



Mountsett Crematorium Joint Committee

Date **Friday 27 September 2024**

Time **9.30 am**

Venue **Chapel - Mountsett Crematorium, Dipton**

Business

Part A

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the Meeting held on 2 July 2024 (Pages 3 - 8)
4. Declarations of Interest, if any.
5. External Audit Annual Review of the Return for the year ended 31 March 2024 - Joint Report of Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 9 - 20)
6. Performance and Operational Report - Bereavement Services Manager and Registrar (Pages 21 - 76)
7. Financial Monitoring Report - Position at 31/08/24, with Projected Outturn at 31/03/25 - Joint Report of Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 77 - 84)
8. Risk Register Update 2024/25 Review 1 - Joint Report of Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 85 - 92)
9. Internal Audit Charter - Chief Internal Auditor and Corporate Fraud Manager (Pages 93 - 116)

10. Annual Review of the System of Internal Audit - Joint Report of Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 117 - 122)
11. Budget Strategy Report - Joint Report of Corporate Director of Neighbourhoods and Climate Change and Corporate Director of Resources and Treasurer to the Joint Committee (Pages 123 - 132)
12. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.

Helen Bradley
Director of Legal and Democratic Services

County Hall
Durham
19 September 2024

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

Durham County Council:-

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

Gateshead Council:

Councillors K Dodds, A Geddes, F Geddes, S Green, M Hall and M Ord

Contact: Michelle Lagar

Tel: 03000 269 701

DURHAM COUNTY COUNCIL

MOUNTSETT CREMATORIUM JOINT COMMITTEE

At the Annual Meeting of **Mountsett Crematorium Joint Committee** held in the Chapel - Mountsett Crematorium, Dipton on **Tuesday 2 July 2024 at 9.30 am**

Present:

Durham County Council

Councillors C Hampson, P Heaviside, K Rooney and M Walton

Gateshead Council:

Councillors K Dodds, A Geddes, F Geddes, S Green and M Ord

1 Membership of the Joint Committee

Resolved:

That the membership of the Mountsett Crematorium Joint Committee be noted:

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 K Dodds, A Geddes, F Geddes, S Green, M Hall and M Ord

It was noted that Gateshead Council had a vacancy which would be filled in due course.

2 Appointment of Chair

Nominations were sought for the Chair of the Joint Committee for the ensuing year.

County Councillor J Charlton was proposed for the position of Chair to the Joint Committee for the ensuing year. No further proposals were made.

Resolved:

That County Councillor J Charlton be appointed Chair of the Joint Committee for the ensuing year.

COUNCILLOR J Charlton in the Chair

3 Appointment of Vice-Chair

The Chair sought nominations for Vice-Chair to the Joint Committee for the ensuing year.

Gateshead Councillor K Dodds was proposed for the position of Vice-Chair to the Joint Committee for the ensuing year. No further proposals were made.

Resolved:

Gateshead Councillor K Dodds be appointed Vice-Chair of the Joint Committee for the ensuing year.

4 Apologies for Absence

Apologies for absence were received from Councillors G Binney, D Oliver, M Hall.

5 Substitute Members

There were no substitute Members.

6 Minutes

The minutes of the meeting held on 29 April 2024 were confirmed as a correct record and signed by the Chair.

7 Declarations of Interest

There were no declarations of interest.

8 Changes to the Constitution/Terms of Reference

The Joint Committee considered a report of the Clerk which provided details of a review of the Mountsett Crematorium Joint Committee's Constitution, in accordance with the Annual Governance Statement requirements (for copy see file of minutes).

The Legal Manager advised that the review had not highlighted any requirements for change to the current constitution and therefore reaffirmed continuation of the existing Constitution and governance arrangements set out in Appendix 2 of the report.

Resolved:

That following a review in accordance with Annual Governance Statement requirements, the Constitution as set out in Appendix 2 of the report be reapproved.

9 Forward Plan 2024/25

The Joint Committee received a report of the Corporate Director of Resources which set out a suggested forward plan of meetings of the Joint Committee for the forthcoming year 2024/25 (for copy see file of minutes).

Resolved:

That the report and forward plan of meetings be noted and approved.

10 Quarterly Performance and Operational Report - 1 April to 31 May 2024

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

The Bereavement Services Manager and Registrar reported that 233 cremations were undertaken during the period 1 April to 31 May 2024 which was a decrease of 1 cremation compared to the comparable period last year. It was noted that 126 families were from Durham, 62 from Gateshead and 45 families were from other areas.

The number and value of memorial plaques sold were 25 / £6,278 compared to 27 / £6,482 in the comparable period last year, a decrease of 2 memorials sold and £204 in terms of income.

As in previous years, arrangements would be made for representation at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition which was being held at Chesford Grange Hotel, near Kenilworth from the 23-25 September 2024. It was proposed that the Bereavement Services Manager and the Chair attend the conference to represent Mountsett Crematorium Joint Committee.

With regards to the recycling of metals scheme, the nominated charities for 2024 were Daft As A Brush Cancer Patient Care and If U Care Share Foundation.

Members were advised at the last meeting, that they were in the process of implementing a new software system, PlotBox, to replace the existing BACAS system which would go live in October 2024. Durham County Council were currently in the process of transferring them to Oracle which would provide improvements in the way the crematorium operate, standardise reporting and increase efficiency.

Following the implementation of Plotbox, it was recommended that the Crematorium also move from using Sage as their financial system to using the Oracle system. Plotbox could then be fully integrated with Oracle for the crematorium, as well as the Burials Team, who already used the system. A 2025/26 implementation date for the Oracle system would allow time for bedding in the Plotbox system and reduce

pressure on crematorium staff. A progress update would be provided at a future meeting.

Councillor M Walton understood the challenges with software transitions and asked for reassurance that staff would see the benefits of the new financial system. The Bereavement Services Manager and Registrar confirmed that a change management process had been implemented and the Data Team would be assisting Crematorium staff with data checks. The Neighbourhood Protection Manager added that staff were in support of the new financial system and explained the benefits of the new system. He acknowledged that the transition would be challenging and noted that the Plotbox system would go live in October 2024 allowing for the system to be established before the new financial system be implemented in 2025/26.

Resolved:

- i) That the current performance of the crematorium be noted;
- ii) That attendance at the Institute of Cemetery and Crematorium Management ICCM Learning Convention and Exhibition 2024 be noted;
- iii) That the distribution of recycling income and subsequent charity nominations be noted;
- iv) That the financial integration of the Crematorium onto Durham County Council's Oracle software system in 2025/26 be approved.

11 Annual Governance Statement 2023/24

The Joint Committee considered a Joint Report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee which provided details of the Annual Governance Statement (AGS) for the year April 2023 to March 2024 (for copy see file of minutes).

Resolved:

- i) That the content of the 2023/24 Annual Governance Statement be noted;
- ii) That the Chair and Treasurer approve and sign the 2023/24 Annual Governance Statement as part of the consideration of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024.

12 Revenue Outturn and Joint Committees Annual Return for the Financial Year Ended 31 March 2024

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee which sought approval of the Joint Committees

Annual Return for Mountsett Crematorium Joint Committee for the financial year ended 31 March 2024. The report also included details of the final outturn position against the approved budgets for 2023/24 (for copy see file of minutes).

Resolved:

- (i) That the revenue outturn position as at 31 March 2024, including the year end position with regards to the reserves and balances of the Joint Committee be noted;
- (ii) That the Annual Governance Statement 2023/24 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024 be approved;
- (iii) That the Accounting Statements 2023/24 of the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024 be approved;
- iv) That the Chair, Clerk and Treasurer sign the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2024.

13 Fees and Charges 2024/25 - Mid-Year Increase

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee which set out details of a proposed mid-year increase in cremation fees for Mountsett Crematorium for 2024/25, as agreed at the January 2024 meeting of the Joint Committee (for copy see file of minutes).

The Principal Accountant highlighted that Central Durham Crematorium Joint Committee agreed a mid-year fee increase of £50 at its meeting on the 28 June 2024. It was felt that the proposed £80 increase was too high, therefore as Mountsett Crematorium and Durham Crematorium fees were harmonised, it was proposed that an increase of £50 effective from 1 October 2024 be supported.

The Principal Accountant presented the report and advised that benchmarking with other crematoriums across the region showed that 2024/25 cremation fees at Mountsett Crematorium were £162 lower than the average for the region and this gap had widening over recent years. Fee increases were usually only implemented in April, however, a mid-year fee increase was proposed to help prevent the gap from widening further. It was noted that with the £50 increase, Mountsett Crematorium would still be £112 below the regional average. The charges for direct cremations and discounted earlier slots to allow for choice and help families with cheaper options were proposed to remain the same for 2024/25.

The Chair commented that she was not in favour of fee increases. She acknowledged that the gap was widening between other facilities in the region and felt that the Crematorium were able to cover costs and still make money. However,

if the Joint Committee were minded to agree a mid-year fee increase, she felt that £50 was more acceptable than the original proposal.

Councillor P Heaviside looked at the figures suggesting that the cost for a cremation was roughly £693 per unit which highlighted a small loss with regards to direct cremations.

Councillor M Walton acknowledged the benefits in providing a low cost service, however commented on the financial pressures and the increase would help maintain the grounds and maintain Mountsett's good reputation.

The Principal Accountant advised that with the increase, Mountsett Crematorium fees would still be £112 below the regional average and other facilities in the area would be increasing fees which would widen the gap further. The Neighbourhood Protection Manager added that the Team had researched where people were traveling from and provided the figures from neighbouring Authorities in the report, noting that with the increase, Mountsett Crematorium remained the lowest price in the region. He highlighted the importance of building reserves to invest in the service and deliver projects outlined in the Asset Management Plan. He agreed that Mountsett Crematorium had a great reputation and commended the Crematorium staff from their dedication in providing a high-quality service.

