



Mountsett Crematorium Joint Committee

Date **Friday 30 September 2011**
Time **10.00 am**
Venue **Committee Room 1B - County Hall, Durham**

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. Minutes of the Meeting held on 29th July 2011. (Pages 1 - 6)
2. Declarations of Interest, if any.
3. External Audit - Issues Arising Report for the year ended 31 March 2011 and Response. (Pages 7 - 16)
Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources.
4. Report of the Superintendent & Registrar (Pages 17 - 30)
5. Risk Register 2011/12. (Pages 31 - 40)
Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources.
6. Financial Monitoring Report 2011/12: Position at 31/08/11, with Projected Outturn at 31/03/12. (Pages 41 - 46)
Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources.
7. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
22 September 2011

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

Durham County Council:-

Councillors: O Temple (Chair), A Bainbridge, J Docherty, M Hodgson,
J Hunter, O Johnson, J Nicholson, B Stephens and J Wilson

Gateshead Council:

Councillors K Dodds (Vice-Chair), M Ord, P Ronan, J Hamilton, D Davidson,
P Mole and M Wallace

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held at Mountsett Crematorium - Dipton, Stanley, Durham on **Friday 29 July 2011 at 9.30 am**

Present:

Councillor O Temple (Chair)

Members of the Committee:

Durham County Council

Councillors A Bainbridge and O Johnson

Gateshead Council:

Councillors M Ord, P Ronan, D Davidson and M Wallace

Apologies:

Apologies for absence were received from

Durham County Council

Councillors M Hodgson, J Hunter, J Nicholson and J Wilson

Gateshead Council

Councillors K Dodds, J Hamilton and P Mole

1 Minutes of the Meeting held on 17th June 2011.

The minutes of the meeting held on 17th June 2011 were confirmed as a correct record and signed by the Chair.

2 Declarations of Interest, if any.

There were no declarations of interest submitted.

3 Report of the Superintendent & Registrar

The Superintendent and Registrar presented the report which provided Members with a quarterly update relating to performance and other operational matters. The report further outlined proposals for the introduction of a pre payment cremation bond for service users (for copy see file of minutes).

With regard to performance, the Superintendent and Registrar reported that since the report had been produced a further 16 cremations had been undertaken in July, therefore a there was a total increase of 38 cremations during the quarter, in comparison to the same period last year.

The Superintendent further reported that the Crematorium had now received recycling bins for the recycling of Orthopaedic Implants and Non-Ferrous metals, this would go some way to reducing the carbon footprint of the crematorium. It was also reported that during a visit from ADT (security) a recommendation had been made to upgrade the CCTV equipment at a cost of £1475.00 which would enhance the picture quality of the system already in place. The Superintendent advised however that the current system was still usable and felt that there was no real need to have the system updated.

Members agreed that if the current system was fit for purpose then the recommendation by ADT should not be implemented.

The Bereavement Services Manager then proceeded to provide details of the Green Flag Award scheme for parks and green spaces in the UK. It was reported that the Central Durham Crematorium was entered for the 2011 award and results were expected at the end of July, with that Mountsett was also felt to be of an excellent standard where a Green Flag application could be made if a management plan was produced for the site to be judged against. If successful a Green Flag would be awarded in 2012.

It was noted that very little investment would be required apart from the continuation of general repairs and maintenance to the grounds, in addition there was a small fee associated with the application being approximately £175. Members agreed that the Crematorium should put forward an application for 2012. It was therefore agreed that a management plan be developed and brought back to the committee identifying any future development needs.

The Head of Finance, HR & Business Support, Neighbourhood Services advised that the proposal would also align to the internal audit plan as presented at an earlier meeting.

The Bereavement Services Manager then went on to advise members of proposals to introduce a Pre-Payment Cremation Bond scheme which would help secure future business, sold as a premium to the standard cremation charges. It was therefore proposed that this be set at £100 above the current total cremation fee plus a £20 administration fee which would equate to a circa 20% premium, being reviewed annually alongside all Fees and Charges.

In providing some background to the proposals it was reported that there was a large number of Pre-Payment Funeral Plans taken out by the public, offered by many Funeral Directors in the area. One problem that Funeral Directors were finding was that after some several years the value of the original plan purchased may not be enough to cover whole costs of the Funeral. Further costs for cremation fees were then being sought from families who thought that the full fees were covered by the Directors plan originally purchased.

At this point the Chairman noted that he has raised a query in advance of the meeting with regard to the legality of providing such a bond outside of the FSA regulations. It was noted that the Head of Finance, HR & Business Support had been in contact with the ICCM and a email had been received advising that the crematorium would not in their opinion be required to be regulated under the FSA to provide this type bond. Further legal advice would be sought and written confirmation obtained. The decision taken by Members would be subject to confirmation to this effect being received.

It was noted that Central Durham Crematorium Joint Committee had at their last meeting also agreed to introduce the Pre-Payment Bond scheme and subject to the above legal advice would come in to effect from 1st October 2011.

Further details were then provided of the potential sales and income which could potentially be generated through the scheme. It was noted that all Funeral Directors who had been approached informally, had shown interest in purchasing a Bond for each of the pre-payment plans that they offer. Potential income for the Crematorium could be between £11,600 to £23,200 per month.

Councillor Wallace raised a query with regard to the FSA, she asked whether it was possible that the Crematorium may be required to be regulated by the FSA in the future. She also raised a query with regard to the promotion of the scheme.

In answering her first question Councillor Temple suggested that it was possible that regulation of the bond may be introduced in future; however it would not affect bonds that had already been purchased.

In response to the query raised regarding promotion it was noted that the Fees and Charges schedule would be published, however there would be no direct promotion of the scheme.

Following lengthy debate and discussion it was **RESOLVED** that:

1. Members note the contents of the report with regard to the current performance of the crematorium and progress against recycling orthopaedic implants and non-ferrous metals.
2. That Mountsett Crematorium enter into the Green Flag Award in 2012, with a management plan outlining any future development being presented and agreed by the committee prior to the application being made.
3. That the introduction of a Pre-Payment Bond be introduced with effect from 1st October 2011 subject to:-
 - Legal advise and confirmation being sought on the regulation of the Bond as referenced above, and;
 - On the proviso that no incentives for the marketing of the product be entered in to.

4 Proposals for a Memorial Garden.

The Bereavement Services Manager presented the report which set out proposals for the creation of a memorial garden, within the grounds of Mountsett Crematorium (for copy see file of minutes).

Members had in advance of the meeting taken a site visit to the proposed areas and details of the Options had been outlined as follows:-

Option 1

The construction of 3 walls (each 3 metres) which would be angled to be in keeping with the octagonal book of remembrance building, which would provide the opportunity for

memorial plaques to be installed on both side of the wall providing space for 270 plaques. This 9 metre wall would also provide 38 metres of edge and the potential for up to 152 vases or up to 63 columbarium depending on the number of each sold.

Indicative costs were and details of the works required were outlined in Appendix 4, works were estimated at £48,000 for the initial construction.

The potential sales for a wall of this size ranged dependent on due the number of vases or columbarium's sold and was estimated at between £69,000 and £89,000 if full range sold. This would then provide an overall surplus of between £21,000 and £41,000.

Option 2

To utilise the existing exterior walls of the book of remembrance building and would be a quick and no cost way of allowing memorial plaques without having the need for any capital expenditure and would give Members of the Joint Committee an indication of the demand from the public at Mountsett.

