgets for 2022/23.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2022 to 31 March 2023, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
- 3 The report also details the funds and reserves of the Joint Committee at 1 April 2022 and the final position at 31 March 2023, taking into account the updated financial outturn.
- 4 The revenue outturn is a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £183,752 against a budgeted surplus of £331,742, £147,990 less than the budgeted position.
- 5 The final outturn position was broadly in line with the forecast position reported to the Joint Committee on 25 April 2023, with only minor changes across a number of budget levels at the final outturn, which resulted in a £6,829 increase to the overall net income for the year.

- 6 Contributions to the earmarked reserves are £147,990 less than originally budgeted.
- 7 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £10,289 was required at year end. An additional transfer of **£181,248** is required due to the forecast overspend in year. This results in a net transfer from the Cremator Replacement Reserve of **£191,537**.
- 8 The retained reserves of the MCJC at 31 March 2023 are £442,673 along with a General Reserve of £318,975, giving a total reserves and balances position of £761,648 at the year end.

Recommendation(s)

- 9 It is recommended that Members of the Central Durham Crematorium Joint Committee:-
 - Note the revenue outturn position as at 31 March 2023, including the year end position with regards to the reserves and balances of the Joint Committee.
 - Approve Section 1 – Annual Governance Statement 2022/23 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023 (attached at Appendix 3).
 - Approve Section 2 – Accounting Statements 2022/23 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023 (attached at Appendix 3).
 - The Chair, Clerk and Treasurer sign the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2023 (attached at Appendix 3).

Background

- 10 The Joint Committees Annual Return will be subject to external audit by the Joint Committee's appointed external auditors, Mazars LLP and the limited assurance audit will commence in July 2023. Upon completion, the auditor's report will be presented to the Joint Committee and will be made available online, along with the Return.
- 11 The attached Joint Committees Annual Return (Appendix 3) is not a compulsory requirement for the Mountsett Crematorium Joint Committee but is good practice. Also attached for Members attention at Appendix 2 is the Balance Sheet as at 31 March 2023.

Financial Performance

- 12 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 for the Mountsett Crematorium is included within this report.
- 13 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 revenue outturn financial performance of the Mountsett Crematorium as at 31 March 2023.

Subjective Analysis (Type of Expenditure)	Base Budget 2022/23 £	Outturn 2022/23 £	Variance Over/ (Under) £	MEMO – Provisional Outturn (25.04.23) 2022/23 £
Employees	201,198	216,421	15,223	216,422
Premises	400,670	626,992	226,322	628,438
Transport	2,481	434	(2,046)	434
Supplies & Services	89,530	110,531	21,001	111,181
Agency & Contracted	7,039	9,794	2,755	9,794
Capital Charges	0	0	0	0
Central Support Costs	30,590	30,590	0	30,590
Gross Expenditure	731,508	994,763	263,255	996,859
Income	(1,063,250)	(1,178,515)	(115,265)	(1,173,782)
Net Income	(331,742)	(183,752)	147,990	(176,923)
Transfer to / (from) Reserves				
- Repairs Reserve	15,000	15,000	0	15,000
- Cremator Reserve	(33,258)	(181,248)	(147,990)	(188,077)
Distributable Surplus	(350,000)	(350,000)	0	(350,000)
65% Durham County Council	227,500	227,500	0	227,500
35% Gateshead Council	122,500	122,500	0	122,500

Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2022 £	Transfers to Reserve £	Transfers from Reserve £	Balance @ 31 March 2023 £
Repairs Reserve	(99,370)	(15,000)	0	(114,370)
Cremator Reserve	(519,840)	0	191,537	(328,303)
General Reserve	(308,686)	(360,289)	350,000	(318,975)
Total	(927,896)	(375,289)	541,537	(761,648)

Explanation of Significant Variances between Original Budget and Forecast Outturn

- 14 The final outturn position is broadly in line with the provisional outturn position reported to the Joint Committee on 25 April 2023, with only minor changes across a number of budget levels at the final outturn £6,829 increase to the overall net income for the year.

15 The following section outlines the reasons for significant variances by subjective analysis area comparing the outturn position against the budget.

15.1 **Employees**

The outturn shows an overspend of **£15,223**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are overspent by **£15,223** mainly due to the national pay settlement for 2022/23 and average holiday entitlement back pay.

15.2 **Premises**

The outturn shows an overspend **£226,322** in relation to premises costs. The reasons for this are identified below:

- One off SAMP budgets relating to energy improvements in 2020/21 were delayed until the current year due to project delays. It is therefore overspent by **£13,193** in 2022/23.
- One off SAMP budgets relating to additional energy improvements were not completed and are underspent by **(£75,000)**.
- One off SAMP budgets relating to redecoration works in 2021/22 were delayed until the current year and it is therefore overspent by **£15,837**.
- One off SAMP budgets relating to installation of vehicle charging points is underspent by **(£1,645)**.
- The cremator replacement budget underspent in 2021/22 by £346,267 due to the completion of the project overlapping financial years into 2022/23. The final remaining costs paid in 2022/23 were **£210,682**.
- Energy budgets are overspent by **£43,156** due to the global increase in the cost of gas and electric.
- Grounds maintenance costs are forecast to overspend by **£12,062** mainly due to increased winter maintenance costs.
- Other premises costs such as general repairs and cremator repairs are forecast to overspend by **£8,037**.

