



## **Mountsett Crematorium Joint Committee**

**Date** Friday 29 July 2011  
**Time** 9.30 am  
**Venue** Mountsett Crematorium - Dipton, Stanley, Durham

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### **Business**

#### **Part A**

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

1. Minutes of the Meeting held on 17th June 2011. (Pages 1 - 6)
2. Declarations of Interest, if any.
3. Report of the Superintendent & Registrar (Pages 7 - 12)
4. Proposals for a Memorial Garden. (Pages 13 - 24)  
Joint Report of the Bereavement Services Manager and  
Superintendent & Registrar.
5. QTR 1 Budgetary Control Report & Projected Outturn. (Pages 25 - 28)  
Joint Report of the Corporate Director, Neighbourhood Services and  
Corporate Director, Resources.
6. 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  
21 July 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.

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**DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in the Bridges Room, Civic Centre, Gateshead on **Friday 17 June 2011 at 10.00 am**

**Present:**

**Councillor O Temple (Chair)**

**Members of the Committee:**

**Durham County Council**

Councillors A Bainbridge, J Hunter, O Johnson and J Wilson

**Gateshead Council:**

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

**Apologies:**

Apologies for absence were received from:-

**Durham County Council**

Councillors J Docherty, M Hodgson and J Nicholson

**Gateshead Council**

Councillors K Dodds, M Gannon and J Hamilton

**1 Membership of the Joint Committee**

Members were advised that following the Annual Meetings of Durham County Council and Gateshead Council membership of the Joint Committee had remained unchanged.

**Resolved:** That the membership of the Joint Committee be noted.

**2 Appointment of Chair for the Ensuing year**

Nominations were requested for the position of Chair of the Joint Committee.

Councillor Ronan moved and Councillor Davidson seconded that Councillor Temple be re-elected as Chair for the forthcoming year.

**Resolved:** That Councillor Temple be elected as Chair of the Joint Committee.

**3 Appointment of Vice-Chair for the Ensuing year**

Nominations were requested for the position of Vice-Chair of the Joint Committee.

Councillor Ronan moved and Councillor Davidson seconded that Councillor Dodds be appointed as Vice-Chair for the forthcoming year.

**Resolved:** That Councillor Dodds be elected as Vice-Chair of the Joint Committee.

#### **4 Declarations of Interest, if any**

There were no declarations of interest.

#### **5 Minutes of the Meeting held on 21 April 2011**

The minutes of the meeting held 21 April 2011 were confirmed as a correct record and signed by the Chair.

#### **6 Report of the Superintendent & Registrar**

The Superintendent and Registrar presented his report which provided the Joint Committee with a quarterly update relating to performance and other operational matters (for copy see file of minutes).

##### **Performance Update**

Copies of the schedule of cremations had been circulated and Members were advised that there had been a slight increase on the comparable period last year.

##### **Operational Matters**

###### **Recycling of Orthopaedic Implants and Non-Ferrous Metals:**

The Joint Committee had previously agreed to participate in a scheme for the recycling of orthopaedic implants and non-ferrous metal to provide a convenient way to recycle these metals and reduce the carbon footprint of the Crematorium. Members were advised that the recycling containers would be delivered during the company's next collection in the North East which would be in July.

###### **Grounds Maintenance:**

The grass cutting season was well underway and the Superintendent and Registrar was pleased to report the continuing positive comments from visitors in relation to grounds maintenance.

###### **Potential for a Memorial Garden:**

Members were reminded that the Joint Committee had previously agreed the development of a business case for the creation of a Memorial Garden. In the intervening period initial plans had been drawn up and options would be presented to the next meeting of the Joint Committee for consideration.

##### **Resolved:**

- (i) That the current performance for the Crematorium be noted.
- (ii) That progress in relation to the recycling of orthopaedic implants and non-ferrous metals be noted.

- (iii) That the continual improvements in relation to grounds maintenance be noted.
- (iv) That the progress made in relation to the Memorial Garden be noted.

## **7 Forward Plan 2011/12**

The Head of Finance, HR and Business Support, Neighbourhood Services, presented the report which set out proposals for a suggested forward plan of meetings (for copy see file of minutes). A proposed schedule of meetings showing the reports which would be presented had been circulated.