There are 8 walls surrounding the building which are each 1.2m long that would be suitable for placing these memorials. Each wall could accommodate 18 small memorial plaques meaning that if all 8 sides were taken up then this would equate to 144 plaques. To ensure the building is suitable for this arrangement a survey had been carried out and confirmed it was suitable.

The potential net income for this wall was estimated at £21,000 for 144 plaques over the ten year period. Due to the width of the path currently there was limited scope to offer vases or columbarium.

If Members were wishing to offer vases or columbarium then the pathway would require extending in order to accommodate these and to provide pedestrian access around the building, this was estimated at £6,000 for the initial construction of the pathway.

It was proposed that the income generated could be placed in a memorial garden earmarked reserve in order to purchase vase blocks/columbarium units in the future.

In conclusion the Bereavement Services Manager advised that by selecting Option 2, there would be no initial outlay to provide memorial plaques as it would utilise the existing facilities. It was also noted that Option 2 would generate the same net income at the lower estimates over the life of the memorial walls and subsequently carried the least risk.

As part of the initiative to improve and extend services at the Crematorium, it was further proposed that a brochure be produced in aiding public relations and to promote the type of memorial available.

Councillor Ord commented that she felt that Option 2 was the most suitable place for the memorial plaques, Councillor Ronan also agreed with Option 2.

Councillor Bainbridge added that his main concern with Option 1 was that a considerable amount of green space would be lost if constructed outside of the book of remembrance building. Councillor Temple further commented consideration should also be given to when

space is no longer available on the book of remembrance walls. He suggested that income generated by the memorial garden should be earmarked for any future extension to the memorial garden.

The Head of Finance, HR & Business Support advised that an earmarked reserve could be set up and reflected within the 2012/13 budget.

Councillor Wallace asked what the plaques would be made of. It was noted that they would be made of stone and each would be fitted by a stonemason.

Following lengthy debate and discussion it was

RESOLVED that:

- Option 2, seeing the existing book of remembrance building used for memorial plaques and providing a cost effective pilot to determine demand whilst improving the available services to Mountsett users be adopted.
- That small plaques (12" x 3") be offered only.
- That the adoption of fees and charges for plaques be approved, to include details of 'Small plaques for Lease of 10 years, Plus Cost of Plaque at supplier price.
- That an earmarked reserve be set up for the income received from the initiative for potential future expansion at a later date.

5 QTR 1 Budgetary Control Report & Projected Outturn.

The Head of Finance, HR & Business Support presented the report set out details of income and expenditure in the period 1 April 2011 to 30 June 2011, together with the provisional outturn position for 2011/12, and highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report further detailed the funds and reserves of the Joint Committee at 1 April 2011 and initial outturn position at 31 March 2012, taking in to account the provisional financial outturn.

The Head of Finance, HR and Business Support advised that the report provided a prudent forecast at this stage with regards to expenditure and income.

He then went on to provide an explanation of significant variances between original budget and forecast outturn as follows:-

Employees – A saving of £5,050 was anticipated against the approved budget. The savings were a result of revised shift working patterns that were implemented last year but which were not currently reflected in the base employees budget.

Agency and Contracted – As a result of the revised working practices / duties undertaken by the crematorium staff during 2010/11 it is anticipated that an element of the Grounds Maintenance budget would not be required during 2011/12. However it was reported that an element had been retained to cover the anticipated costs in relation to winter maintenance and snow clearing. A saving of £7,000 was therefore anticipated.

Earmarked Reserves – Contributions from the revenue surplus towards earmarked reserves were forecast to be £12,050 additional to budget. This was a result of savings from employee working patterns and the subsequent saving from the Grounds Maintenance budget.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2012 were forecast to be £386,004 representing a £82,550 (31% increase) over the opening position at 1 April 2011.

Members added that this was an excellent report which highlighted efficient management of the Crematorium by the team.

Councillor Johnson also added his compliments with regard to the excellent maintenance of the grounds and commended the staff who were responsible for its maintenance.

RESOLVED: That the contents of the revenue spend financial monitoring report April to June 2011, with associated provisional outturn and forecasted earmarked reserve balances at 31 March 2012 be noted.

Mountsett Crematorium Joint Committee



30 September 2011

External Audit – Issues Arising Report for the year ended 31st March 2011 and Response



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. The purpose of this report is to present to the Mountsett Crematorium Joint Committee, the External Auditors (BDO LLP) Issues Arising Report for the year ended 31st March 2011.
2. The report also details responses to the findings and recommendations identified within the Issues Arising Report for consideration by members.

Background Information

3. In June 2011, in line with the statutory requirements of a Smaller Relevant Body, Mountsett Crematorium Joint Committee submitted the Small Bodies in England Annual Return for the year ended 31st March 2011 to BDO LLP for audit under the limited assurance audit regime.
4. This audit has now been finalised and the Issues arising Report dated 17 September 2011 has been received (see Appendix 2).

External Audit Recommendations and Action Plan

5. The Audit has not highlighted any material weaknesses around the Joint Committees system of internal control. It has, however, reiterated the recommendations proposed within the 2010/11 Annual Internal Audit Report considered by members on 17 June 2011.
6. The following recommendations have been made in order to strengthen the internal control arrangements of the Joint Committee:

- **R1: Internal Auditors Recommendations:**

'The body must implement the recommendations made by the internal auditor to improve the systems of the Joint Committee as soon as possible or in any event before the end of the current year.'

7. Members will recall that a response to the 2010/11 Annual Internal Audit Report and subsequent action plan was also considered at the 17 June 2011 meeting.
8. The action plan previously presented highlighted the issues raised and action taken / current position with regards to these, as set out below:

- ***Adjustments should be made to ensure all Book of Remembrance Income correctly accounts for VAT.***

The error identified was as a result of the parameters within the cash receipting system being temporarily set incorrectly for this payment type. The impact of this error however was relatively minor with the VAT amounting to £386.43.

The system has been corrected immediately to ensure no further impact on the Crematoriums funds, and adjustments to correct the previous error have been undertaken and reported to the VAT officer within Durham County Council though the sums involved falls well below the threshold for voluntary disclosure.

- ***Application forms should be signed by the Funeral Director.***

The application forms are effectively an agreement by the Funeral Directors that all services requirements have been carried out in a suitable manner. The Superintendent and Registrar has now ensured that the administrative processes and procedures include the mandatory signing of such forms.

- ***Dates of when ashes are collected must be recorded on the collection form as well as the signature of the person collecting the ashes.***

Whilst Funeral Directors sign when ashes are collected, the date of collection is not always recorded. The Superintendent and Registrar has now ensured that the administrative processes and procedures include the dating of such records.

- ***Consideration should be given to the development of a Service Asset Plan.***

Substantial Improvements have been made through the opportunities afforded by the harmonisation of fees and charges in 2010/11. The Joint Committee has significantly more financial capacity to address investment requirements going forward. Feasibility studies are already underway, specifically for the development of the crematorium grounds for the display of memorial plaques etc. These feasibility studies will further inform an Asset Management Plan, which will be produced in the coming year by the Superintendent and Registrar.

9. The actions identified above demonstrate the commitment of the Joint Committee in ensuring that all systems of internal control are as robust as possible.