15.3 **Supplies and Services**

The outturn shows an overspend of **£21,001** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the increase in cremations (highlighted later within the income section of the report), medical referee expenditure overspent by **£3,843**.
- Purchasing of webcasts is underspent by **(£3,030)**.
- General office costs are forecast to overspend by **£58**.
- Mercury abatement costs to CAMEO are overspent by **£20,130**. This is due to the temporary cremator not abating mercury omissions and also in part to the new cremators not abating during early installation in 2021

15.5 **Income**

An increase in income of **(£115,265)** from the 2022/23 budget is included within the updated outturn. The reasons for this are identified below:

- The outturn includes an increase of 145 cremations compared to the budget, totalling increased income to budget of **(£90,985)**. The outturn allows for a total of 1,445 cremations against a budgeted 1,300 during 2022/23.
- Book of Remembrance entries and Webcast sales are higher than budget resulting in additional of income of **(£5,523)**.
- Interest received is overachieved by **(£22,227)** due to rising interest rates.
- Income from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) is underachieved by **£3,470**.

Earmarked Reserves

- 16 Contributions to the earmarked reserves are **£147,990** less than originally budgeted.
- 17 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of £10,289 was required at year end. An additional transfer of **£181,248** is required due to the forecast overspend in year. This results in a net transfer from the Cremator Replacement Reserve of **£191,537**.

- 18 The retained reserves of the MCJC at 31 March 2023 are forecast to £442,673 along with a General Reserve of £318,975, giving a total reserves and balances position of £761,648 at the year end.

Joint Committees Annual Governance and Accountability Return and Balance Sheet

19. The Joint Committees Annual Governance and Accountability return is attached at Appendix 3 and is supported by the Balance Sheet information contained in Appendix 2 to this report. This shows that the Crematorium had net assets of £0.762m at 31 March 2023 funded by reserves.

Contact:	Philip Curran	Tel: 03000 261967
	Cathy Mallam	Tel: 03000 268580

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 Mountsett Crematorium are included within the body of the report.

Consultation

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

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 outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the

information supplied by the Bereavement Services Manager should mitigate the risks associated with achievement of the forecast outturn position.

Procurement

None.

Appendix 2: Balance Sheet as at 31 March 2023

Mounstett Crematorium Joint Committee

Balance Sheet as at 31 March 2023

31 March 2022 £000		31 March 2023 £000
0	Property, Plant & Equipment	0
0	Intangible Assets	0
0	Long Term Investments	0
0	Long Term Debtors	0
0	Long Term Assets	0
0	Short term Investments	0
4	Inventories	4
30	Short Term Debtors	30
1,102	Cash & Cash Equivalents	900
1,136	Current Assets	934
0	Short Term Borrowing	0
(208)	Short Term Creditors	(173)
0	Provisions	0
(208)	Current Liabilities	
0	Long term Creditors	0
0	Provisions	0
0	Long Term Borrowing	0
0	Other Long Term Liabilities	0
0	Long Term Liabilities	0
928	NET ASSETS	762
(928)	Usable Reserves	(762)
0	Unusable Reserves	0
(928)	TOTAL RESERVES	(762)

Mountsett Crematorium Joint Committee

28th June 2023



Mountsett Crematorium Performance and Operational Report



Report of Graham Harrison, Bereavement Services Manager & Registrar

Electoral division(s) affected:

Countywide

Purpose of the Report

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

Executive summary

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

Recommendation(s)

- 3 It is recommended that Members of the Mountsett Joint Committee:
 - (a) Note the current performance of the crematorium.
 - (b) Note the update with regards to staffing.
 - (c) Note the attendance at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2023.

Background

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

Performance Update - Number of Cremations

5. The table below provides details of the number of cremations for the period 1 April 2023 to 31 May 2023 inclusive, with comparative data in the same periods last year:

	2022/23	2023/24	Change
April	119	106	- 13
May	127	128	+ 1
TOTAL	246	234	- 12

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

6. There were 234 cremations undertaken during the period 1 April 2023 to 31 May 2023, compared to 246 in the comparable period last year, a decrease of 12 cremations.

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

Gateshead	60
Durham	137
Outside Area	37
Total	234

Memorials

7. The table below outlines the number and value of the memorials sold in the period April to May 2023 compared to the same period the previous year.

	(Apr - May) 2022/23		(Apr - May) 2023/24	
	Number	£	Number	£
Large Plaques	1	402	3	1,578
Small Plaques	6	1,566	14	3,786
Memorial leaves	6	600	5	500
Renewals			5	900
Total	13	2,568	27	6,764

8. In overall terms the number and value of memorials sold of 27 / £6,764, compared to 13 / £2,568 in the same period last year shows an increase of 14 / £4,196.