Members commented that in the past the Joint Committee had occasionally met at the Crematorium and felt that it would be useful to continue to do so, perhaps once per year. A suggestion was made that as proposals for the Memorial Garden were to be considered at the July meeting that would be an ideal opportunity to meet at the Crematorium.

### **Resolved:**

- (i) That the schedule of meetings as circulated be approved.
- (ii) That the July meeting of the Joint Committee be held at Mountsett Crematorium.
- (iii) That in future years, at least one meeting per year be held at the Crematorium.

## **8 Annual Internal Audit Report 2010/2011**

The Audit Manager, Resources, presented this report which requested Members to consider the Mountsett Crematorium Joint Committee Annual Internal Audit Report for 2010/2011, copies of which had been circulated (for copy see file of minutes).

The Joint Committee was advised that the Assurance level for the review had been classed as Substantial which meant that the internal control systems in place were working effectively however some low risk, minor weaknesses had been identified which, if addressed, would further assist the Joint Committee's system objectives.

The Audit Manager also advised Members that the audit process was changing and in future years would be more risk based and that revisions had been made to the Internal Audit Charter, programme of works and level of fees, details of which had been circulated.

The Chair noted that the achievement of a Substantial rating was very pleasing and asked that the Joint Committee's congratulation be passed to the staff responsible.

### **Resolved:**

- (i) That the Annual Internal Audit Report and the overall opinion provided on the adequacy and effectiveness of the Joint Committee's control environment for the year 2010/2011 be noted.

- (ii) That the revised Internal Audit Charter, programme of work and level of fees for the year 2011/2012 be approved.

## **9 Response to the 2010/2011 Internal Audit Report**

The Head of Finance, HR and Business Support, Neighbourhood Services, presented this report which set out the response to the Internal Audit Report for Members' consideration (for copy see file of minutes).

The Internal Audit Report had provided Substantial Assurance on the Joint Committee's systems of internal control highlighting only very minor governance and internal control issues which had been classified as low risk. It was considered desirable however to address these minor weaknesses to strengthen the system of internal control and an action plan had therefore been produced addressing the following:-

- Adjustments should be made to ensure all Book of Remembrance income correctly accounted for VAT.
- Application forms should be signed by the Funeral Director.
- Dates of when ashes were collected must be recorded on the collecting form together with the signature of the person collecting the ashes.
- Consideration should be given to the development of a Service Asset Plan.

A number of these actions had already been implemented and the action plan further indicated the Joint Committee's level of commitment in ensuring all systems of internal control were as robust as possible.

**Resolved:** That the Internal Control requirements and the action plan contents, both implemented and required with regards to addressing the Internal Audit recommendation be noted.

## **10 Review of the Effectiveness of the System of Internal Audit for 2010/11**

The Head of Finance, HR and Business Support, Neighbourhood Services, presented this report which updated the Joint Committee on revisions to the review of the effectiveness of the system of internal audit which had been considered in February 2011, a number of areas having improved, mainly as a result of the approval of the Service Level Agreement and Internal Audit Charter (for copy see file of minutes).

Members were advised that a review of Durham County Council's system had been undertaken and reported to the Council's Audit Committee. A copy of the review had been made available to the External Auditor however the External Auditor had made recommendations that about the need for the Joint Committee to review its own terms to ensure that they included the expected role and responsibilities of an audit committee. Members were therefore asked to consider whether they were satisfied with the effectiveness of the system of Internal Audit and to consider whether it was felt necessary to establish an audit committee to undertake further assurance work. The Head of Finance, HR and Business Support explained to the Joint Committee that there was no statutory requirement to have an audit

committee, however if Members were minded to establish one, it would be good practise to appoint an independent co-opted member or members.

The Chair enquired whether Members felt that it was necessary to establish an audit committee. During discussion, Members commented that they were satisfied with the effectiveness of the current systems and did not feel it necessary to establish such a committee.

**Resolved:** That the Joint Committee is satisfied with the effectiveness of the current system of Internal Audit and does not consider it necessary to establish a separate audit committee.

## **11 2010/11 Annual Governance Statement**

The Head of Finance, HR and Business Support, Neighbourhood Services presented this report which provided details of the Annual Governance Statement (AGS) for the year 2010/2011 (for copy see file of minutes). The AGS needed to be formally approved by Members as part of the consideration of the Statement of Accounts and Small Bodies in England Annual Return 2010/2011. Copies of the AGS had been previously circulated. This drew on evidence from the Internal Audit report, external assessments etc; plus the reports and business of the Joint Committee during the year.