Following further discussions, the Neighbourhood Protection Manager suggested that a survey be undertaken with funeral directors to gather further information and how they valued the service.

Resolved:

- i) That an increase of £50 per cremation from £825 to £875 (inclusive of £30 medical referee fee) be approved;
- ii) That off peak slots (£715) and direct cremations (£660 attended and £520 unattended) remain the same for 2024/25 to support choice and help with overall funeral costs;
- iii) That the fee increase be reflected in the forecast of outturn for Mountsett Crematorium which would be reported to the September 2024 meeting of the Joint Committee;
- iv) That plans for the use of the additional income be considered at the September 2024 meeting, alongside the Budget Strategy report which was supported by the SAMP (Service Asset Management Plan);
- v) That a survey be undertaken with funeral directors to gather further information.

Mountsett Crematorium Joint Committee

27 September 2024

External Audit Annual Review of the Return for the year ended 31 March 2024



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 presents to the Mountsett Crematorium Joint Committee, the External Auditors (Mazars LLP) Annual Review of the Joint Committees Return for the year ended 31 March 2024.

Executive summary

- 2 In July 2024 the Joint Committees Annual Return for the year ended 31 March 2024 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 Governance and Accountability Return for the year ended 31 March 2024 including the External Report 2023/24 Certificate (attached at Appendix 2).

Contact: Philip Curran

Tel: 03000 261967

Cathy Mallam

Tel: 03000 268580

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

The Annual Return was completed in line with the Accounts and Audit Regulations. Financial planning and management is a key component of effective corporate governance.

Consultation

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

Equality and Diversity / Public Sector Equality Duty

None.

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 2024 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 2024

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.

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

Please send the annual governance and accountability return, together with your bank reconciliation as at 31 March 2024, 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 2024.

****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 2023/24 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 return's 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 2023) equals the balance brought forward in the current year (Box 1 of 2024).
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 2024 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 2023/24

We acknowledge as the members of:

Enter name of
Joint Committee here:

Mountsett 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 2024, 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:

2nd July 2024

and recorded as minute reference:

minute 12

Signed by Chair at meeting where approval is given:

J. Chapter

Clerk:

[Signature]

*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 2023/24 for

Enter name of
Joint Committee here:

Mountsett Crematorium Joint Committee

| | Year ending | | Notes and guidance |
|------------------------------------------------------------|-----------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 31 March 2023 £ | 31 March 2024 £ | |
| 1 Balances brought forward | 927,895 | 761,647 | 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 | 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 | 1,178,515 | 1,378,515 | Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here. |
| 4 (-) Staff costs | 216,421 | 229,357 | 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 | 0 | 0 | Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any). |
| 6 (-) All other payments | 1,128,342 | 1,079,060 | 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 | 761,647 | 831,745 | 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 | 899,988 | 1,066,308 | 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 | 0 | 0 | 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 | 0 | 0 | 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 2024 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:

PA Curran

Date

02/07/24

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

02/07/24

and recorded as minute reference:

Minute 12

Signed by Chair of meeting where approval is given:

I' Chantler

Annual internal audit report 2023/24 to

Enter name of
Joint Committee here:

Mountsett Crematorium Joint Committee

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2024.


Internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

| Internal control objective | Agreed? Please choose one of the following | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----|----------------------------|
| | Yes | No* | Not covered / applicable** |
| A. Appropriate accounting records have been kept properly throughout the year. | ✓ | | |
| B. The Joint Committee met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✓ | | |
| D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✓ | | |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✓ | | |
| F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. | ✓ | | |
| G. Salaries to employees and allowances to members were paid in accordance with the Joint Committee's approval, and PAYE and NI requirements were properly applied. | ✓ | | |
| H. Asset and investments registers were complete and accurate and properly maintained. | ✓ | | |
| I. Periodic and year-end bank account reconciliations were properly carried out. | ✓ | | |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | ✓ | | |

For any other risk areas identified by the Joint Committee adequate controls existed (list any other risk areas below or on separate sheets if needed) adequate controls existed:

N/A

Name of person who carried out the internal audit: Nicola Cooke

Signature of person who carried out the internal audit:  Date: 01/05/2024

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Section 3 – External Report 2023/24 Certificate

In respect of:

Enter name of
Joint Committee here:

Mountsett 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 2024; 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 16 April 2024 (“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

Forvis Mazars LLP

Mazars LLP, Newcastle, NE1 1DF

Date 8 September 2024

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Mountsett Crematorium Joint Committee

27 September 2024

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 an 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 updated position with regards to the Green Flag scheme.
 - (c) Note and agree the content of the Service Asset Management Plan attached at Appendix 3, which will be factored into budget planning in 2025/26 and beyond.

Background

- 4 This report provides Members of the Mountsett 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 June 2024 to 31 August 2024 inclusive, with comparative data in the same period last year:

| | 2023/24 | 2024/25 | Change |
|--------------|----------------|----------------|---------------|
| June | 122 | 91 | - 31 |
| July | 110 | 116 | + 6 |
| August | 116 | 96 | - 20 |
| TOTAL | 348 | 303 | - 45 |

- 6 In summary there were 303 cremations undertaken during the period 1 June 2024 to 31 August 2024, compared to 348 in the comparable period last year. There were 45 less cremations undertaken in the period June to August 2024 compared to the same period last year.
- 7 The profile of where families came from can be seen below, with full details shown in Appendix 2:

| | |
|--------------|------------|
| Gateshead | 79 |
| Durham | 167 |
| Outside Area | 57 |
| Total | 303 |

Memorials

- 8 The table below outlines the number and value of the memorials sold in period June to August 2024 compared to the same period the previous year.

| | Jun – Aug | 2023/24 | Jun – Aug | 2024/25 |
|---------------|------------------|----------------|------------------|----------------|
| | Number | £ | Number | £ |
| Large Plaques | 4 | 1,716 | 0 | 0 |
| Small Plaques | 17 | 4,896 | 12 | 3,276 |
| Leaves | 15 | 1,500 | 11 | 1,100 |
| Renewals | 3 | 450 | 4 | 630 |
| Total | 39 | 8,562 | 27 | 5,006 |

- 9 The number and value of memorials sold 27 / £5,006 compares to 39 / £8,562 in the same period last year, which is a decrease of 12 memorials sold and a decrease of income of £3,556 year on year.

Operational Matters

Green Flag Application

10. The Green Flag Award recognises good quality parks and green spaces, and a sign to visitors that sites are well maintained and well managed with excellent facilities. Once again, this year Mountsett Crematorium was successful in obtaining a Green Flag Award for the thirteenth year running, which is a great achievement.
11. This award is testimony to the dedication of the staff working at the Crematorium and comes on top of the award of Gold Star Status in the Institute of Cemetery and Crematorium Management Accreditation.

Service Asset Management Plan

12. The Service Asset Management Plan (SAMP) was presented to Members on 27th September 2023 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.
13. 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 2025/26 have been estimated to the sum of £111,800. These will need to be considered as part of the budget setting process for next year. These works include:

- Carry out re-lining of 1 hearth
- Installation of 3 additional small memorial towers
- Replacement of cremator charger
- Replacement of universal loader
- Installation of additional vents to crematory/air blast coolers
- Replacement of roof to port cochere

Priority 2 works, which will need to feature in 2026/27 budget plans have been estimated to the sum of £379,900 and the works are set out below:

- Re-decoration works
- Carry out re-lining of 1 hearth
- Installation of 3 small memorial towers
- Install nitrogen oxide monitoring equipment

- Replacement of cremulator.

Priority 3 works, which would fall beyond the next two years, have been estimated to the sum of £180,600 and the works are set out below:

- Carry out re-lining of 1 hearth
- Re-line cremators

Longer term works have been costed to the sum of £1,350,000 and some of the works include:

- Carry out re-lining of 2 hearths x 6 occasions.
- Installation of resomator
- Re-decoration Works x 6
- Carry out replacement of cooler cassettes
- Carry out re-lining of 2 cremators x 1 occasion.

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 Mountseth Crematorium.

Equality and Diversity / Public Sector Equality Duty

There are no implications.

Human Rights

There are no implications.

Climate Change

There are no implications.

Crime and Disorder

There are no implications.

Staffing

As identified in the report.

Accommodation

There are no implications.

Risk

There are no implications.

Procurement

There are no implications.

Appendix 2: Breakdown of figures

| | Jun | Jul | Aug | Total Jun - Aug |
|----------------------|-----|-----|-----|-----------------------|
| County Durham | | | | |
| ANNFIELD PLAIN | | 4 | 2 | 6 |
| BEAMISH | | 1 | | 1 |
| BISHOP AUCKLAND | | | 1 | 1 |
| BURNHOPE | 1 | 3 | 1 | 5 |
| BURNOPFIELD | 1 | 3 | 4 | 8 |
| CASTLESIDE | | 2 | 1 | 3 |
| CHESTER LE STREET | 1 | 3 | 3 | 7 |
| CONSETT | 21 | 24 | 16 | 61 |
| CORNSAY COLLIERY | 1 | | | 1 |
| CRAGHEAD | 1 | 2 | | 3 |
| DIPTON | 4 | | 4 | 8 |
| DURHAM | | 3 | 1 | 4 |
| EBCHESTER | 1 | 1 | | 2 |
| ESH WINNING | 1 | | | 1 |
| FERRYHILL | | | 1 | 1 |
| LANCHESTER | | | 1 | 1 |
| LANGLEY PARK | 1 | | | 1 |
| MEDOMSLEY | 2 | 1 | | 3 |
| MOORSIDE | 1 | 1 | 1 | 3 |
| SACRISTON | | | 1 | 1 |
| SEAHAM | | | 1 | 1 |
| SHOTLEY BRIDGE | 1 | 1 | 1 | 3 |
| STANLEY | 13 | 17 | 17 | 47 |
| TANFIELD LEA | | | 1 | 1 |
| TANTOBIE | | | 1 | 1 |
| TOW LAW | | 1 | | 1 |
| PELTON / WEST PELTON | | 1 | | 1 |
| Gateshead | | | | |
| BARLOW | | | 1 | 1 |
| BENSHAM | | | 1 | 1 |
| BIRTLEY | 1 | 1 | | 2 |
| BLACKHALL MILL | 2 | | | 2 |
| BLAYDON | 3 | 2 | 1 | 6 |
| CHOPWELL | 4 | 1 | 1 | 6 |
| CRAWCROOK | 2 | 1 | 1 | 4 |
| DUNSTON | 1 | 1 | | 2 |
| GATESHEAD | 1 | | 1 | 2 |
| GREENSIDE | | | 1 | 1 |
| HAMSTERLEY COLLIERY | | 1 | | 1 |
| HAMSTERLEY MILL | | | 1 | 1 |

| | | | | |
|---------------|---|----|---|----|
| HIGHFIELD | | 1 | 1 | 2 |
| HIGH SPEN | | 2 | | 2 |
| LOW FELL | | 1 | | 1 |
| ROWLANDS GILL | 1 | 2 | 3 | 6 |
| RYTON | 1 | 5 | 2 | 8 |
| SUNNSIDE | | 1 | 3 | 4 |
| WINLATON | 4 | 4 | 3 | 11 |
| WHICKHAM | 7 | 11 | 4 | 22 |