Recommendations

10. It is recommended that:

- Members of the Joint Committee note the issues and recommendations identified within the External Auditor's Issues Arising Report dated 17 September 2011 (Attached at Appendix 2)
- Members of the Joint Committee note the actions, both implemented and required with regards to addressing the External Auditor's recommendations

Background Papers

Issues Arising Report for the year ended 31 March 2011

2010/2011 Annual Internal Audit Report and Audit Opinion

Response to the 2010/2011 Annual Internal Audit Report and Audit Opinion presented to the Joint Committee 17 June 2011

Contact(s): Paul Darby 0191 383 6594

Appendix 1: Implications

Finance

None

Staffing

There are no staffing implications associated with this report.

Risk

Addressing the recommendations identified in the External Auditor's Issues Arising Report for the year ended 31st march 2011 will ensure that the Joint Committee will improve its governance arrangements and address the minor inefficiencies identified with regards to the maintenance of the Joint Committees books and records. Failure to address these concerns could potentially adversely affect future audit conclusions and could also affect the working relationship that exists with our internal and external auditors.

Equality and Diversity/ Public Sector Equality Duty

None

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Human Rights

None

Consultation

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

Procurement

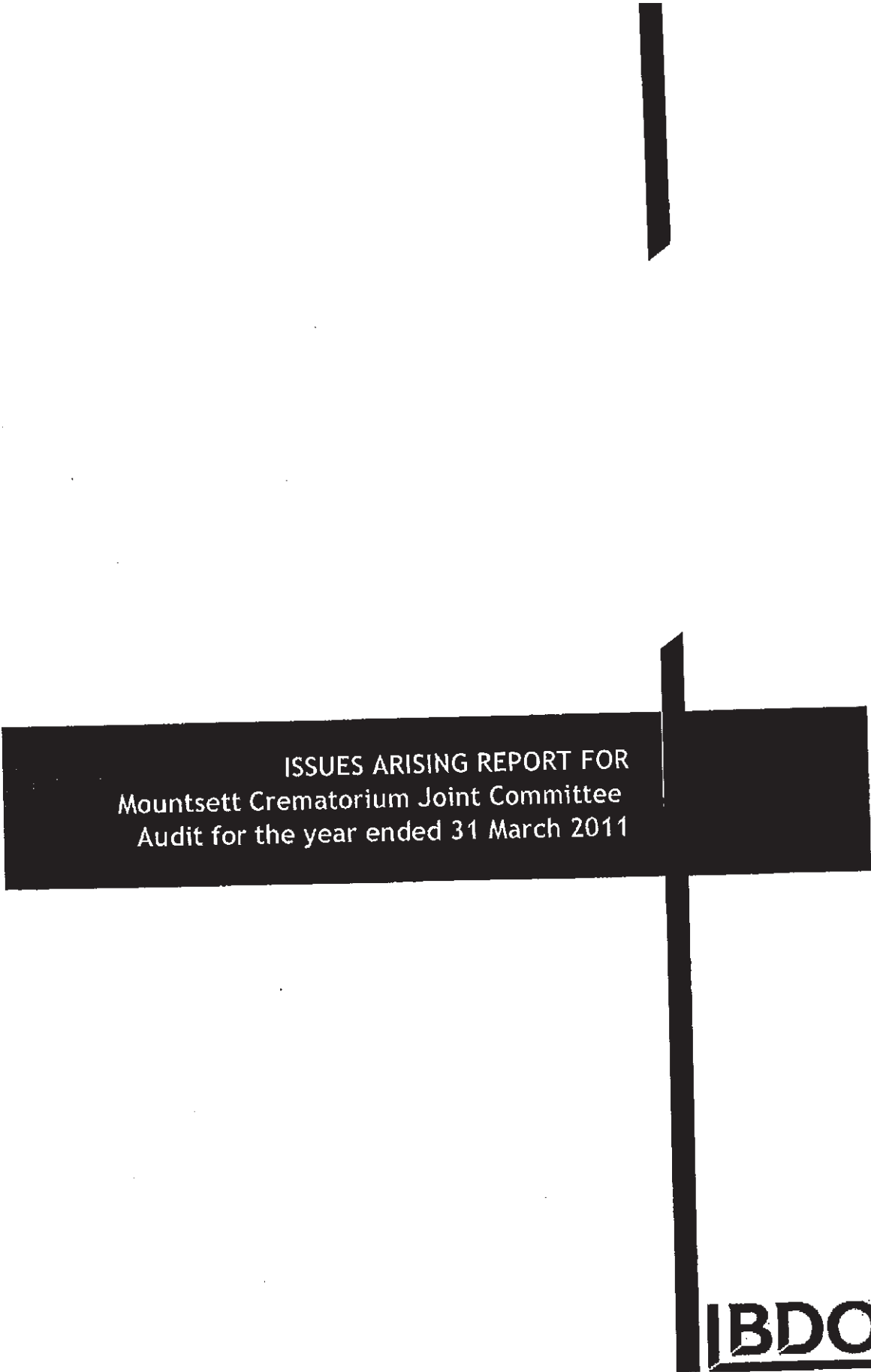
None

Disability Discrimination Act

None

Legal Implications

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



ISSUES ARISING REPORT FOR
Mountsett Crematorium Joint Committee
Audit for the year ended 31 March 2011

IBDO

Introduction

The following matters have been raised to draw items to the attention of Mountsett Crematorium Joint Committee. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2011.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Internal auditor's recommendations

The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Internal auditor's recommendations

What is the issue?

The internal auditor has noted a number of weaknesses in the financial systems of the body.

Why has this issue been raised?

The body is exposed to the risks associated with these weaknesses.

What do we recommend you do?

The body must implement the recommendations made by the internal auditor to improve the financial systems of the body as soon as possible or in any event before the end of the current financial year.

If the body addresses all the issues raised by the internal auditor the body should improve internal controls which will help to prevent and detect error and fraud and assist the body to operate in an effective and efficient manner.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability In Local Councils in England - A Practitioners Guide, NALC/SLCC

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 17 September 2011

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Section 4 - Annual internal audit report to

MOUNTSELT CREMATORIUM JOINT COMMITTEE

The body's internal audit, 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 2011.

Internal audit has been carried out in accordance with the body'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 body.

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

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

Name of person who carried out the internal audit: KEITH JACKSON
 Signature of person who carried out the internal audit: P Jackson Date: 24/5/2011

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 1 - Accounting statements for:

MOUNTSELT CREMATORIUM JOINT COMMITTEE

	Year ending		Notes and guidance
	31 March 2010	31 March 2011	
1 Balances brought forward	200,437	255,672	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
2 (+) Income from local taxation and/or levy	0	0	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
3 (+) Total other receipts	496,238	576,572	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
4 (-) Staff costs	(107,281)	(110,461)	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Includes any grants received here.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments made to and on behalf of all body employees, include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
6 (-) All other payments	(535,722)	(428,329)	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
7 (-) Balances carried forward	255,672	293,454	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
8 Total cash and short term investments	226,384	256,955	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6)
9 Total fixed assets and long term assets	0	0	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.
10 Total borrowings	0	0	The recorded book value at 31 March of all fixed assets owned by the body and any other long term assets e.g. loans to third parties and any long-term investments.
			The outstanding capital balance as at 31 March of all loans from third parties (including PWLEB).