The Crematorium Joint Committee had adopted and operated under a code of corporate governance which was consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' and the AGS explained how the Joint Committee complied with the code and met the requirements of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendments)(England) Regulations 2006 in relation to the publication of a statement on internal control. The Annual Governance Statement included a review of the governance arrangements in place and identified that there were no significant governance issues/weaknesses to correct.

**Resolved:** That the Annual Governance Statement be approved and signed by the Chair.

## **12 Revenue Outturn & Statement of Accounts for the Year Ended 31 March 2011**

The Head of Finance, HR and Business Support, Neighbourhood Services, presented this report which sought approval of the Small Bodies in England Annual Return and supporting Statement of Accounts, copies of which had been circulated (for copy see file of minutes).

The Annual Return would be subject to external audit by the Joint Committee's appointed external auditors, with the audit due to commence on 8 July 2011.

The Annual Return and Statement of Accounts had been prepared considering the requirements of the 2010/2011 'Code of Practice on Local Authority Accounting in Great Britain' as updated and published by the Chartered Institute of Public Finance and Accountancy.

Members were reminded that quarterly budgetary control reports had been considered throughout the year and a provisional outturn report had been presented to Members in April 2011. Details of the final outturn position as incorporated into the Statement of Accounts had been circulated with the papers.

**Resolved:** That the outturn position as set out in the report be noted.

### **13 2010/11 Small Bodies Return**

The Head of Finance, HR and Business Support, Neighbourhood Services, explained to Members that the Small Bodies in England Annual Return required signing by the Chair following approval by the Joint Committee.

**Resolved:** That the Small Bodies in England Annual Return for 2010/2011 be approved and signed by the Chair.



**Mountsett Crematoria Joint Committee**

29 July 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.
2. To outline proposals for the introduction of a pre payment bond cremation bond for service users.

**Performance Update:**

**Number of Cremations**

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

	2010/2011	2011/2012	Change
	QTR1 [Apr- June]	QTR1 [Apr- June]	
APRIL	91	89	-2
MAY	90	103	+13
JUNE	92	103	+11
<b>TOTAL</b>	<b>273</b>	<b>295</b>	<b>+22</b>

Gateshead	80
Durham	182
Outside Area	33
<b>Total</b>	<b>295</b>

3. In summary there has been 295 cremations undertaken this quarter, compared to 273 in the comparable period last year an increase of 22.

## **Operational Matters**

### **Recycling of Orthopaedic Implants and Non-Ferrous Metals**

4. In the report to the Joint Committee 4<sup>th</sup> February 2011 agreement was to participate in this scheme to provide a convenient way to recycle precious metals and to reduce the carbon footprint of the Crematorium. Recycling bins have been delivered and are in operation.

### **Closed Circuit Television**

5. During a recent site visit from ADT, they have informed us that an update to the existing ADT Closed Circuit Television (CCTV) is required. The Current system has been installed since April 1999 and the system is still usable but quality of picture is poor. The cost for supplying, installing and commissioning this upgrade work is £1475.00 and not accounted for in the existing revenue budget but is offset currently by the additional income from cremations to date.

### **Green Flag award**

6. The Green Flag Award scheme is the benchmark national standard for parks and green spaces in the UK. It was first launched in 1996 to recognise and reward the best green spaces in the country. The first awards were given in 1997 and, many years later; it continues to provide the benchmark against which our parks and green spaces are measured. It is also seen as a way of encouraging others to achieve high environmental standards, setting a benchmark of excellence in recreational green areas.
7. The latest assessment of Durham County Council parks and green spaces resulted in ten sites being awarded green flags in 2010. Ranging from railway paths and cemeteries to picnic sites and traditional parks, the awards reflect the high standards of maintenance needed to keep the sites looking good and also the involvement of local communities. The Central Durham Crematorium was entered for the 2011 award and results expected at the end of July.
8. Mountsett Crematorium is felt to be at an excellent standard where a Green Flag application could be made if a management plan is written for the site to be judged and if successful awarded a Green Flag in 2012.
9. The Management Plan would need to be written in the autumn and the application would be made in January 2012. There would be very little investment required apart from general repairs and maintenance, however there is a cost associated with the application and in 2011 the cost of the application was £175. If agreed the management plan will be developed and brought back to the MCJC this would also identify any future development needs.