Other

| | | | | |
|--------------------|-----------|------------|-----------|------------|
| CORBRIDGE | 1 | 1 | 1 | 3 |
| HEXHAM | 6 | 6 | 3 | 15 |
| HOUGHTON-LE-SPRING | 1 | 1 | | 2 |
| MICKLEY | 1 | | | 1 |
| NEWCASTLE | 1 | 3 | 1 | 5 |
| NORTHUMBERLAND | | 1 | | 1 |
| PRUDHOE | 1 | 1 | 6 | 8 |
| RIDING MILL | 1 | | | 1 |
| SLALEY | | | 1 | 1 |
| STOCKSFIELD | 2 | 1 | 1 | 4 |
| WHITLEY BAY | | | 1 | 1 |
| Total | 91 | 116 | 96 | 303 |

Appendix 3: Service Asset Management Plan



Mountsett Crematorium

Service Asset Management Plan 2024/25+

*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 thirteenth Service Asset Management Plan (SAMP) for Mountsett 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 Mountsett 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 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



Mountsett Crematorium

1. Introduction

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

- To provide a sensitive, respectful service fitting for the bereaved.
- To ensure the 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 Gateshead Council through the Mountsett Crematorium Joint Committee.

Our vision reflects our overall Neighbourhoods & Climate Change Directorate aim which is to improve services and make a real difference to our communities. The Mountsett Crematoria 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 crematoria 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 consideration available funding streams and opportunities.

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

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

Under the terms of the MCJC Constitution, the Crematorium is legally vested in Durham County Council and operated by a Joint Committee on behalf of Durham County Council and Gateshead 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 Mountsett 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 within Neighbourhoods & Climate Change Services) manage the Crematorium on behalf of Joint Committee. Bereavement Services align to the constituent authorities' corporate priorities through the Durham County Council, Council Plan 2024-28 and the Gateshead Council 2030 Vision which is explored further below.

Council Plan 2024 to 2028

In 2019, public, private and voluntary sector bodies that make up the [County Durham Partnership](#) jointly agreed a long-term [Vision 2035](#). This vision is based on a strategic assessment of need using our intelligence platform [Durham Insight](#) and was developed following extensive consultation with the public.

Our Council Plan sets out our contribution to achieving this vision for County Durham as well as our own improvement agenda and major programmes of work that we will be undertaking over the medium term to recover from Covid-19.

The Plan aligns to both our [Medium-Term Financial Plan](#) and the County Durham Plan. It sets out:

- how we will consider our corporate priorities for improvement.
- the key actions we will take to achieve the longer-term ambitions in the [Vision 2035](#).
- our own improvement agenda.

The Medium-Term Financial Plan (MTFP) 2024-25 to 2027-28 sets out how our priorities will be resourced, and the County Durham Plan is a spatial representation of our ambitions contained within the Council Plan around housing, jobs and the environment until 2035, as well as the transport, schools and healthcare to support it.

Our Council Plan for 2024-2028 was discussed at Cabinet on 14 February 2024 and at the meeting of our full council on 28 February 2024.

- [Cabinet agenda and minutes 14 February 2024](#)
- [County Council agenda and minutes 28 February 2024](#)

Our ambitions within the Plan are structured around five themes for the county council:

- Our economy
- Our environment
- Our people
- Our communities
- Our council

The Gateshead 2030 Vision

The Vision for Gateshead in 2030 is 'local people realising their full potential enjoying the best quality of life in a healthy, equal, prosperous and sustainable Gateshead'.

The Vision promotes 6 big ideas which form the basis for all Gateshead Council plans and priorities for the next 20 years.

The six big ideas are:

- City of Gateshead
- Gateshead goes Global.
- Creative Gateshead
- Sustainable Gateshead
- Active and Health Gateshead
- Gateshead Volunteers

Gateshead Council's key priorities which provide the basis for the Council's contribution to the delivery of

- Building Stronger Communities
- Empowering Children and Young People
- Empowering Older People and Ensuring Healthier Communities
- Improving Accessibility, connectivity, and Economic Prosperity
- Serving our customers
- Ensuring a Sustainable Gateshead

Our vision for our Crematorium cuts across several key priorities and is most closely aligned to 'serving our customers' in the same way as Durham County Councils priorities. It does so by.

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

1.2 Governance - The Mountsett Joint Crematorium Committee

Mountsett Crematorium Joint Committee comprises of 9 Durham County Councillors and 7 Gateshead

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



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.

Councillors. The key elements that comprise the Joint Committee's governance arrangements include:

- Defining and documenting the roles and responsibilities of the Mountsett 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 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 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

The Mountsett Crematoria 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 Mountsett 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. 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 Mountsett 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 two green flags awarded to Council crematoriums including Mountsett, in recognition of their maintenance and community involvement. In August 2024, Bereavement Services was rated by ICCM as the 7th gold performer in the country.



There are several 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 crematoria facilities and equipment.

Since Local Government Review, we have carried out significant investment within Mountsett crematorium, some of this work has included.

| Project | Cost |
|--------------------------------------------------|-------------|
| Repair paths and external pedestrian paved areas | £ 6,836 |
| Renew hot water heaters | £ 8,764 |
| Improvement to flagged area | £ 490 |
| Internal decoration | £ 7,500 |
| Replacement of carpets to chapel | £ 13,191 |
| Replacement of curtains in chapel | £ 2,741 |
| Provide tribute screens for service | £ 11,242 |
| Replacement of seating within chapel area | £ 8,493 |
| Carry out cremator hearth re-line | £ 4,950 |
| Upgrade and paint handrails | £ 1,980 |
| Renew South perimeter (main road) fence | £ 6,300 |
| Road widening | £ 24,973 |
| Carry out Re-lining of cremators x1 | £ 27,950 |
| Re-placement of hearth | £ 2,800 |
| Re-placement of grass cutter | £ 13,995 |

| | | |
|------------------------------------------------|---|-----------|
| Carry out improvement to catafalque doors | £ | 3,881 |
| Install Shower to changing room | £ | 10,000 |
| Provide order of service screen. | £ | 1,482 |
| Re-placement of Sound system within Chapel | £ | 8,344 |
| Installation of Memorial Tower | £ | 4,920 |
| Tarmac access roads | £ | 62,200 |
| Re-decoration works | £ | 6,173 |
| Replacement of CCTV system within Crematorium | £ | 1,584 |
| Car Park extension | £ | 88,398 |
| Installation of Memorial Tower | £ | 6,000 |
| Installation of Memorial Tower | £ | 4,610 |
| Re vamp of remaining existing shrub beds | £ | 8,000 |
| Improvement works to uneven nonslip pathway | £ | 8,460 |
| Re vamp of remaining existing shrub beds | £ | 8,160 |
| Replacement of lectern | £ | 1,800 |
| Carry out extension to crematorium + cremators | £ | 1,564,515 |
| Re-Decoration Works | £ | 8,759 |
| Installation of Memorial Tower | £ | 6,000 |
| Replace exterior gates | £ | 380 |
| Purchase of pressure washer | £ | 526 |
| Purchase of vac sweeper | £ | 2,100 |
| Repairs to book of remembrance | £ | 5,511 |
| Re-Decoration Works | £ | 12,740 |
| Carry out plot extension work | £ | 4,455 |
| Carry out replacement of service books | £ | 899 |
| Carry out Re-lining of 1 hearth | £ | 3,476 |
| To purchase and install 2 memorial trees | £ | 3,667 |

| | | |
|------------------------------------------------------------|---|------------------|
| To replace crematorium bins | £ | 1,502 |
| Carry out energy improvement works | £ | 111,824 |
| Re-Decoration works | £ | 15,837 |
| To replace pathway | £ | 4,884 |
| Carry out topping up with decorative shale | £ | 411 |
| Installation of temporary cremator | £ | 334,929 |
| Install 2 replacement cremators | £ | 1,593,884 |
| Carry out the installation of vehicle charging points | £ | 16,680 |
| Carry out replacement of burnt fencing | £ | 7,000 |
| Carry out remaining energy improvement works | | Ongoing |
| Replace chapel curtains | £ | 3,792 |
| Replace machinery container | £ | 5,336 |
| Replace main chapel doors | | Ongoing |
| Installation of second memorial tower | £ | 5,520 |
| Installation of 3 small memorial towers | £ | 4,320 |
| To replace remaining damaged fencing | £ | 9,000 |
| Office improvements | | Ongoing |
| Re-Decoration Works | | |
| Installation of memorial tree | | Ongoing |
| Installation of 3 small memorial towers | | Ongoing |
| Carry out Re-lining of 1 hearth | | |
| Replace carpets | | Ongoing |
| Install resin pathway to chapel entrance | | Ongoing |
| To replace remaining damaged yew hedging with bird's mouth | £ | 8,245 |
| Total | £ | 4,102,409 |

2.1 The Vision for our Crematorium

The building and land utilised for our crematoria, needs to work towards delivering the overall vision for both Durham County Council and Gateshead Council, and our Service Vision described in Section 1. Bereavement Services works towards delivering our environment strand of the Council Plan. In addition, there are many external factors that have driven changes 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 crematoria to give comfort and consolation in a landscape setting.