I certify that for the year ended 31 March 2011 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

P Jackson

Date 15/6/2011

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

17/6/2011

and recorded as minute reference:

MINUTE NO. 13

Signed by Chair of meeting approving these accounting statements:

P Jackson

Date 17/6/2011

Section 2 - Annual governance statement

We acknowledge as the members of MOUNTSETT CLERMONTAUBURN 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 2011, that:

	Agreed - Yes or No	Yes means that the body prepared its accounting statements in the way prescribed by law.
1 We have approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
3 We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	YES	during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
4 We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	considered the financial and other risks it faces and has dealt with them properly.
5 We have carried out an assessment of the risks facing the body and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	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 body.
6 We have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	YES	responded to matters brought to its attention by internal and external audit.
7 We have taken appropriate action on all matters raised in reports from internal and external audit.	YES	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
8 We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	YES	

This annual governance statement is approved by the body and recorded as minute reference

MINUTE NO 11

dated 17/06/2011

Signed by:

Chair [Signature]
dated 17/06/2011

Signed by:

Clerk [Signature]
dated 17/06/2011

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response that has been given, and describe what action is being taken to address the weaknesses identified.

Section 3 - External auditor's certificate and opinion

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2011 of

MOUNTSETT CLERMONTAUBURN JOINT COMMITTEE

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2011; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor's report

(Except for the matters reported below) on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate)

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

Please see enclosed report

(continue on a separate sheet if required)

External auditor's signature [Signature]

External auditor's name EDO LLP Southampton Date 17/9/11
United Kingdom

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

Mountsett Crematorium Joint Committee

30 September 2011

Report of the Superintendant and Registrar



Report of Ian Staplin, Superintendant and Registrar to the Mountsett Crematoria Joint Committee

Purpose of the Report

1. To provide members of the Mountsett Crematorium Joint Committee with a quarterly update relating to performance and other operational matters.

Performance Update:

Number of Cremations : Quarter 1

2. The table below provides details of the number of cremations for the period 1st April 2011 to 30th June 2011 inclusive, with comparative data in the same periods last year:

	2010/2011	2011/2012	Change
	QTR1 [April- June]	QTR1 [April- June]	
APRIL	91	89	-2
MAY	90	103	+13
JUNE	86	103	+11
TOTAL	273	295	+22

Gateshead	80
Durham	182
Outside Area	33
Total	295

3. In summary there were 295 cremations undertaken during the first quarter, compared to 273 in the comparable period last year, an increase of 22.

Number of Cremations : Quarter 2 YTD

4. The table below provides details of the number of cremations for the period 1st July 2011 to 31st August 2011 inclusive, with comparative data in the same periods last year:

	2010/2011	2011/2012	Change
JULY	83	99	+16
AUGUST	86	101	+15
TOTAL	169	200	+31

Gateshead	54
Durham	123
Outside Area	35
Total	200

5. In summary there has been 200 cremations undertaken this quarter, compared to 169 in the comparable period last year an increase of 31. In overall terms, there have been 495 cremations in the first 5 months of this year, compared to 442 in the same period last year, an increase of 53 (12%).

Operational Matters

Mountsett Crematorium Pre-Payment Cremation Bond

6. At the last meeting of the Mountsett Crematorium Joint Committee (29th July 2011), members agreed the principal of introducing a Pre-Payment Bond from 1st October 2011, subject to confirmation regarding registration requirements from the Financial Services Authority (F.S.A.).
7. Full details of the proposed scheme have been provided to the FSA and discussions are ongoing, in consultation with the Councils legal team, with regards to whether FSA registration will be required. If registration is ultimately required the FSA have advised that the cost is £1,500, with the process taking approximately 6 months for approval of any application.
8. Given these ongoing discussions, the pre-payment bond scheme will not now be commencing on the 1st October and introduction of the scheme will be delayed until the issue of FSA registration is resolved. If no registration is required the service will implement the scheme as agreed by the Joint Committee, otherwise an application will be submitted and an update provided at the next meeting.

International Conference Cremation and Burial Authorities : Bristol 4th to 6th July 2011

9. An International Conference for Cremation and Burial Authorities was held on 4th-6th July 2011. Alan José, Superintendent and Registrar from the Central Durham Crematorium was in attendance at this conference and he has written some notes on the conference (see Appendix 2).

10. The main items that members should be aware of are:

- It seems likely that the total number of Abated Cremations in 2013 onwards will be around 70% of the total, therefore exceeding the Government's original target of 50%.
- There will be a requirement to fit an individual gas meter to each Cremator, the Independent Testing to be carried out over 4 Cremations per Cremator and additional requirements for monthly and six monthly reports to be sent to the Regulator.

Improving the process of Death Certification

11. As members may be aware, the Government has for some years (post the Harold Shipman murders) been looking at ways to improve the process of Death Certification and indeed a new scheme was due to come into effect on 1st April 2012.

12. This date has now been put back to April 2013, mainly due to the fact that the P.C.T.'s (Primary Care Trusts) that have to administer the new system are to be abolished and that this role will pass to Local Authorities.

13. Further details regarding these changes can be seen in Appendix 3 with the main impact for Mounsett Crematoria being the changes to the paperwork required for Death Certification and that a Local Authority will need to establish a local medical examiner's service for their area.

Recommendations and Reasons

14. It is recommended that Member of the Mountsett Joint Committee:-

- Note the content of this report with regards to current performance of the crematorium.
- Note the current situation with regards to the Pre-Payment bond.
- Note the information with regards to the International Conference.
- Note the current situation with regards to the Death Certification changes.

Contact:	Ian Staplin, Superintendent and Registrar
Tel:	01207 570255

Appendix 1: Implications

Finance

As identified in the report.

Staffing-There are no implications

Risk- There are no implications

Equality and Diversity Public Sector Equality Duty- There are no implications

Accommodation- There are no implications

Crime and Disorder- There are no implications

Human Rights- There are no implications

Consultation

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

Procurement- There are no implications

Disability Discrimination Act- There are no implications

Legal Implications

As outlined in the report

Appendix 2: INTERNATIONAL CONFERENCE CREMATION AND BURIAL AUTHORITIES – BRISTOL 4th to 6th July 2011

The conference was opened by Lord Richard Grey who welcomed delegates from the U.K., Japan, America, France, Italy, Australia, Netherlands and Germany.

Revision of the PG/52 Guidance Note

The first paper was given by Andrew Mallalieu, Vice President of Facultative Technologies who examined the proposed changes to the PG5/2 Guidance notes which will affect all those who operate Crematoria:

The draft consultation document has been issued but key changes are likely to be the requirement to fit an individual gas meter to each Cremator, the Independent Testing to be carried out over 4 Cremations per Cremator and additional requirements for monthly and six monthly reports to be sent to the Regulator.

Death and Technology

Dr John Troyer, Deputy Director of the Centre for Death and Society gave an interesting paper about the connection between death and technology. It is possible for example to carry out on-line research for ancestors, look at Crematoria Websites, find locations of Cemeteries and Crematoria and so on. Public perception can be tested by the use of technology and in the case of Redditch Council who plan to use heat recovery equipment at the Crematorium to heat the nearby swimming pool, short time. Dr Troyer indicated that the public can be very understanding if new ideas are fully explained and can be justified.