## Mountsett Crematorium Pre-Payment Cremation Bond

10. There are a large number of Pre – Payment Funeral Plans taken out by the Public, offered by one of the many Providers in this area, namely Golden Charter, Co-operative Funeral Care, Dignity and Age Concern. The challenge for a Funeral Director in this regard is that after several years the value of the plan may not be enough to pay for the whole costs of the Funeral. One of the most expensive dispersements is the cremation fee which is often a cause of concern to families who have thought that the full fees would have been covered by such a plan sold by the Funeral Directors.
11. The suggestion therefore is to introduce a new scheme which will help to secure future business in the form of a Pre- Payment Cremation Bond and would need to be sold at a premium to the standard cremation charges, as it relates to future prices of cremation. It is suggested that this be £100 above the current total cremation fee plus a £20 administration fee which equates to a circa 20% premium, with this being reviewed annually at the same time as the other Fees & Charges.
12. The Cremation Bond would be issued in the name of the person who wished to be cremated at Mountsett Crematorium in the future and the Terms & Conditions of use would be that it was not transferable. If a refund was requested at any time in the future, this would be in the sum originally paid less the administration fee. A Register would be kept and the Certificate issued to either the purchaser directly or to the Funeral Director holding the family's Pre- payment Funeral Plan.
13. At present, the County Council does sell Exclusive Rights of Burial in advance in the form of Reserved Grave Spaces which are available across the County Cemeteries where space is available. There is at the moment, no premium charged on the current fee of £546. (This fee does not however include the cost of interment). There is a facility whereby the Exclusive Right of Burial can be purchased in three instalments, the Deed of Right not being issued until the full fee has been paid.
14. In attempting to benchmark this suggestion we have been unable to find any local authorities who run a comparable scheme and this appears to be an innovation.
15. The potential “sales” numbers have been estimated based on informal discussions with Funeral Directors in the Durham area and with the MD of Golden Charter (one of the largest suppliers of Funeral plans that are marketed through independent Funeral Directors). Based on these discussions the expected range could be between 20 and 40 Pre- payment Cremation Bonds per month at a current (£480 + £100) £580 plus the admin fee of £20, providing an income of between £11,600 to £23,200 per month. All the Funeral Directors approached informally, would be very interested in purchasing a Bond for each of the pre-payment plans that they sell.
16. This money would be placed in receipt in advance and called upon during the year that the Bond was redeemed, before the “year end”. The scheme would allow substantial cash prepaid Reserve to be built up, which would attract interest. This reserve would also protect from the redemption of Bonds in the future and the potential reduction of ongoing revenue.

17. The main benefit of offering this scheme to families is the opportunity for individuals/families to purchase their cremation in advance, reducing the financial burden on their family, which is particularly important at a time of general hardship for our communities.
18. The main benefit to Mountsett Crematorium is the securing of future cremations at a time when families are more cost conscious. A further advantage currently is the lower fees at Mountsett when compared to the immediate competition and this could also make the purchase of a Mountsett Crematorium Bond a very attractive proposition.
19. The risks are believed to be minor, given that the age profile of the majority of purchases of Pre-paid Funeral Plans are between their late 60's to early 70's. One risk is if the rate of inflation increased way above current predictions, leaving the Bond Fee looking very cheap. However, the fact that a 20% premium front loaded at the point of sale, plus interest earned, this risk is considered to be low. There will also be an annual review of fees and charges that would take inflation into account and maintain the £100 premium mark up.
20. This scheme has recently been accepted by the Central Durham Joint Committee on 29<sup>th</sup> June 2011 and if accepted by MCJC it would be proposed to start this service from 1<sup>st</sup> October 2011 and ties in with the current bereavement consultation and a review of a similar scheme for burials also.

### **Recommendations and Reasons**

21. 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 progress with regards to the recycling of orthopaedic implants and non-ferrous metals.
- That Members agree to enter Mountsett into the Green Flag Award in 2012 and a management plan developed for a meeting prior to entry outlining any future development.
- To consider and agree the introduction of a Pre-Payment Bond which will be offered from 1<sup>st</sup> October 2011.

### **Background Papers:**

<b>Contact:</b>	<b>Ian Staplin, Superintendent and Registrar</b>
<b>Tel:</b>	<b>01207 570255</b>

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**Appendix 1: Implications**

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**Finance**

As identified in the report.