Staffing

9. For members information, we have recently appointed 2 relief members of staff to assist in the operational areas of the crematorium. They are currently undertaking training in all aspects of the roles within the crematorium.

Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2023

10. As in previous years, the necessary arrangements will be made for representation at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition which is to be held at Chesford Grange Hotel, near Kenilworth from 18th to 20th September 2023. It is proposed that the Bereavement Services Manager and the Chair attend this conference as representatives of the Mountsett Crematorium Joint Committee.

Contact: Graham Harrison

Tel: 03000 265606

Appendix 1: Implications

Legal Implications

As outlined in the report.

Finance

As identified in the report.

Consultation

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

Equality and Diversity / Public Sector Equality Duty

There are no implications

Human Rights

There are no implications

Crime and Disorder

There are no implications

Staffing

As identified in the report.

Accommodation

There are no implications

Risk

There are no implications

Procurement

There are no implications

**Mountsett Crematorium
Joint Committee**

28 June 2023

Forward Plan 2023/24



**Report of Paul Darby, Corporate Director of Resources and
Treasurer to the Joint Committee**

Electoral division(s) affected:

Countywide

Purpose of the Report

1. This report sets out a suggested forward plan of meetings of the Joint Committee for the forthcoming year.

Forward Plan 2023/24

2. A proposed schedule of meetings for the remainder of 2023/24, showing a forward plan of reports that will be presented, is attached at Appendix 2. This includes the reports for the next Annual General Meeting in June 2024, with dates to be fixed nearer the time.

Recommendation(s)

3. That Members of the Joint Committee note and approve the proposed schedule of meetings as set out at Appendix 2.

Background papers

- None

Contact: Philip Curran
Cathy Mallam

Tel: 03000 261967
Tel: 03000 268580

Appendix 1: Implications

Legal Implications

There are no implications associated with this report.

Finance

There are no financial implications associated with this report. Routine monitoring of budgetary control information and annual budget and fees and charges setting processes are factored into the Forward Plan.

Consultation

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

Equality and Diversity / Public Sector Equality Duty

There are no equality and diversity implications associated with this report. Equality Impact Assessments, where appropriate, are undertaken as a matter of routine part of the development of any new policy or policy change.

Human Rights

There are no implications associated with this report.

Crime and Disorder

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

Staffing

There are no implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Risk

There are no risk implications associated with this report.

Procurement

There are no implications associated with this report.

Climate Change

None.

Appendix 2: Forward Plan: 2023/24 Meetings

Meeting Date	Location	Reports to Consider	Report of
27 September 2023	Mountsett Crematorium, Dipton	External Audit Annual Review of the Return for the Year Ended 31 March 2023	Report of the Corporate Director of Resources / Treasurer to the Joint Committee
		Quarterly Performance and Operational Report	Report of the Bereavement Services Manager and Registrar
		Risk Register 2023/24 – Update	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Service Asset Management Plan	Report of the Corporate Director of Neighbourhoods and Climate Change
		Financial Monitoring Report 2023/24: Position at 31/08/23 with Projected Outturn to 31/03/24	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Internal Audit Charter Report	Report of the Chief Internal Auditor and Corporate Fraud Manager
		Annual Review of the System of Internal Audit	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
29 January 2024	Mountsett Crematorium, Dipton	Quarterly Performance and Operational Report	Report of the Bereavement Services Manager and Registrar
		Financial Monitoring Report 2023/24:	Joint Report of the Corporate Director of Resources /

Meeting Date	Location	Reports to Consider	Report of
		Position at 31/12/23 with Projected Outturn to 31/03/24	Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Provision of Support Services 2024/25	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Fees and Charges 2024/25	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		2024/25 Revenue Budget	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
29 April 2024	Mountsett Crematorium, Dipton	Quarterly Performance and Operational Report	Report of the Bereavement Services Manager and Registrar
		Financial Monitoring Report 2023/24: Provisional Outturn as at 31/03/2024	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Risk Register 2023/24 – Update	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Annual Internal Audit Report 2023/24	Report of the Chief Internal Auditor and Corporate Fraud Manager

Meeting Date	Location	Reports to Consider	Report of
June 2024 (AGM) Date TBC	Mountsett Crematorium, Dipton	Appointment of Chair	Report of the Clerk to the Joint Committee
		Appointment of Vice-Chair	Report of the Clerk to the Joint Committee
		Annual Constitutional Review	Report of the Clerk to the Joint Committee
		Annual Governance Statement 2023/24	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Revenue Outturn and Joint Committees Return for the Year Ended 31/03/2024	Joint Report of the Corporate Director / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change
		Quarterly Performance and Operational Report	Report of the Bereavement Services Manager and Registrar
		Forward Plan 2024/25	Joint Report of the Corporate Director of Resources / Treasurer to the Joint Committee and the Corporate Director of Neighbourhoods and Climate Change

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