British Crematoria in Public Profile

Professor Douglas Davies, from Durham University gave a very interesting paper which highlighted the changing patterns of Funerals over the past 16 years since the publication of a book - British Crematoria in Public Profile. During 2011, a survey had been sent to all Crematoria in the U.K. and the information gathered will provide a very vivid picture of the way in which Funeral Services are carried out, an example of this is the much greater involvement of families in the planning of Cremation Services, choosing music and readings and so on.

A revised version of the Book will be published in 2012.

Arnos Vale Crematorium and Cemetery

A most interesting paper was given by Juliette Randall, the recently appointed Chief Executive of the Arnos Vale Cemetery Trust. Following a £5.2 million restoration project, Arnos Vale is a national example of how a Victorian Cemetery can be brought back to its former glory.

The Crematorium buildings have also been restored and the original early 20th Century cremators can be viewed.

The Crematorium closed some 20 years ago as the Cremators could not meet emission requirements of the Environmental Protection Act 1990. The Cemetery has burial space available and so will now continue to operate, but the Crematorium is permanently closed for Cremation Services.

Coroners Inquests and Coronial Reform

Debbie Kerslake, Chief Executive of Cruse Bereavement Care, gave a very moving paper – assisted by a Film Presentation of how the Coroners Service is involved with families of soldiers killed in Afghanistan – following the process from the tragic news of the death of a soldier to the inquest.

The upshot with regard to Coroners reform however, is that at the present time the post of Chief Coroner will not proceed although the post will remain on the Statute Book.

All in Decent Order

This paper was given by The Right Worshipful Timothy Briden, Vicar General of the Province of Canterbury – was most interesting and focussed on the issues of substantive maintenance that is required in closed churchyards. The requirement for these churchyards to be maintained in good order by the Local Authority responsible and the fact that faculties for works to memorial walls etc., must be applied for. The advice for any work is talk to the Diocesan /Registrar before any works are commenced. It was pointed out, that for urgent works an emergency faculty can be applied for.

Heat Recovery from Cremators

This paper was given by Brian Heap of Goldray Ltd.; a Mechanical Engineer who has worked on a number of heat recovery installations at Crematoria in the U.K. Brian outlined the plans for the use of the flue gas heat to be used to heat the swimming pool at Redditch Crematorium. This project was the subject of nationwide headlines in March 2011, when the project was branded by the popular press as outrageous. The public asked about this however, locally in Redditch and feedback from National Radio on (Jeremy Vine show) and elsewhere was almost 100% in favour.

The project is expected to save Redditch Council some tens of thousands per year in heating costs.

Pamela Chilvers, the Bereavement Services Manager of Leamington Spa Crematorium, explained that a Heat Recovery System had been in use for some 15 years without any problem with public acceptance. A new system, recently installed includes a large hot water tank which heats the offices and Crematorium buildings and a bio mass boiler has also been installed, the whole system being computer controlled for maximum efficiency.

Contaminated Body Storage – Autopsy and Disposal

This paper was given by Dave Butler, the Technical Delivery Manager for K.B.R. – a large company that has contracts to supply temporary mortuary facilities with many local Authorities and also has a National Emergency Contract with the Home Office.

The temporary facilities are modular and can be designed to meet almost any requirements. K.B.R. work to the Safe Handling of Contaminated Bodies Guidance issued in 2009 by the Home Office. As a matter of interest, K.B.R. have a mobile cremator which is available for hire!

Improving the process of Death Certification

The Government has for some years, post Shipman, been looking at ways to improve the process of Death Certification and indeed a new scheme was due to come into effect on 1st April 2012. This date has now been put back to April 2013, mainly due to the fact that the P.C.T.'s (Primary Care Trusts) that have to administer the new system are to be abolished and that this role will pass to Local Authorities.

In October 2011, there will be a Public Consultation by the Department of Health and in May 2012. Regulations will be laid before Parliament – the Social Care Bill. In July 2012, the Regulations will be published after which there will be 9 months to plan and prepare for the implementation of the new system. Paul Adler, of the Department of Health, gave this paper but in answering questions after his presentation, it became clear that there are many unanswered questions including how the fee will be paid, to whom, how much, how Medical Examiners will be appointed, who will carry out the associated administrative tasks etc? A major ASK within a short timescale! These proposals will present a number of significant challenges to Local Authorities over the next 18 months, if the scheme is to commence as planned in April 2013.

Repatriation: Rhetoric v Reality

Emerson de Luca, Managing Director of Albin International Repatriation gave a most interesting talk on the repatriation service offered by his company. There are a number of repatriations from all parts of the world each day, which can be very challenging. Albin's is working towards the adoption of international standards which could make the process more straight forward and less traumatic for families involved. It is very clear however, that Albin's have the expertise to make the process of repatriation as straight forward as it possibly could be.

Tsunami - The Aftermath

Dr Soji Eguchi, Doctor of Engineering at Kyoto University and President of Taiyo Chikiro Industries gave a moving account of the aftermath of the Japanese Tsunami earlier this year. It is amazing that only days after the disaster, many roads had been rebuilt and power supplies restored to some areas. For other cases of courts it will take many years for the issues of those who have been affected to return to normal. Over 15,000 people were killed and after 3 days a special measure had been passed by Parliament to allow Cremation without a formal license.

Due to problems with gas and electricity supplies in some areas, local Crematoria could not operate and so bodies were sent to Crematoria in other parts of the country to avoid lengthy delays as far as 400 kilometres away.

This practical measure was of great help to assist timely disposal of many of those who died but in some areas, interment in trenches was carried out, as this was the only practical solution. Corpses were identified to allow future exhumations and disposal in accordance with family wishes.

Abate or Burden Share

Brendon Day, the CAMEO Manager, gave an update of the progress of installation of Mercury Abatement Plant throughout the country and the latest view on how the percentage of abated cremations will be audited.

AQ24 (05) recognises CAMEO as the National Burden Sharing Scheme Administrator. All Authorities and private companies that operate a Crematorium will be required to submit an annual return to CAMEO, commencing in January 2013.

The final "cost" of Abatement is yet to be agreed as a unit cost per Abatement Credit, Equipment by 31st December 2012 will have to purchase credits for 50% of the cremations carried out in 2013 and onwards based on the 2003 figure at each individual Crematorium.

As all auditing of Cremation Abatement figures are to be collated through CAMEO, the easiest and more efficient way for accurate information to be processed for individual Authorities is through Membership of the CAMEO scheme.

It seems likely that the total number of Abated Cremations in 2013 onwards will be around 70% of the total, therefore exceeding the Government's original target of 50%.

Ministry of Justice - Update

Judith Bernstein, Head of the Coroners, Burial, Cremation and Enquiries team at the Ministry of Justice – advised the conference that the Government had decided that the post of Chief Coroner is not affordable at this time, although the position will remain on the Statute Book.

Consultation on a Coroners Charter will begin in September and will be available on the Ministry of Justice website. It was confirmed that Local Authorities will be responsible for appointing Medical Examiners, but until the Social Care Bill is passed into Law the necessary revisions to the Cremation Regulation (England & Wales) 2008, cannot be made.

Judith Bernstein advised the conference that there had been a number of concerns raised about holding coffins over (delaying Cremation) where families had not been advised.

Day to day operation is not part of the Ministry of Justice remit but Authorities and Companies who do carry over from one day to another, must ensure that families are aware of the fact.