**Staffing**

There are no staffing implications associated with this report.

**Risk**

None

**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 Issues**

None

**Legal Implications**

As outlined in the report

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## Mountsett Crematoria Joint Committee

29 July 2011

### Business Case for the Development of a Memorial Garden



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### Report of Graham Harrison, Bereavement Services Manager & Ian Staplin, Superintendent and Registrar to the Mountsett Crematoria Joint Committee

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#### Purpose of the Report

1. To set out for consideration proposals for the creation of a memorial garden, within the grounds of Mountsett Crematorium, following the Joint Committees recommendation (4<sup>th</sup> Feb 2011) to develop a business case for this.

#### The Demand for Memorial Gardens

2. The Demand for memorial gardens has long been recognised and many crematoria have been fulfilling this need for many years. Families who are bereaved very often find comfort in being able to visit a "special" place, which is marked. This place can be marked by a rose, bush, shrub or by some plaque or even by laying of flowers in the area where the cremated remains were scattered.
3. The decision not to provide memorials at Mountsett, other than the book of remembrance historically was due to the open "parkland" aspect of the grounds and that it did not easily lend to a formal pattern. Mountsett Crematorium Joint Committee have previously never formally considered the development of a memorial garden scheme before.
4. Since 1966 when the crematorium first opened until 1984 approximately 10 % of the cremated remains were taken away. The trend over the past 25 years or so has increasingly been for more remains to be removed from the crematorium to other places. Approximately over 45 % of remains are currently taken away, compared to 66% nationally. The fact that the Crematorium at Mountsett is unable to provide memorials is a contributory factor in the big increase in cremated remains being removed. This has an impact with regards to cremated remains being interred in cemeteries which is on the increase, using up burial space which is one of the key issues highlighted in the recent Bereavement Services Consultation.
5. The provision of a well-planned and maintained formal garden providing a choice of memorials is likely to be popular. Durham Crematorium introduced a memorial garden in 2000 and during the first twelve months sold over 204 plaques. Demand was so strong that they had to construct a second memorial garden in 2008.

6. At the Durham Crematorium the average number of plaques that have been sold is 190 / year over the last ten years, since the first memorial garden was commissioned. There were more plaques sold the first year as many people took the opportunity to have a plaque that was not available before so around 170 per year would be a more accurate figure. This works out that around 8% of cremations carried out produce a plaque sale out of 2,282 cremations carried out each year. The average cost of each plaque has been around £65.00

### **Design of Memorial Garden**

7. The location of a potential memorial garden is shown in Appendix 2. The garden would be close to the building which houses the book of remembrance, but would not interfere with the magnificent views.
8. In formulating proposals for the garden, it has been important to set out a number of guiding principles. The following design requirements for the garden have been addressed:
- It should be compact, well defined area which would provide shelter and comfort to visitors in a high quality environment.
  - It should relate well to the grounds as a whole and the building in particular.
  - Opportunities should be provided to incorporate a wide range of memorials which may be added over time without disturbance to the gardens.
  - Easy access for all from the chapel and car park should be provided.
  - It should be a very attractive area using high quality planting with all year around interest.
  - It should allow for the possible future extension if required.
  - During construction of the garden, noise and disturbance should be kept to a minimum.
  - It should be maintained to a high standard throughout the year.
9. The shape of the potential garden would echo the shape of the book of remembrance building and the design should reflect this, with an octagonal outdoor “room” enclosed by walls and planting.
10. The space around the outside of the garden is very important for two reasons. As well as providing access and an opportunity for designing a suitably gentle approach to the garden, the external edges to the garden will be utilised for memorials landscaped to the same high standards.
11. Any development proposed would be at the same level as the existing book of remembrance building. The entrance of the garden would reflect the aspects of the garden and provide a framed view into the garden along with a comfortable space for quiet reflection.