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

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 2024/25 and 2025/26.

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 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 normally 20 years. Annual contributions will continue to be made to 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 Crematoria 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 Mountsett Crematorium

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

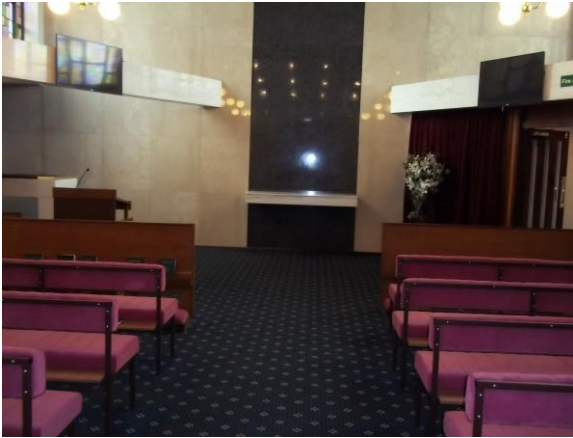
The Crematorium is nestled on the outskirts of Dipton on the (A692) and serves the residents of the whole of County Durham and Gateshead. It is 'T shaped', giving panoramic views over the meadowland surrounding the building and of the distant woodland surrounding the site.

There are two buildings that the public have access to within the crematorium. The Chapel, which incorporates two sets of ladies and gents' washrooms and the Chapel of Remembrance which holds the Book of Remembrance.

Areas are set aside for the interring of ashes remains throughout the crematorium land and an atmosphere of peace and tranquillity prevails in the surroundings of the Crematorium.

More recently Mountsett Crematorium was granted Green Flag status for the thirteenth year running,

In excess of 1,300 cremations are carried out each year.



Crematorium Chapel



Chapel of Remembrance

4.1.2 Crematorium Chapel

The Crematorium Chapel provides seating for up to 120 people with standing room for over 100. 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 every 45 minutes, 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

The Chapel of Remembrance is situated to the right-hand side of the crematorium in an area designed for floral tribute.

It is a hexagonal building which incorporates the book of Remembrance along with a book view system which is touch screen to enable the whole book of remembrance to be viewed. There is also a facility available to place flowers within the building and vases are supplied.

4.2 How our Existing Crematoria are Performing.

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

4.2.1 Condition/outstanding repairs

A condition survey was carried out in respect of Mountsett Crematorium in 2019 and shows that the premises are in good condition, only requiring internal / external decoration in 2024/25. There are however several works identified which will improve the service offered to the bereaved. This has a conditional estimated survey need of £2,022,300, £111,800 considered as works which are urgent / essential and are included in the 2025/26 budget. £381,400 is desirable works which are required in 2026/27; £180,600 for 2027/28 and £1,350,000 is longer term works.

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

| PROPERTY | TOTAL MAINTENANCE NEED BY PRIORITY (£) | | | |
|--------------------------|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|
| | PRIORITY 1 URGENT, ESSENTIAL (25/26) | PRIORITY 2 LONGER TERM DESIRABLE (26/27) | PRIORITY 3 LONGER TERM DESIRABLE (27/28) | PRIORITY 4 LONGER TERM WORKS (28/29 onwards) |
| Mountsett Crematorium | £111,800 | £379,900 | £180,600 | £1,350,000 |
| TOTAL | | | | £2,022,300 |

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 Repairs 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



Crematorium front entrance

Unfortunately, sufficiency surveys are not planned to be undertaken across the Councils Portfolio as the resources are not available to do so.

Mountsett Crematorium is optimally used by residents of Durham County Council and Gateshead Council providing sufficient needs for the bereaved; however, this may only become an issue for Mountsett 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 Mountsett.

4.2.3 Suitability

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

The manager of Mountsett 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. Although we usually find that the premises manager is the best source of knowledge, 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.



Bookcase within Chapel

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, Mountsett Crematoria was subject of an accessibility audit carried out in 2011. A feasibility report to deliver these works had been carried out by our in-house Design Team and necessary works were undertaken.

4.2.5 Energy performance

Annual energy performances details are collated on all assets utilised by Bereavement Services and 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 2023/24 show that the energy consumption for Mountsett Crematorium was 1,323,483 kilowatt-hours (kWh) (based on a gross internal area of 753 sqm). In monetary terms, this consumption cost the Council £139,559 during 2023/24.

The total water consumption in 2023/24 was 64 m³; again, in monetary terms this consumption cost £2,750 last year.

The tables below provide a summary of the energy performance of Mountsett Crematorium during 2023/24. In future SAMPs we will seek to report the trends in these figures, with a view to making improvements year on year. Any such trend analysis will be calculated on upon the consumption figures (rather than the monetary value attached to energy) due to the ever-fluctuating costs associated with electricity and gas. Considering 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

| PROPERTY | TOTAL ENERGY CONSUMPTION (kWh) | TOTAL ENERGY CONSUMPTION (£) | TOTAL WATER CONSUMPTION (m ³) | TOTAL WATER CONSUMPTION PER SQM (£) |
|-----------------------|--------------------------------|------------------------------|-------------------------------------------|-------------------------------------|
| Mountsett Crematorium | 1,323,483 | 139,559 | 64 | 11.77 |

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.



Crematorium general view

Energy Improvements

Proposals have include fully exploring the possibilities that may allow use of the waste heat generated by the installation of a heat exchanger system to both new cremators to heat the building, this has now been implemented. The installation of solar energy panels to the building was undertaken during 2022/23. The installation of electric vehicle charging points has also been undertaken during 2023, along with other energy improvements remaining works.

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



Resomation

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 choice at the end of life

Work is currently underway regarding making applications for water consents in the first instance, we do however have initial drawing for location of installation if we were to progress.



Chapel of remembrance

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.

The table below sets out the considerations for our Crematorium:

Location

- 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:
 - 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

Size

- A minimum of two hectares (approximately five acres) per estimated 1000 cremations per annum

Layout and image

- Entrances and exits should not be near 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.
- 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.

Customer needs

- 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.

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, which project the right image to our service users and the wider community. By examining our existing

crematoria (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. Since LGR a total investment of over £4.1 million has been carried out on the creation of disabled toilets, fire alarm and emergency lighting systems, along with 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 Mountsett Crematorium is normally 20 years. In 2003/04 prior to LGR, Mountsett Crematorium Joint Committee established a Cremator Replacement Reserve Fund with an annual contribution of £20k factored into the revenue budget. Following LGR, the Committee updated its reserve policy approving all additional surplus generated (over and above budget) to be transferred to the Cremator Replacement reserve.

To ensure sufficient funding for the future replacement of cremators the Committee approved an increased budgeted contribution along with the continued policy to transfer all additional surpluses to the Cremator Reserve.

It is estimated that, based on today's prices, the funding required for the future cremator replacement is £800k per cremator.

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 Mountsett Crematorium carried out significantly less cremations than the threshold set out in the 2003 legislation (1,326) and was therefore not compelled to install equipment in line with legislation. In consideration of this Members of the Joint Committee agreed that the Mountsett Crematorium should join the CAMEO scheme rather than install abatement equipment.

Whilst it was envisaged that the number of projected cremations would continue to be lower than the legislative threshold, there were strong environmental reasons why, when we replaced the cremators, they were replaced with Mercury Abatement equipment. The new cremators, which when installed in 2020/21 will therefore be fully compliant with the DEFRA guidelines.

Our Cremator Reserve fund as of the 1st of April 2024 is £366,496 (2023/24 Joint Committee Accounts), with a forecasted transfer from the reserve of £24,528 during 2024/25 thus resulting in an estimated year end reserve balance of £341,968.

6.1.2 Outstanding Repairs

Mountsett Crematoria 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 most 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 2025/26 onwards are currently estimated at £2,022,300 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 includes the future Cremator Replacement requirements.

In addition to those works identified in the Condition Survey, several works which are outside the scope of this 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 as resources are not unfortunately available to do so.