The Ministry of Justice is looking again at Legislation to allow the re-use of existing graves, and is likely to be holding a consultation exercise on this subject in due course. The Ministry of Justice does however have wide responsibilities and proposed reform in the areas of Prisons, Police and so on, which are likely to take priority over less vital matters.

Appendix 3: Death Certification Reforms:

New Duty on Local Authorities This document provides an overview of the death certification reforms and an update on work to prepare for implementation of these reforms from April 2013. It has been prepared for distribution to Local Authorities and Directors of Public Health. Additional information is provided in supporting notes at the end of the document.

The Department of Health is working with a wide range of organisations and groups to reform the process of death certification. These reforms, enabled by the Coroners and Justice Act 2009, will introduce a unified system of scrutiny by independent medical examiners of all deaths in England and Wales that do not require investigation by a coroner (i.e. similar for burials and cremations). The reforms, which are part of the Government's response to the Shipman Inquiry, will strengthen safeguards for the public, make the process of death certification simpler and more open for the bereaved and improve the quality of mortality data.

The Government is proposing to fund scrutiny by medical examiners on a cost-recovery basis through a statutory fee chargeable for all deaths that are not investigated by a coroner. This statutory fee, collected locally, would replace and make more effective use of the existing fee charged by doctors for the completion of cremation forms which will be removed by the new process. (These fees, which are around £160 for each cremation where applicable, amount to £46m per year across England and Wales).

The Coroners and Justice Act 2009 put a duty on Primary Care Trusts to appoint medical examiners for their area, establish a local medical examiners service, make arrangements to collect the proposed statutory fee and ensure achievement of required service standards and levels of performance. The new architecture of the NHS announced in October 2010 led to a ministerial decision to transfer these responsibilities to upper-tier local authorities through a provision in the Health and Social Care Bill. This decision was based on the need to maintain local control and independence and the belief that these essential criteria could not be met in any other way.

Local authorities will be able to use service models that are appropriate for their area; these models may include direct provision of a standalone function, commissioning the service from a healthcare provider that can assure independence, integration with existing related services and collaboration with neighbouring authorities to provide a combined service.

All medical examiners will be required to have at least 5 years post-qualification experience, a current licence to practice and relevant expertise based on the completion of prescribed e-Learning and face-to-face training. In most areas, medical examiners will need to be supported by officers or people providing an officer function. *Death Certification Reforms: New Duty for Local Authorities* the workload is considerable.

Current estimates suggest that up to 300 full-time equivalent medical examiners will be needed across England and Wales to scrutinise and confirm around 390,000 deaths per

year and provide advice to doctors on a further 40,000 deaths that are subsequently investigated by a coroner. It is anticipated that most medical examiners will be appointed on a part-time basis (for at least 8 hours a week) so that they can maintain their licence to practice through their other clinical duties and keep up to date more generally with clinical developments. On this basis, there may be a headcount of about 1,000 medical examiners across England and Wales.

The new process has been tested and refined in death certification pilots in Sheffield, Gloucestershire, Powys, Mid-Essex, Brighton and Hove, Leicester and Inner North London. The pilots have demonstrated that the new process can be introduced successfully and is able to achieve the aims of the reforms. Feedback from the pilots has been used to draft regulations and will be used in guidance to recommend ways that local authorities can address transitional issues in implementing the new process.

The pilot work suggests that an area with 5,000 deaths per year would probably require a team of 7 part-time medical examiners (providing 2-3 full-time equivalent posts) supported by ~3 full-time equivalent medical examiner's officers (or people providing this function). The cost of providing (or commissioning) the services needed in each area will be recovered from the proposed statutory fee and work is currently being carried out -with input from local authority representatives -to ensure that the level of fee set takes account of the costs of alternative service models and other local considerations.

The death certification regulations are now expected to be published for consultation in October 2011 and, subject to the Bill's Parliamentary passage, will be laid in Parliament in May / June 2012 with a commencement date of April 2013. The extended period between introduction and commencement is intended to provide time for local authorities to establish a local medical examiner's service for their area. The Department of Health will assist local authorities by providing a suggested outline of preparatory activities, and access to national and regional support.

The death certification programme is working with a wide range of stakeholders and is coordinated by a DH-led Steering Group that includes clinicians, coroners, NHS managers, public health as well as representatives from the funeral industry, bereavement services, local government and the relevant other government departments.

The Office for National Statistics is monitoring the impact of the new arrangements on official mortality statistics. Data from the pilot projects are being examined to estimate the likely size and nature of any systematic changes in frequency of specific causes of death due to the introduction of medical examiners. This work will continue during implementation to ensure that any artificial changes in cause of death statistics are recognised as such. Overall the process is expected to improve the quality and reliability of death statistics and their value for public health and other purposes.

Supporting Notes

The following notes are referenced in the summary provided above. For further details, please see general information at www.dh.gov.uk/deathcertification and, in particular, the Death Certification Programme's responses to feedback from local registration services and to FAQs from coroner's officers and staff. These responses will be published respectively at www.lrsa.org.uk and www.coronersofficer.org.uk and, if necessary, can be requested by email from deathcertification@dh.gsi.gov.uk.

1 Deaths that are "investigated" are those where a coroner's post-mortem examination is carried out and / or inquest is held because a coroner has reason to suspect that the deceased died a violent or unnatural death, the cause of death is unknown, or the deceased died while in custody or otherwise in state detention. Approximately 25% of deaths in England and Wales currently require investigation. A further 25% of deaths are currently notified to a coroner and require initial assessment including appropriate enquiries and consideration but do not require post-mortem examination or inquest.

2 It is generally accepted that the causes of death certified by a significant proportion of doctors are not sufficiently precise for epidemiological purposes and that many medical certificates of cause of death (MCCDs) are not completed fully and legibly. This view is based on published audits of medical certificates of causes of death (MCCDs) or of their counterfoils and feedback from local registration services and it is supported by analyses carried out on data collected by the areas piloting the death certification reforms. Whilst improved training for doctors in certification of death has some impact on the quality of causes of deaths and certificates, it is not sufficient and is too far removed from the specifics of each case to achieve the aims of the reforms.

<p>3 The Death Certification Programme acknowledges that concerns have been raised about the requirement for the proposed statutory fee. These concerns, outlined below, will be kept under review. However, at the current time, ministers have decided that the fee needs to remain as the preferred option for funding the new service; the key reasons for this decision are that it replaces (and extends) an existing fee that is largely ineffective and that in the current economic climate there is unlikely to be any viable alternative.</p> <p>Concern</p>	<p>Response / Action</p>
<p>Risk that a single standard fee will not enable cost-recovery in areas with different requirements and cost-structures.</p>	<p>Consideration of alternative options for structuring the fee to allow some local flexibility and / or recovery over a multiple year period.</p>
<p>Reputational risk to local authorities – particularly if the fee needs to include a variable local element.</p>	<p>Further discussion of concern and clear communication of purpose and benefits of reforms.</p>
<p>Local collection of the fee will create procedural difficulties and incur costs.</p>	<p>Alternative options identified and assessed for use by local authorities in making arrangements and estimating costs appropriate for their service model.</p>
<p>It is unclear what action needs to be taken if the fee is not paid.</p>	<p>Further discussion of concern – particularly in relation to timing /</p>

	arrangements for payment of fee where it is expected to be covered by a Funeral Grant from the Social Fund.
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Mountsett Crematorium Joint Committee

30 September 2011



Risk Register 2011/12



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. To provide an update on the current position with regards to the Risk Register of the Mountsett Crematorium Committee.