### **Types of Memorial and Potential Income**

12. The potential garden has been designed to provide space for a range of memorials, which will be attractive to the public. The types of memorials that are proposed can be seen in Appendix 3 and would be as follows:



- Plaques fixed either side of the walls
- Vase blocks edging paths within the garden
- Vase blocks around the garden
- Columbarium units

13. It is important to learn from the experience of other crematoria. For example, although the memorial garden at Darlington has been very successful and well laid out, it sold off the memorials in perpetuity, which means that the space available is shortly to run out and no further income could be gained via renewals. Therefore as with Durham Crematorium, any proposed memorial garden would involve a lease / fixed term with plaques being maintained for a ten year period after which lessees would be given the option to renew for a further period of ten years at the appropriate fee.
14. The costs to the family would cover two elements, firstly the cost of the plaque which would be facilitated through the Crematorium and include the cost of supply and fix and secondly the lease costs for ten years. After the ten years an option to purchase and extension/renewal to the lease is available to the families at a cost. This renewal charge needs setting and reviewed annually but Durham crematorium has not done so as yet.
15. The potential sales, based on the experience of Durham Crematorium, are the plaques themselves and it is suggested that Mountsett should charge £247.60 (inc VAT) for a small 12" x 3" and £397.60 (inclusive of VAT) for a 12" x 6" plaque, which would cover the cost of initial fixing and maintenance (cleaning etc) for ten years, which is broadly in line with other Crematoria who charge between £400 and £600 for a 10"x 18" plaque. For the vases and columbarium it is suggested that the charge is set at the same level as Durham and in line with other crematorium at £593.20 & £1240 respectively (Inc VAT).
16. To provide a view of the potential income last year Durham Crematorium sold 183 memorials equating to £66,018.02. It is anticipated that the likely income to Mountsett would be half this, due to the lower number of cremations handled by Mountsett.

## **Option Appraisal**

### **Option 1**

17. 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 also provides 38 metres of edge and the potential for up to 152 vases or up to 63 columbarium depending on the number of each sold. A plan of the location and orientation of the wall can be seen in Appendix 5.
18. Indicative costs have been outlined in Appendix 4 and detail the works required but are estimated at £48,000 for the initial construction.

19. The potential sales for a wall of this size range due to the number of vases or columbarium's sold and is estimated at between £69,000 and £89,000 if full sold. This then provides an overall surplus of between £21,000 and £41,000.

## **Option 2**

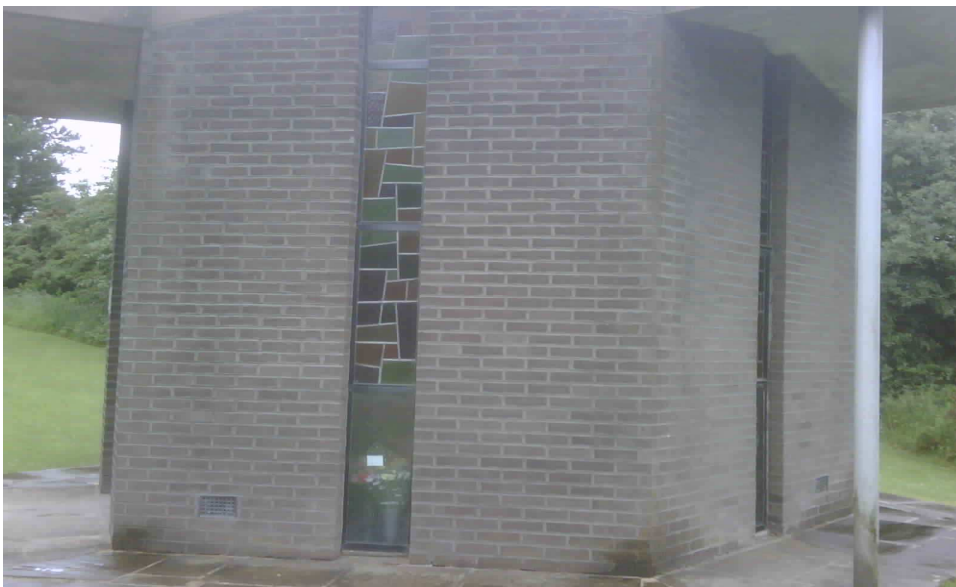
20. To utilise the existing exterior walls of the book of remembrance building (see photo below) and would be a quick and no cost way of allowing memorial plaques without having the need for any capital expenditure and could give Members an indication of the demand from the public at Mountsett.

21. 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 has been carried out and confirmed it is suitable.

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

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

24. It would be 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.



## **Option Recommendation**

25. Options 1 has an initial financial requirement of £48,000 to build the walls required and there are three main options to achieve this.