The Mountsett 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: -

Hearth replacement

The cremators will need a new hearth installed.

| | | |
|--------------|------------------------------------------------------------|------------------------------|
| GAP 1 | Source budget provision and carry out Re-lining of hearth. | Target: April 2025 |
|--------------|------------------------------------------------------------|------------------------------|

Small Memorial towers

The small original memorial towers are nearly full and require 3 more additional towers.

| | | |
|--------------|-----------------------------------------------------------------------|------------------------------|
| GAP 2 | Source budget provision and carry out installation of memorial towers | Target: April 2025 |
|--------------|-----------------------------------------------------------------------|------------------------------|

Powered cremator charger

Supply and install a replacement cremator charger.

| | | |
|--------------|----------------------------------------------------------------------------|------------------------------|
| GAP 3 | Source budget provision and carry out the replacement of cremator charger. | Target: April 2025 |
|--------------|----------------------------------------------------------------------------|------------------------------|

Powered Universal Loader

Carry out improvements to provide a powered loader to transfer coffins.

| | | |
|--------------|----------------------------------------------------------------------------------------|------------------------------|
| GAP 4 | Secure a suitable budget and carry out the installation of a powered universal loader. | Target: April 2025 |
|--------------|----------------------------------------------------------------------------------------|------------------------------|

Air flow vents

Further to continued fluctuation in room temperature within the crematory there is a need to install air flow vents.

| | | |
|--------------|---------------------------------------------------------------|------------------------------|
| GAP 5 | Secure a budget and carry out installation of air flow vents. | Target: April 2025 |
|--------------|---------------------------------------------------------------|------------------------------|

Port Cochere

The wood underneath the port cochere is in need of replacing.

| | | |
|--------------|----------------------------------------------------------------------|------------------------------|
| GAP 6 | Source budget provision and carry out replacement of rotten ceiling. | Target: April 2025 |
|--------------|----------------------------------------------------------------------|------------------------------|

Redecoration

The Mountsett Condition Survey includes redecoration requirements and indicative costs (30k) with most of the work required in 2026/27. Therefore, it is proposed that this is placed on a two-year cycle and that funding be secured 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 7 | Secure a budget, and develop a 2-year schedule for internal and external redecoration | Target: April 2026 |
|--------------|---------------------------------------------------------------------------------------|------------------------------|

Hearth replacement

The cremators will need new hearth installed.

| | | |
|--------------|------------------------------------------------------------|------------------------------|
| GAP 8 | Source budget provision and carry out Re-lining of hearth. | Target: April 2026 |
|--------------|------------------------------------------------------------|------------------------------|

Small Memorial towers

The small original memorial towers are nearly full and require 3 more additional towers.

| | | |
|--------------|-------------------------------------------------------------------------------|------------------------------|
| GAP 9 | Source budget provision and carry out installation of 3 small memorial towers | Target: April 2026 |
|--------------|-------------------------------------------------------------------------------|------------------------------|

Nitrogen Oxide Equipment

The cremators will need nitrogen oxide equipment installed.

| | | |
|---------------|-------------------------------------------------------------------------------------------|------------------------------|
| GAP 10 | Source budget provision and carry out installation of nitrogen oxide equipment installed. | Target: April 2026 |
|---------------|-------------------------------------------------------------------------------------------|------------------------------|

Cremulator replacement

The cremulator will need replacing.

| | | |
|---------------|------------------------------------------------------------------|------------------------------|
| GAP 11 | Source budget provision and carry out replacement of cremulator. | Target: April 2026 |
|---------------|------------------------------------------------------------------|------------------------------|

Hearth replacement

The cremators will need new hearths installed.

| | | |
|---------------|-------------------------------------------------------------|------------------------------|
| GAP 12 | Source budget provision and carry out Re-lining of hearths. | Target: April 2027 |
|---------------|-------------------------------------------------------------|------------------------------|

Re lining of cremators

The cremators will need re lined.

| | | |
|---------------|--------------------------------------------------|------------------------|
| GAP 13 | Source budget provision and carry out Re-lining. | Target: 2027 |
|---------------|--------------------------------------------------|------------------------|

Resomation

Carry out the installation of a water based resomator and associated plant.

| | | |
|---------------|----------------------------------------------------------|------------------------------|
| GAP 14 | Secure a budget and carry out installation of resomator. | Target: April 2028 |
|---------------|----------------------------------------------------------|------------------------------|

Redecoration

The Mountsett Condition Survey includes redecoration requirements and indicative costs (£35k) with most of the work required in 2028/29. Therefore, it is proposed that this is placed on a two-year cycle and that funding be secured 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 15 | Secure a budget, and develop a 2-year schedule for internal and external redecoration | Target: April 2028 |
|---------------|---------------------------------------------------------------------------------------|------------------------------|

Re lining of cremators

The cremators will need re lined.

| | | |
|---------------|--------------------------------------------------|------------------------|
| GAP 16 | Source budget provision and carry out Re-lining. | Target: 2034 |
|---------------|--------------------------------------------------|------------------------|

Hearth replacement

The cremators will need new hearths installed.

| | | |
|---------------|-------------------------------------------------------------|------------------------------|
| GAP 17 | Source budget provision and carry out Re-lining of hearths. | Target: April 2028 |
|---------------|-------------------------------------------------------------|------------------------------|

Cooler cassettes

The original cooler cassettes will need replacing.

| | | |
|---------------|-----------------------------------------------------------------------|------------------------------|
| GAP 18 | Source budget provision and carry out replacement of cooler cassettes | Target: April 2029 |
|---------------|-----------------------------------------------------------------------|------------------------------|

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 comparable data are not presently available; we remain committed to reducing our energy costs and CO² emissions.

The installation of solar photovoltaics (PV) panels on our Crematorium as a means by which we could possibly heat out premises, save energy costs and reduce our carbon dioxide emissions has been undertaken.

7. Closing the gaps in our Provision

As determined by our Gap analysis there is specific areas that require investment so that we can 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 Mountsett Crematorium accounts.

The Reserve Fund presently comprises:

| Reserve | Balance @ 1 st April 2024 £ | Transfer to Reserve £ | Transfer from Reserve £ | Balance @ 31 st March 2025 £ |
|----------------------|-------------------------------------------|--------------------------|----------------------------|--------------------------------------------|
| Cremator Replacement | (366,496) | 0 | 24,528 | (341,968) |
| Repairs | (129,370) | (15,000) | 0 | (144,370) |
| General | (335,880) | (403,204) | 350,000 | (389,084) |
| Total | (831,746) | (418,204) | 374,528 | (875,422) |

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

| General repairs and maintenance | Equipment Repairs and Servicing | Total R&M Budget |
|------------------------------------|---------------------------------------|---------------------------------|
| £8,000 | £52,035 | £60,035 |

7.2 How we intend to monitor the 'gaps' in our provision.

The Mountsett Crematorium Joint Committee meets Quarterly to discuss all issues relating to Mountsett

Crematorium which are highlighted through the Bereavement Services Manager's reports. In addition to their remit as set out in Section 2, the Committee will also be used 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.

Mountsett 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 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 are 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 | Carry out the relining of hearth | Do Nothing | Maintenance Plan |
| GAP 2 | Carry out the installation of 3 small towers | Do Nothing | Maintenance Plan |
| GAP 3 | Carry out the replacement of cremator charger | Do Nothing | Maintenance Plan |
| GAP 4 | Carry out the replacement of universal loader | Do Nothing | Maintenance Plan |
| GAP 5 | Carry out the installation of additional vents to crematory/air blast coolers | Do Nothing | Maintenance Plan |
| GAP 6 | Carry out the replacement of roof to port cochere | Do Nothing | Maintenance Plan |
| GAP 7 | Secure a budget, and develop a 2-year schedule for internal and external redecoration | Do Nothing | Maintenance Plan |
| GAP 8 | Carry out the relining of hearth | Do Nothing | Maintenance Plan |
| GAP 9 | Carry out the installation of 3 small towers | Do Nothing | Maintenance Plan |
| GAP 10 | Carry out the installation of nitrogen oxide monitoring equipment | Do Nothing | Maintenance Plan |
| GAP 11 | Carry out the replacement of cremulator | Do Nothing | Maintenance Plan |
| GAP 12 | Carry out the relining of hearth | Do Nothing | Maintenance Plan |
| GAP 13 | Carry out the relining of cremators | Do Nothing | Maintenance Plan |
| GAP 14 | Secure a budget, and carry out installation of resomator | Do Nothing | Maintenance Plan |
| GAP 15 | Secure a budget, and develop a 2-year schedule for internal and external redecoration | Do Nothing | Maintenance Plan |
| GAP 16 | Carry out the relining of cremators | Do Nothing | Maintenance Plan |
| GAP 17 | Carry out the relining of hearth | Do Nothing | Maintenance Plan |
| GAP 18 | Carry out the replacement of cooler cassettes | 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)

| | GAP IDENTIFIED | RISK IDENTIFIED | MITIGATION |
|--------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GAP 1 | Carry out Re-lining of hearths | 1. Cremators require new hearths. 2. Resources may not be available to carry out these works. | 1. Develop a suitable investment plan for replacement work 2. Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund |
| GAP 2 | Secure a budget and carry out the installation of 3 additional small memorial towers | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out replacement. | 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 and align this with urgent and essential category works |
| GAP 3 | Secure a budget and carry out replacement of cremator charger. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out works. | 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 and align this with urgent and essential category works |
| GAP 4 | Secure a budget and carry out replacement of universal loader. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out | 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 and align |

| | GAP IDENTIFIED | RISK IDENTIFIED | MITIGATION |
|---------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | works. | this with urgent and essential category works |
| GAP 5 | Secure a budget and carry out the installation of additional vents in crematory/blast coolers. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out works. | 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 and align this with urgent and essential category works |
| GAP 6 | Secure a budget and carry out the replacement of roof to port cohere. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out replacement. | 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 and align this with urgent and essential category works |
| GAP 7 | Secure a 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. 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 8 | Carry out Re-lining of hearths | 1. Cremators require new hearths. 2. Resources may not be available to carry out these works. | 1. Develop a suitable investment plan for replacement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund |
| GAP 9 | Secure a budget and carry out the installation of 3 additional small memorial towers | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out replacement. | 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 and align this with urgent and essential category works |
| GAP 10 | Secure a budget and carry out the installation of Nitrogen oxide emission monitoring equipment. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out installation. | 1. Develop a suitable investment plan for replacement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund |
| GAP 11 | Carry out the replacement of cremulator | 1. The Reserve fund resources available to carry | 1 Explore the potential for increasing the |

| | GAP IDENTIFIED | RISK IDENTIFIED | MITIGATION |
|---------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out replacement. | amount of surplus that can be placed in the Repair Reserve Fund. 2 Develop a suitable investment plan and align this with urgent and essential category works |
| GAP 12 | Carry out Re-lining of hearths | 1. Cremators require new hearths. 2. Resources may not be available to carry out these works. | 1. Develop a suitable investment plan for replacement work 2.Explore the potential for increasing the amount of surplus that can be placed in the Repair Reserve Fund |
| GAP 13 | 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 |
| GAP 14 | Secure a budget and carry out the installation of a resomator | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out installation. | 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 and align this with urgent and essential category works |
| GAP 15 | Secure a 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. 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 16 | 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 |
| GAP 17 | Carry out Re-lining of hearths | 1. Cremators require new hearths. 2. Resources may not be available to carry out these works. | 1. Develop a suitable investment plan for replacement work 2.Explore the potential for increasing the |

| | GAP IDENTIFIED | RISK IDENTIFIED | MITIGATION |
|---------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | amount of surplus that can be placed in the Repair Reserve Fund |
| GAP 18 | Secure a budget and carry out the replacement of cooler cassettes. | 1. The Reserve fund resources available to carry out repairs outside the urgent and essential Category. 2. Resources may not be available to carry out replacement. | 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 and align this with urgent and essential category works |

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 in 8.2.1. and they will be subject to updates as the SAMP moves forward.