Background

2. A Risk Assessment report was presented to members at the February meeting which included a comprehensive risk register that identified all known risks of a Service and Operational nature, with all risks scored using the Durham County Council methodology approach to Risk Management. In approving the report, the Committee committed to regular monitoring and reporting of both strategic and operation risks.

Risk Assessment – September 2011

3. The Risk Register considered and approved by the Joint Committee on 4th February 2011 has been reviewed, reassessed and updated in accordance with the Durham County Council methodology/approach to Risk Management. This entails an assessment of both the gross and net risk from each area, the difference between the gross and net risk score being that the net risk result is after taking into account existing control measures.
4. In line with the previous report, two risk registers have been prepared, separately identifying Service and Operational risks.
5. Both sections of the Risk Register have been reviewed by the Risk Officer responsible for Neighbourhood Services and the Crematorium Manager. Net risk ratings have been agreed by consensus and actions to mitigate and/or tackle issues arising from the individual risks have been agreed for the forthcoming year.
6. The Service Risks (i.e. those that are key to the service achieving its strategic objectives and priorities for improvement, linked to service improvement plans and the budget setting cycle) have been plotted onto a risk matrix, based on Net Risk Scores. This is set out at Appendix 2. The risk matrix plots the risk to a grid based upon the assessment of likelihood and impact scores. The higher a risk is in the top right corner of the matrix the bigger a risk it is to the service.
7. All Strategic risks have low Net Scores and there have been no changes to the scores following the review. The risks are at tolerable levels.

8. Risk 8 (Service Risks) "Adverse inspection/ audit report" and Risk 15 "Lack of evidence for Employers Liability claims" have been closed as it was considered that these are generic management issues rather than risks to the Joint Committee.
9. As with Service Risks, the Operational Risks (i.e. those that are key to the operational areas of the service which relate to individual tasks carried out on a routine basis) have also been plotted onto a risk matrix and these are set out at Appendix 3.
10. As with the Strategic Risks, there have been no changes to Operational Net Risk Scores.
11. With regards to Risk 8 (Operational Risks) "Slips trips and falls", one action remains outstanding. As reported previously, the action to carry out training in risk assessments for ladder duties had been arranged but the course was cancelled. Further training was re-arranged to be completed by the end of March 2011 but again this training was cancelled. Further training dates are being scheduled by the Bereavement Services Manager. A copy of the risk assessment with regards to Risk 8 is attached for Members information.
12. There is one emerging risk to monitor and that relates to the Local Authority becoming responsible for implementing the changes required under the reform of Health & Social Care bill regarding Death Registration and that by December 2011 each Local Authority should have appointed someone to oversee these responsibilities. Further details will be provided to the next meeting of the Joint Committee.

Embedding Risk Management - Monitoring and Review

13. In order to ensure that risk management is embedded and that the risk register is kept up to date, regular reviews will continue to be carried out to ensure any new and emerging risks are identified, existing risks are removed if no longer appropriate and existing risks are reviewed taking into account current issues.

Conclusions

14. The original risk register has been revised and updated and rescored in accordance with Durham County Council criteria.

Recommendations

15. It is recommended that:-
 - Members of the Mountsett Joint Crematorium Committee note the content of this report and the updated position.
 - The Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.

Background Papers

- Risk Assessment – Report to Mountsett Crematorium Joint committee – 4th February 2011
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 23 September 2010
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 29 January 2010
- Risk Assessment – Report to Mountsett Crematorium Joint Committee – 12 June 2009
- External Audit Report – Report to Mountsett Crematorium Joint Committee – 30 October 2009

Contact(s): Paul Darby, 0191 383 6594
Ian Hault, 01207 218 733
Ian Staplin, 01207 570 255
Marian Shanks, 0191 372 7639

Appendix 1: Implications

Finance

There are no financial implications associated with this report. Exposure to financial risk is integral to the gross and net risk assessments undertaken and included in the Risk Registers attached at Appendix 3 and 4.

Staffing

There are no staffing implications associated with this report.

Risk

There are no implications in this report

Equality and Diversity / Public Sector Equality Duty

There are no implications in this report

Accommodation

There are no implications in this report

Crime and Disorder

There are no implications in this report

Human Rights

None

Consultation

Officers of Gateshead Council were consulted on the contents of this report.

Procurement

None

Disability Issues

None

Legal Implications

None

Appendix 2: Service Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible		12	3			
2	Unlikely	4	7,11,				
1	Remote		1,2,5,6,9	10			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
IMPACT							

Risk. No.	Risk – By Risk Number	Net Risk Score	Ranking
1	Not implementing changes in legislation	6	7
2	Non compliance with the new fire order	6	7
3	Impact on staff morale due to uncertainty over Job Evaluation and Single Status	21	1
4	Sickness absence of staff	8	5
5	Disclosure of confidential information through incorrect disposal/maintenance of information	5	10
6	Failure of Cremators	6	7
7	Power Failure	10	3
8	Adverse inspection/Audit report CLOSED Sept 2011		
9	Loss of Income/Money	5	10
10	Breakdown of Partnership	7	6
11	Loss of knowledge and ability to cover existing workload through premature staff loss	10	3
12	Managing Excess Deaths	12	2
13	Joint Committee fail to Harmonise Fees and Charges in line with Durham Crematorium CLOSED Sept 2010		
14	Administration Duties CLOSED Sept 2010		
15	Lack of Evidence for Employers Liability Claims CLOSED Sept 2011		

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
3	Impact on staff morale due to uncertainty over Job Evaluation and Single Status	21	1
12	Managing Excess Deaths	12	2
13	Joint Committee fail to Harmonise Fees and Charges in line with Durham Crematorium CLOSED Sept 2010		
7	Power Failure	10	3
11	Loss of knowledge and ability to cover existing workload through premature staff loss	10	3
15	Lack of Evidence for Employers Liability Claims CLOSED Sept 2011		
4	Sickness absence of staff	8	5
10	Breakdown of Partnership	7	6
1	Not implementing changes in legislation	6	7
2	Non compliance with the new fire order	6	7
6	Failure of Cremators	6	7
5	Disclosure of confidential information through incorrect disposal/maintenance of information	5	10
8	Adverse inspection/Audit report CLOSED Sept 2011		
9	Loss of Income/Money	5	10
14	Administration Duties CLOSED Sept 2010		

Appendix 3: Operational Risk Register

RISK MATRIX							
5	Highly Probable						LIKELIHOOD
4	Probable						
3	Possible		7				
2	Unlikely						
1	Remote	8	2,3,4,5	1,6			
		Insignificant (Score 1-3)	Minor (Score 4-6)	Moderate (Score 7-9)	Major (Score 10-12)	Critical (Score 13-15)	
		IMPACT					

Risk. No.	Risk – By Risk Number	Net Risk Score	Ranking
1	Injury to staff and visitors	7	2
2	Exterior Pathways and Steps	5	5
3	Use of hand tools and machinery for gardening	5	5
4	Cleaning Duties	5	5
5	Violence/Assault from Member of the Public	6	4
6	Fire	7	2
7	Risk Assessments and Reviews not undertaken	10	1
8	Slips, trips and falls	3	8