Chapel

8.1 Cremator Replacement and Relining

In the long term (20 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. The cremators that have been installed in 2021 ensure that both cremators at Mountsett are mercury abated. However, the temporary cremator remains unabated.

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 new cremators lifespan is 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. A 5-year service contract is in place with I.F.Z.W. to cover the period of 2024-2028 inclusive to ensure optimum levels of maintenance.

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 2027, 2034,
- No2 Cremator 2027, 2034,

Cremator Hearth Replacement:

- No1 Cremator 2024, 2026, 2028, 2030, 2032, 2034, 2036, 2038, 2040
- No2 Cremator 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039



Crematorium

8.2 Outstanding Repairs (Identified in the Condition Survey)

In the short (2025/26) to medium term (2026/27) 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.

Previously we had carried out a Feasibility study, which in turn led to the redevelopment work in creating additional disabled toilet facilities.

There will also be the requirement for us to commission an up-to-date Condition Survey. This will 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 regime, 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 2025/26-27/28, 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 2025/26 Priority 1

| Project | Budget | Estimated Cost |
|------------------------------------------------------|----------|------------------|
| Carry out Re-lining of 1 hearth | Premises | £ 5,400 |
| Installation of 3 small memorial towers | Premises | £ 5,400 |
| Replacement cremator charger | Premises | £ 28,000 |
| Replacement universal loader | Premises | £ 3,000 |
| Installation of vents in crematory/air blast coolers | Premises | £ 35,000* |
| Replace roof Port cochere | Premises | £ 35,000 |
| ESTIMATED TOTAL SPEND | | £ 111,800 |

Planned Maintenance 2026/27 Priority 2

| Project | Budget | Estimated Cost |
|---------------------------------------------|----------|----------------|
| Carry out Re-lining of 1 hearth | Premises | £ 5,400 |
| Installation of 3 small memorial towers | Premises | £ 4,500 |
| Re-Decoration Works | Premises | £ 30,000* |
| Install nitrogen oxide monitoring equipment | Premises | £ 300,000* |
| Replacement cremulator | Premises | £ 40,000* |

| | | |
|------------------------------|---|----------------|
| ESTIMATED TOTAL SPEND | £ | 379,900 |
|------------------------------|---|----------------|

Planned Maintenance 2027/28 Priority 3

| Project | Budget | Estimated Cost |
|--------------------------------------------------------------|----------|----------------|
| Carry out Re-lining of 1 hearth | Premises | £ 5,400 |
| Carry out Re-lining of 2 cremators x 1 times (every 7 years) | Premises | £ 175,200 |
| ESTIMATED TOTAL SPEND | £ | 180,600 |

Planned Maintenance 2028 onwards Priority 4

| Project | Budget | Estimated Cost |
|--------------------------------------------------------------|----------|------------------|
| Re-Decoration Works x 6 times (every 2 years) | Premises | £ 210,000* |
| Installation of resomator | Premises | £ 800,000 |
| Carry out Re-lining of 2 cremators x 1 times (every 7 years) | Premises | £ 175,200 |
| Carry out Re-lining of 2 hearths x 7 times (every 2 years) | Premises | £ 64,800 |
| Carry out replacement of cooler cassettes | Premises | £ 100,000 |
| ESTIMATED TOTAL SPEND | £ | 1,350,000 |

*Estimate

8.3 Suitability

In the short term (2025/26), 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. In the medium term (2026-27) our aim is therefore, to address those issues identified in the feasibility report.

8.4 Accessibility

Our aim is to ensure that are premises are DDA compliant.

9 Financial Resources Available to Deliver our Priorities.

Investment in our Crematorium is supported through our Crematorium Repair Reserves. This is reviewed annually by the Mountsett Crematoria 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, funding is to be allocated from several sources including: -

- Repairs and Maintenance Revenue Budget
- Contributions from the Repairs Reserve
- Reduced contributions to the Repairs Reserve in future years
- Prudential Borrowing

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Mountsett Crematorium Joint Committee



27 September 2024

Financial Monitoring Report – Position at 31/08/24, with Projected Outturn at 31/03/25



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 Members of the Mountsett Crematorium Joint Committee with details of the provisional outturn position for 2024/25 and the projected level of reserves and balances at 31 March 2025.

Executive summary

- 2 This report sets out details of income and expenditure in the period 1 April 2024 to 31 August 2024, together with a forecast revenue outturn position for 2024/25, 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 2024 and forecast position at 31 March 2025, taking into account actuals 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 £393,676 against a budgeted surplus of £388,983, which is £4,693 more than the budgeted position.
- 5 Contributions to earmarked reserves are forecast as £4,693 more than originally budgeted.

- 6 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 £53,204 is required. This is partly offset by a contribution from the revenue surplus of (£28,676), resulting in a net transfer from the Cremator Replacement Reserve of £24,528.
- 7 The retained reserves of the MCJC at 31 March 2025 are forecast to be £486,338 along with a General Reserve of £389,084, giving a forecast total reserves and balances position of £875,422 at the year end.

Recommendation(s)

- 8 It is recommended that Members note the April to August 2024 financial monitoring report and associated forecast outturn position at 31 March 2025, including the projected year end position with regards to the reserves and balances of the Joint Committee.

Background

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

Financial Performance

- 10 Budgetary control reports, incorporating outturn projections, are considered by the 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 Mountsett 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 Mountsett Crematorium.

| Subjective Analysis (Type of Expenditure) | Base Budget 2024/25 £ | Year to Date Actual April – August £ | Provisional Outturn 2024/25 £ | Variance Over/ (Under) £ |
|------------------------------------------------------|--------------------------------------|---------------------------------------------------------|--------------------------------------------------|---------------------------------------------|
| Employees | 241,305 | 66,122 | 239,434 | (1,871) |
| Premises | 515,430 | 264,937 | 482,441 | (32,989) |
| Transport | 1,400 | 142 | 425 | (975) |
| Supplies & Services | 111,016 | 25,946 | 111,016 | 0 |
| Agency & Contracted | 5,361 | 2,581 | 5,442 | 81 |
| Capital Charges | 0 | 0 | 0 | 0 |
| Central Support Costs | 33,450 | 0 | 33,450 | 0 |
| Gross Expenditure | 907,962 | 359,728 | 872,208 | (35,754) |
| Income | (1,296,945) | (400,191) | (1,265,885) | 31,060 |
| Net Income | (388,983) | (40,463) | (393,676) | (4,693) |
| Transfer to / (from) Reserves | | | | |
| - Repairs Reserve | 15,000 | 0 | 15,000 | 0 |
| - Cremator Reserve | 23,983 | 0 | 28,676 | 4,693 |
| - General Reserve | 0 | 0 | 0 | 0 |
| Distributable Surplus | (350,000) | 0 | (350,000) | 0 |
| 65% Durham County Council | 227,500 | 227,500 | 227,500 | 0 |
| 35% Gateshead Council | 122,500 | 122,500 | 122,500 | 0 |

| Mountsett Crematorium Earmarked Reserves | Balance @ 1 April 2024 £ | Transfers To Reserve £ | Transfers From Reserve £ | Balance @ 31 March 2025 £ |
|-----------------------------------------------------|---------------------------------------------|-------------------------------------------|---------------------------------------------|----------------------------------------------|
| Repairs Reserve | (129,370) | (15,000) | 0 | (144,370) |
| Cremator Reserve | (366,496) | 0 | 24,528 | (341,968) |
| General Reserve | (335,880) | (403,204) | 350,000 | (389,084) |
| Total | (831,746) | (418,204) | 374,528 | (875,422) |

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 £393,676 against a budgeted surplus of £388,983, which is £4,693 more than the budgeted position.

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

12.1 *Employees*

The outturn shows an underspend of **(£1,871)**, in relation to employee costs. The reasons for this are identified below:

- Staffing costs are forecast to underspend by **(£1,871)** mainly due the projected outturn for pensions and NI being less than budgeted.

12.2 *Premises*

The outturn shows a forecast underspend of **(£32,989)** in relation to premises costs. The reasons for this are identified below:

- Expenditure on one off SAMP works relating to energy improvements which were carried out in previous years has resulted in a small overspend of **£336** in 2024/25.
- Energy and water budgets are forecast to underspend by **(£53,496)**. The budgets for utilities have been overestimated after the global increase in the cost of gas and electricity in 2022/23.
- Rates are forecasting an overspend of **£20,271**. The increased rates charges are due to the 2023 revaluation of non-domestic premises by the Valuation Office Agency.
- Other general premises costs such as fire alarms are forecast to underspend by **(£100)**.

12.3 *Agency & Contracted*

The outturn shows a forecast overspend of **£81** in relation to agency and contracted services costs. The reasons for this are identified below:

- Trade refuse charges for the year have overspent by **£81**.