Risk. No.	Risk – Ranked by Net Risk Score	Net Risk Score	Ranking
7	Risk Assessments and Reviews not undertaken	10	1
1	Injury to staff and visitors	7	2
6	Fire	7	2
2	Exterior Pathways and Steps	5	5
3	Use of hand tools and machinery for gardening	5	5
4	Cleaning Duties	5	5
5	Violence/Assault from Member of the Public	6	4
8	Slips, trips and falls	3	8

DESCRIPTION OF RISK		
Business Unit	Mountsett Crematorium (Joint Risk – Durham CC & Gateshead MBC)	
Risk	8	
Risk Owner	Ian Staplin	
Detail of Risk	Operational Risk - Slips, Trips and Falls	
BACKGROUND TO RISK EVENT		
Risk Causes	<ul style="list-style-type: none"> Manual handling Tripping hazards Step ladders 2 rung 	
Potential Impact	<ul style="list-style-type: none"> Injury to staff 	
GROSS RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Delivery Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Gross Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Gross Risk Score (Total Impact * Likelihood)	3	
Existing Control Measures		
<ul style="list-style-type: none"> Regular inspections of office and work areas carried out. Ensure training is kept up to date Manual handling training provided where appropriate Staff issued with Manual Handling Risk Assessment Good Housekeeping – walkways kept clear at all times. 		
NET RISK ASSESSMENT		
Financial Impact (1 to 5)	1	
Service Impact (1 to 5)	1	
Stakeholder Impact (1 to 5)	1	
Total Net Impact Score (sum above)	3	
Likelihood (1 to 5)	1	
Total Net Risk Score (Total Impact * Likelihood)	3	
CONCLUSION		
<ul style="list-style-type: none"> TOLERATE / TRANSFER / TREAT / TERMINATE 		
CONTROL IMPROVEMENTS/ ACTIONS		
Activity	Responsible	Timescales
1. Risk Assessments training to be carried out for ladder duties	G Harrison	31/03/12
Completed by		Date
T Maddison/ Ian Staplin		05/09/11

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Mountsett Crematorium Joint Committee

30 September 2011

Financial Monitoring Report – Position at 31/08/11, with Projected Outturn at 31/03/12



Joint Report of Terry Collins – Corporate Director: Neighbourhood Services; Don McLure – Corporate Director: Resources and Treasurer to the Joint Committee.

Purpose of the Report

1. The purpose of this report is to set out details of income and expenditure in the period 1 April 2011 to 31 August 2011, together with the provisional outturn position for 2011/12, and highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2011 and forecast outturn position at 31 March 2012, taking into account the provisional financial outturn.

Background

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

Financial Performance

4. Budgetary control reports, incorporating outturn projections, are considered by Neighbourhood Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers monthly 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.
5. The figures contained within this report have been extracted from the General Ledger, and are provisional at this stage, they have been scrutinised and supplemented with information supplied by the Superintendent & Registrar. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2011/12 £	Year to Date Actual – April – August £	Probable Outturn 2011/2012 £	Variance Over/ (Under) £
Employees	114,615	44,233	109,565	(5,050)
Premises *	110,935	18,526	98,700	(12,235)
Transport	300	0	100	(200)
Supplies & Services *	50,685	16,297	50,010	(675)
Agency & Contracted	17,415	14,569	10,415	(7,000)
Central Support Costs	22,200	0	22,200	0
Gross Expenditure	316,150	93,625	290,990	(25,160)
Income	(561,540)	(198,865)	(586,980)	(25,440)
Net Income	(245,390)	(105,240)	(295,990)	(50,600)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	65,500	0	116,100	50,600
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	0	107,178	0
35% Gateshead Council	57,712	14,428	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2011 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2012 £
Repairs Reserve	14,215	15,000	0	29,215
Cremator Reserve	279,239	116,100	0	395,339
Total	293,454	131,100	0	424,554

* A budget transfer of £4,100 has been undertaken in relation to Premises Insurance. The original budget incorrectly included these costs within Supplies and Services, however this is now included under the premises Subjective Analysis heading.

Explanation of Significant Variances between Original Budget and Forecast Outturn

9. As can be seen from the table above, the projected outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £295,990 against a budgeted surplus of £245,390, £50,600 more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

9.1 **Employees**

The probable outturn is showing an anticipated **saving of (£5,050)** against the approved budget. These savings are as a result of the revised working patterns (including the change in working requirements during the winter months) that were implemented last year but which are not reflected in the 2011/12 base employees budget.

9.2 **Premises**

An under spend of (£12,235) is projected in relation to Crematorium premises costs. This is as a result of the following:

- Utility costs of gas, electricity and water are anticipated to result in an under spend against budget of **(£6,235)**.
- The historic **(£6,000)** budget in relation to Water Seepage Repairs will not be required during 2011/12. (This budget has not been utilised for a number of years, therefore it may be prudent to remove during the 2012/13 budget setting process)

9.3 **Supplies and Services**

An under spend of (£675) is projected in relation to Supplies and Services. The reasons for this are identified below:

- The collective equipment, postage, printing and stationery budgets are anticipated to under spend by **(£3,000)**
- The Wesley Music system has cost **£1,450** additional to the budgeted sum as a result of maintenance costs. Additional charges to the previous year's budget were identified during the 2010/11 closedown period. This variance was identified after the 2011/12 budget was set
- The projected increase in cremations (identified in the Income element below) has resulted in anticipated additional medical referee costs of **£875**

9.4 **Agency and Contracted**

As a result of the revised working practices/ duties undertaken by crematorium staff during 2010/2011, it is anticipated that an element of the Grounds Maintenance budget will not be required during this financial year. It should be noted however, an element has been retained to cover the anticipated costs in relation to Winter Maintenance and snowing clearing. The outturn therefore indicates a prudent anticipated saving of **(£7,000)**.

9.5 **Income**

The base budget assumes a total of 1133 cremations during 2011/12. Taking into consideration the numbers to date and also previous years trends in relation to the forthcoming months, it is anticipated that a further 53 cremations (to budget) will be undertaken during the year. This results in an additional **(£25,440)** income against the base budget.

Members will recall the approval for the development of a Memorial Garden at Mountsett Crematorium at the meeting held on 29th July 2011. Whilst it is anticipated that an income from the sale of memorials will materialise during the 2011/12 financial year, it has not, at this point been factored into the provisional outturn.

9.6 ***Earmarked Reserves***

Contributions from the revenue surplus towards earmarked reserves are forecast to be **£50,600** additional to budget. This is as a result of the net savings and additional income identified above.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2012 are forecast to be **£424,554**, representing a £131,100 (45%) increase over the opening position at 1 April 2011.

Recommendations and reasons

10 It is recommended that:-

- Members note the budget virement regarding the Premises Insurance costs.
- Members note the April to August 2011 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2012.

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Appendix 1: Implications

Finance

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

Staffing

There are no staffing implications associated with this report.

Risk

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Superintendent and Registrar. 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 Superintendent and Registrar, should mitigate the risks associated with achievement of the forecast outturn position.

Equality and Diversity / Public Sector Equality Duty

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

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

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

Human Rights

There are no Human Rights implications associated with this report

Consultation

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

Procurement

None

Disability Issues

None

Legal Implications

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

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