12.4 Income

The 2024/25 income budget is forecast to underachieve by **£31,060** for the reasons identified below:

- The outturn includes an decrease of 25 cremations compared to the budget, resulting in reduced income compared to budget of **£20,425**. The outturn is based on a projected total of 1,325 cremations against a budgeted 1,350 during 2024/25.
- Interest received is forecast to underachieve by **£8,885** due to interest rates being lower than those assumed at budget setting.
- Other income is collectively forecast to overachieve by **(£1,750)**.

Earmarked Reserves

- 13 In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer from the Cremator Replacement Reserve to the General Reserve of **£53,204** is required. This is partly offset by a contribution from the revenue surplus of **(£28,676)**, resulting in a net transfer from the Cremator Replacement Reserve of **£24,528**.
- 14 The retained reserves of the MCJC at 31 March 2024 are forecast to be **£486,338** along with a General Reserve of **£389,084**, giving a forecast total reserves and balances position of **£875,422** at the year end.

| | | |
|-----------------|---------------|-------------------|
| 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 MCJC.

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.

**Mountsett Crematorium
Joint Committee**

27 September 2024

Risk Register Update 2024/25 Review 1

Ordinary Decision



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 To inform the Mountsett Crematorium Joint Committee of the outcome of the half-yearly risk review in August 2024.

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 Since the previous review, there are no significant changes to report, but several minor updates are included below.
- 4 The net evaluation of each risk remains within the risk appetite.

Recommendation(s)

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

Background

- 6 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

- 7 The current service risk register is included in **appendix 4**.

There are no significant changes to report, but a couple of minor updates are included below.

- 8 **Appendix 4, risk 5** Breakdown of the partnership (Gateshead Metropolitan Borough Council).

The control measures have been expanded to reference the Constitution and Terms of Reference.

- 9 **Appendix 4, risk 7** (Failure of Cremators / Specialist Equipment).

Mountsett Crematorium holdings of cremators has changed from 1 standard and 1 extra wide to 2 extra wide cremators.

A profile of service risks is included in **appendix 5**.

Conclusion

- 10 The net evaluation of every risk is within the risk appetite (shaded area in appendix 5).

Author

John Blowes 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 and Engagement

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

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 Mountsett Crematorium Joint Committee.

Procurement

None.

Appendix 2: How Mountsett Crematorium risks are managed

Two risk registers have been developed for Mountsett 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 Mountsett 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 Mountsett 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/ opportunity 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 Mountsett 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 | Demand for cremations exceeds capacity. | Minor | Possible | 18 | Tolerate | No change |
| 2 | Serious breach of health and safety legislation | Moderate | Unlikely | 16 | Tolerate | No change |
| 3 | ICT and Power Failure | Minor | Unlikely | 10 | Tolerate | No change |
| 4 | Sickness absence of key staff | Moderate | Remote | 7 | Tolerate | No change |
| 5 | Breakdown of the partnership (with Gateshead Metropolitan Borough Council) | Moderate | Remote | 7 | Tolerate | Controls expanded to reference the Constitution and Terms of Reference. |
| 6 | Failure of cremators or specialist equipment. | Minor | Remote | 6 | Tolerate | Mounsett Crematorium holdings of cremators has changed from 1 standard and 1 extra wide to 2 extra wide cremators. |
| 7 | Disclosure of confidential information through incorrect disposal / maintenance of information (data breach). | Minor | Remote | 5 | Tolerate | No change |
| 8 | Loss of Income/Money | Minor | Remote | 5 | Tolerate | No change |

Appendix 5: Profile of Service Risks for Mountsett 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) | 4 Sick Absence 5 Partnership | 2 Health & Safety Breach | | | |
| Minor (score 4 – 6) | 6 Cremator Failure 7 Data Breach 8 Loss of Income | 3 ICT & Power | 1 Cremations Capacity | | |
| Insignificant (score 1 – 3) | | | | | |
| Likelihood | Remote (score 1) | Unlikely (score 2) | Possible (score 3) | Probable (score 4) | Highly Probable (score 5) |

Mountsett Crematorium Joint Committee

27 September 2024

Internal Audit Charter



Report of Tracy Henderson, Chief Internal Auditor & Corporate Fraud Manager

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The purpose of this report is to seek agreement on the Internal Audit Charter to be applied to reviews undertaken as part of the Internal Audit plan for 2024/25.

Background

- 2 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’.

Internal Audit Charter

- 3 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.

- 4 The Charter reflecting the changes made to the PSIAS in 2017 was previously considered by the Joint Committee at its meeting on 27 September 2023. 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, it is considered that no further amendments to the Charter are required.

Recommendation

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

Other useful documents

Report to Durham County Council's Audit Committee on 20 May 2024

Contact: Nicola Cooke, Audit Manager Tel: 03000 2699665

Appendix 1: Implications

Legal Implications

Compliance with 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

None

Equality and Diversity / Public Sector Equality Duty

None

Human Rights

None

Crime and Disorder

None

Staffing

None

Accommodation

None

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

None

Climate Change

None

Appendix 2: Internal Audit Charter



INTERNAL AUDIT CHARTER

For the Provision of an Internal Audit Service to the
Mountsett Crematorium Joint Committee

September
2024

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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 Mountsett 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 reflects 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

Tracy Henderson, Chief Internal Auditor and
Corporate Fraud Manager

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Internal Audit, Risk and Fraud
Corporate Resources
Durham County Council
Corten House
Dunholme Close
Aykley Heads
DH1 5WB

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. |

Public Sector Internal Audit Standards

Definition of the terms 'Board' and 'Senior Management' for the purpose of Internal Audit Activity

| Standard | | Reference to board or senior management | Proposed body/group to fulfil role | |
|----------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------|
| Ref | Title | | Senior Management | Board |
| 1000 | Purpose, authority and responsibility | Senior Management and the board must approve the Internal Audit Charter | Paul Darby Alan Patrickson | The Joint Committee |
| 1110 | Organisational Independence | <p>The Chief Audit Executive (CAE) must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The CAE must confirm the board at least annually the organisational independence if the Internal Audit activity.</p> <p>The CAE must report functionality to the board. The CAE must also establish effective communication with, and have free and unfettered access to the Chief Executive and the Chair of the Audit Committee.</p> <p>Functionality includes:</p> <ul style="list-style-type: none"> • Approving the Internal Audit Charter • Approving the Risk Based Internal Audit Plan • Approving the internal audit budget and resource plan | | <p>The Joint Committee</p> <p>The Joint Committee</p> |

DEFINITIONS UNDER PSIAS

APPENDIX B

| | | | | |
|----------|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------|
| | | <ul style="list-style-type: none"> • Receiving communications from the CAE on the internal audit activity's performance relative to its plan and other matters • Approving decisions regarding the appointment and removal of the Internal Audit Service Provider • 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 /</p> | | The Joint Committee |

DEFINITIONS UNDER PSIAS

APPENDIX B

| | | | | |
|------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------|
| | | Accountable Officer or Chair of the audit committee as well as with the external assessor or assessment team” | | |
| 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 . | Paul Darby Alan Patrickson | The Joint Committee |
| 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 . | Paul Darby 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. | Paul Darby Alan Patrickson | The Joint Committee |

DEFINITIONS UNDER PSIAS**APPENDIX B**

| | | | | |
|------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------|
| 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 . | Paul Darby 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.

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Mountsett Crematorium Joint Committee

27 September 2024

Annual Review of the System of Internal Audit



Report of Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change and Paul Darby, 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 2024.

Executive summary

Conformance with UK Public Sector Internal Audit Standards (PSIAS)

- 2 In April 2013, the Public Sector Internal Audit Standards (PSIAS) became effective. These 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 DCC Audit Committee considered, at its meeting on 28 June 2024, a report presented by the Chief Internal Auditor and Corporate Fraud Manager that provided evidence on the effectiveness of the service during 2023/24.
- 4 It is a requirement for the service to be externally assessed once every five years. The latest external assessment, carried out by the Chartered Institute of Public and Finance and Accountancy (CIPFA), in February 2022, concluded that 'Durham County Council's Internal Audit Service's self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note'.
- 5 Internal Audit then completed a further self-assessment, for 2023/24, against the key elements of the Public Sector Internal Audit Standards (PSIAS) and CIPFA Local Government Application Note, which demonstrated that the Section continues to conform to the Code's requirements and was based on the revised PSIAS brought into effect on 01 April 2017.

Recommendation(s)

- 6 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

- 7 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 29 September 2022.
- 8 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.
- 9 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 Durham County Council's Audit Committee on 28 June 2024

Contact: Nicola Cooke, Audit Manager Tel: 03000 269665

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

None

Equality and Diversity / Public Sector Equality Duty

None

Human Rights

None

Crime and Disorder

None

Staffing

None

Accommodation

None

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

None

Climate Change

None

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**Mountsett Crematorium Joint
Committee**

27 September 2024

Budget Strategy Report



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 outlines a range of issues that will need to be considered as part of the medium-term financial planning for the Mountsett Crematorium. The views of the committee on these issues are sought in advance of the 2025/26 budget setting process.

Executive summary

- 2 There has been significant capital investment of over £4.1 million at Mountsett Crematorium since Local Government Reorganisation in 2009, with further investments of over £2 million planned for the coming years in line with the Service Asset Management Plan.
- 3 Fees and charges, which are harmonised with Central Durham Crematorium are currently £875 and a proposed increase of £50 in 2025/26 to £925 would still mean that they remain among the lowest in comparison with neighbouring facilities and well below the current regional average of £987.
- 4 The current level of surplus distribution to partner authorities was implemented on 1 April 2019 following Members approval of the Budget Strategy report in September 2018 and is forecast to remain at this level for the coming years.
- 5 A robust medium-term budget forecast has been produced for the Joint Committee and this demonstrates that subject to agreement of the fee

increase next year the reserve balances of the Joint Committee are still projected to be sufficient to meet the liabilities and commitments of the Joint Committee for the coming years.

Recommendation(s)

- 6 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, as identified in the report;
 - iii. agree to review the budget strategy in September 2025 in preparation for the 2026/27 budget setting year.

Background

- 7 The current level of surplus distribution to partner authorities was implemented on 1 April 2019 following Members consideration of the Budget Strategy report in September 2018 and the Budget Setting report in January 2019.
- 8 Increases to the fees and charges at the crematorium, which are harmonised with Durham Crematorium, have also been kept as low as prudently possible over recent years, resulting in the current charges continuing to be among the lowest of all neighbouring facilities.

Capital Investment at the Crematorium

- 9 Since Local Government Reorganisation (LGR) in 2009 there has been significant investment in the Mountsett Crematorium totalling £4,102,409 with the major improvement works including:

| Project | Cost £ |
|-----------------------------------------|---------------|
| Installation of Memorial Towers | 31,370 |
| Road Widening | 24,973 |
| Tarmac Access to Car Park | 62,200 |
| Car Park Extension | 88,398 |
| Cremator Replacement and Extension | 1,564,515 |
| Installation of temporary cremator | 334,929 |
| Energy Improvement works | 111,824 |
| Cremator Replacement | 1,593,884 |
| Installation of Vehicle Charging Points | 16,680 |
| Replacement of fencing | 16,000 |

- 10 The estimated costs of current and future improvements, as identified in the Service Asset Management Plan are summarised in the table below:

| Year | Estimated SAMP Investments £ |
|--------------|-------------------------------------|
| 2025/26 | 111,800 |
| 2026/27 | 379,900 |
| 2027/28 | 180,600 |
| 2028 onwards | 1,350,000 |
| Total | 2,022,300 |

Earmarked Reserves

- 11 The projected reserves and balances of the Mountsett Crematorium Joint Committee for 2024/25 are as follows:

| | Balance @ 1 April 24 £ | Balance @ 31 Mar 25 £ |
|--------------------------|---------------------------------------|--------------------------------------|
| Earmarked Reserve | | |
| Repairs Reserve | (129,370) | (144,370) |
| Cremator Reserve | (366,496) | (341,968) |
| General Reserve | (335,880) | (389,084) |
| Total | (831,746) | (875,422) |

Fees and Charges

- 12 The fees and charges at Mountsett Crematorium are harmonised with those at the Durham Crematorium.
- 13 A £30 (3.77%) increase was applied from April 2024, and a further £50 (6.06%) increase was agreed from October 2024, resulting in the current cremation fee (inclusive of medical referee's fees) being £875.
- 14 The current cremation fees for crematoria across the region, shown in the table over the page, indicates a current average cremation fee of £987 (inclusive of medical referee's fees and environmental surcharge where appropriate) across the region:

| Crematorium | Cremation Fee |
|--------------------|----------------------|
| Gateshead | £905 |
| Stockton | £955 |
| North Tyneside | £897 |
| South Tyneside | £888 |
| Middlesbrough | £945 |
| Northumberland | £920 |
| Sunderland | £1,044 |
| Newcastle | £995 |
| Coundon | £1,150 |
| Hartlepool | £1,007 |
| Darlington | £1,072 |
| Average | £987 |

- 15 The projected number of cremations at the Mountsett Crematorium in 2024/25 is 1,325, which will be 25 less than the budgeted position of 1,350. The number of cremations at Mountsett in the previous five years is shown overleaf.

| Year | Cremations |
|---------|------------|
| 2019/20 | 1,399 |
| 2020/21 | 1,758 |
| 2021/22 | 1,463 |
| 2022/23 | 1,445 |
| 2023/24 | 1,370 |

- 16 The table below indicates how much additional income could be generated annually with fee increases ranging from £30 (3.43%) to £70 (8.0%) and with incremental increases in the budgeted cremation numbers, compared to the current budgeted position of 1,350. Therefore if the budgeted number of cremations remain at 1,350 the crematorium would receive an extra £13,500 for every £10 increase in the cremation fee.

| Cremation Numbers | Increase in Fees | | | | |
|-------------------|------------------|----------|----------------|----------|----------|
| | £30 | £40 | £50 | £60 | £70 |
| | 3.43% | 4.57% | 5.71% | 6.86% | 8.00% |
| 1,350 | £40,500 | £54,000 | £67,500 | £81,000 | £94,500 |
| 1,400 | £85,750 | £99,750 | £113,750 | £127,750 | £141,750 |
| 1,450 | £131,000 | £145,500 | £160,000 | £174,500 | £189,000 |
| 1,500 | £176,250 | £191,250 | £206,250 | £221,250 | £236,250 |

- 17 Should the 2025/26 cremation fees be increased by **£50 (5.71%)** and assuming a prudent forecast of 1,350 cremations next year an additional £67,500 income would be generated by the Joint Committee next year and this potential increase has been built into the medium term budget forecasts at this stage.
- 18 Members may wish to consider keeping the fees for direct cremations and early discounted slots the same as current levels to reduce the cost of living impact on service users.
- 19 Once other crematoria apply their fee increases for next year, the proposed 2025/26 cremation fee of £925 will remain among the lowest of other neighbouring facilities in the region. The benchmarking figures above are before other local authorities increase their cremation fees, so the gap between Mountsett and neighbouring facilities is likely to continue to grow.

Surplus Redistribution

- 20 Members will recall that the Constitution sets out the constituent authority title deeds and subsequent surplus distribution arrangements to Durham County Council (DCC) / Gateshead Council (GC) on a 65 / 35 basis.
- 21 The current surplus distributed is £350,000 per year (£227,500 to Durham County Council and £122,500 to Gateshead Council). ^{Page 127}

The table below shows the levels of surplus redistribution over the last five years.

| Constituent Authority | Distributable Surplus £ | | | | |
|-----------------------|-------------------------|----------------|----------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Durham County Council | 227,500 | 227,500 | 227,500 | 227,500 | 227,500 |
| Gateshead Council | 122,500 | 122,500 | 122,500 | 122,500 | 122,500 |
| Total | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |

- 22 It is recommended that the surplus distribution to the constituent authorities remain at the current levels and this has been factored into the medium-term budget forecasts.

Medium Term Budget Forecast

- 23 In terms of financial modelling for the Mountsett Crematorium, the following working assumptions have been applied:

- Premises budgets have been adjusted for priority repair costs (in line with the SAMP requirements)
- Contributions from earmarked reserves to part fund the planned SAMP works have been built into the budget forecast
- A £50 (5.71%) increase per cremation has been factored into the income budget from 2025/26 and then £50 (5.40%) in 2026/27 and £50 (5.13%) in 2027/28
- No changes in the surplus redistribution to the constituent authorities has been assumed in the budget forecast
- Expenditure budgets have been increased to reflect pay inflation in line with Durham County Council's MTFP model at 2% in 2025/26, 2026/27 and 2027/28
- Expenditure budgets, have been increased to reflect price inflation (non-pay) in line with Durham County Council's MTFP model at 1.5% in 2025/26, 2026/27 and 2027/28
- The estimated / budgeted level of cremations remains at 1,350 per annum

- 24 The table overleaf provides a financial summary of the revenue budget, and forecast earmarked reserves of the Joint Committee projected for the next three financial years using the above assumptions:

| | Base Budget 2024/25 £ | Forecast Budget 2024/25 £ | Base Budget 2025/26 £ | Base Budget 2026/27 £ | Base Budget 2027/28 £ |
|--------------------------------------|---------------------------------|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue Budget | | | | | |
| Expenditure | 907,962 | 872,208 | 964,491 | 1,244,390 | 1,057,023 |
| Income | (1,296,945) | (1,265,885) | (1,364,466) | (1,432,011) | (1,499,587) |
| Net Income | (388,983) | (393,677) | (399,974) | (187,621) | (442,565) |
| Transfer to / (from) Reserves | | | | | |
| Repairs Reserve | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Cremator Reserve | 23,983 | (28,676) | 34,974 | (177,379) | 77,565 |
| General Reserve | 0 | 0 | 0 | 0 | 0 |
| Distributed Surplus | (350,000) | (350,000) | (350,000) | (350,000) | (350,000) |
| 65% Durham County Council | 227,500 | 227,500 | 227,500 | 227,500 | 227,500 |
| 35% Gateshead Council | 122,500 | 122,500 | 122,500 | 122,500 | 122,500 |

| | Balance @ 1 April 2024 £ | Balance @ 31 March 2025 £ | Balance @ 31 March 2026 £ | Balance @ 31 March 2027 £ | Balance @ 31 March 2028 £ |
|--------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Earmarked Reserve | | | | | |
| Repairs Reserve | (129,370) | (144,370) | (159,370) | (174,370) | (189,370) |
| Cremator Reserve | (366,496) | (341,968) | (356,687) | (159,044) | (216,336) |
| General Reserve | (335,880) | (389,084) | (409,340) | (429,603) | (449,876) |
| Total | (831,746) | (875,422) | (925,397) | (763,017) | (855,582) |

Conclusion

- 25 The budget forecast demonstrates that having incorporated all of the proposed changes, including the planned introduction of resomation at the crematorium, the reserve balances of the Joint Committee are demonstrating a sound financial position for the coming years.

Contact: Philip Curran

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Cathy Mallam

Tel: 03000 268580

Appendix 1: Implications

Legal Implications

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

Finance

The financial implications associated with this report are disclosed in 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 scrutinised and supplemented with information supplied by the Bereavement Services Manager. The medium-term financial budget forecast has been produced taking into consideration current year forecasts, future improvement costs obtained from the SAMP and pricing structures from neighbouring facilities. This, together with the information supplied by the Bereavement Services

Manager, should mitigate any risks with regards to challenge and review of the financial forecast of the Joint Committee.

Procurement

None.

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