- a. Use of available reserves, which stood at £293,454 at 31<sup>st</sup> March 2011. This approach reduces the reserves that are at a low level and are being increased to develop a fund for the replacement of the existing cremators.
- b. Use prudential borrowing through a capital scheme, which would incur annual financing charges of approximately £6-8k.
- c. Change costs to the revenue account and hope that this is offset by additional income. This option is not advised / extremely risky in the current budgetary climate.

26. Option 2 provides for no initial outlay to provide memorial plaques as it utilises the existing facilities, it also generates the same net income at the lower estimates over the life of the memorial walls and subsequently is the least risky.

### **Publicity**

27. As part of this important initiative to improve and extend services at the Crematorium within attractive gardens, the production of a brochure is seen as essential for both public relations and to promote the type of memorial available.

### **Recommendations and Reasons**

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

- Consider and agree to 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.
- Consider and agree to extend pathway around book of remembrance if demand for vase blocks and columbarium units are requested by families using available reserves to finance this work.
- Consider and agree the adoption of fees and charges for plaques as per Appendix 6
- Consider and agree for the income received from this initiative to be placed in a memorial garden reserve for potential future expansion at a later date.

### **Background Papers:**

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<b>Contact:</b>	<b>Graham Harrison, Bereavement Services Manager</b> <b>Ian Staplin, Superintendant and Registrar</b>
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## **Appendix 1: Implications**

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### **Finance**

As identified in the report.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

None

### **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

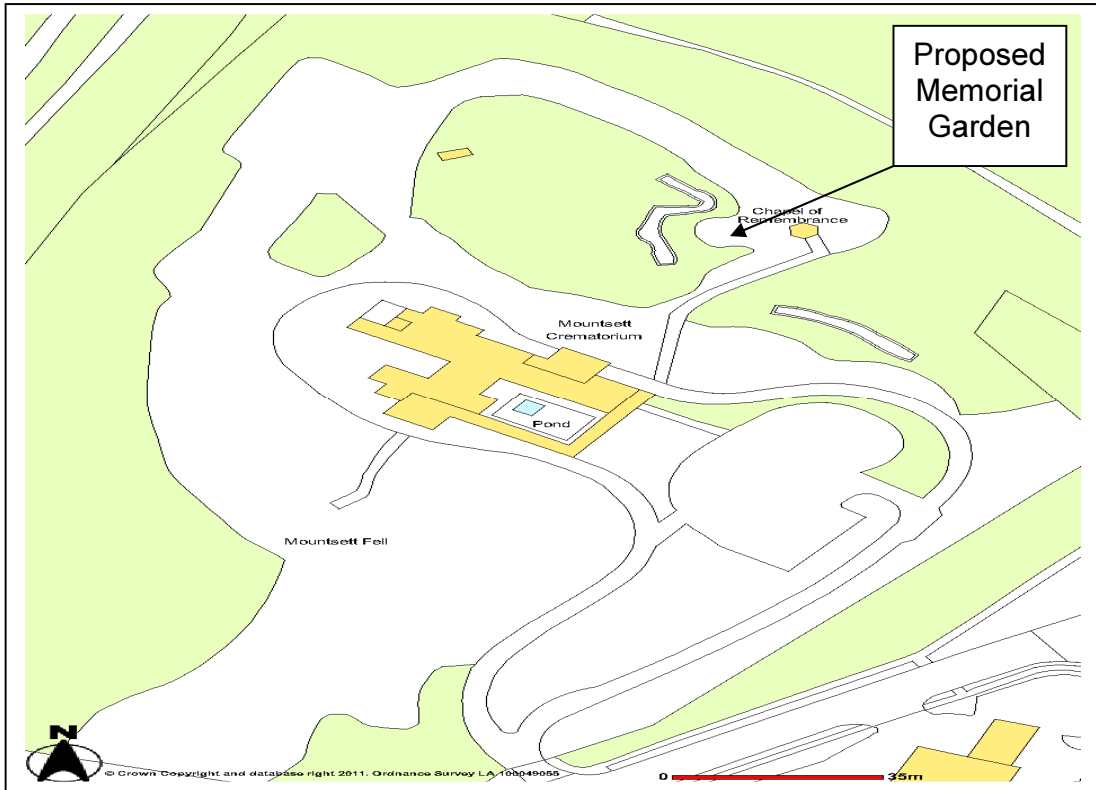
### **Disability Issues**

None

### **Legal Implications**

As outlined in the report

Appendix 2





Appendix 3

**Durham Crematorium Memorial Gardens**







## Appendix 4

### Cost Estimates Option 1

The anticipated costs for the garden are as follows:

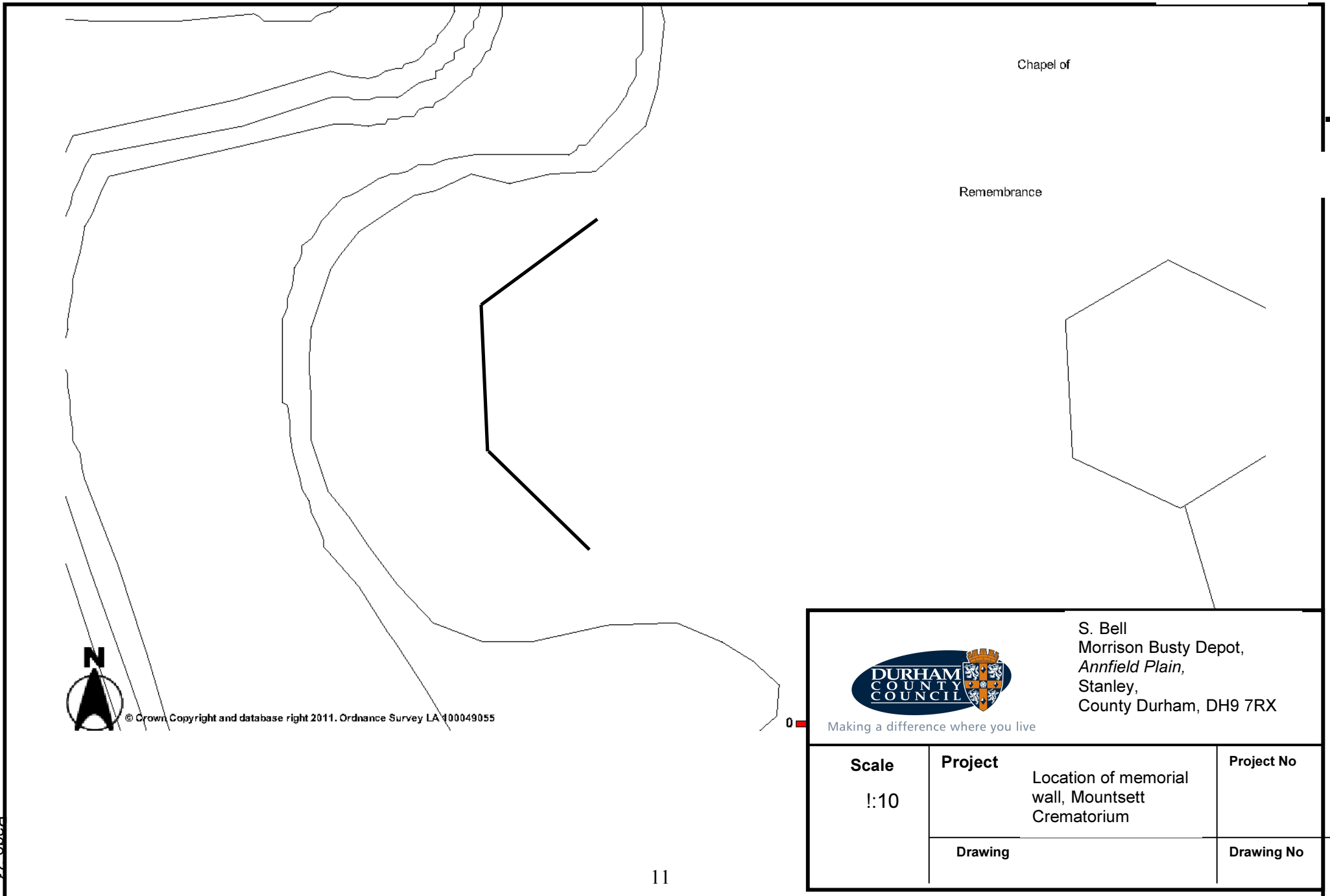
<b>1.0 Earthworks</b>	Excavating for the garden wall and paths, installation of drainage stockpiling topsoil for reuse. Grading and spreading existing topsoil	£8,000
<b>2.0 Planting</b>	Ornamental shrubs around gardens Lawn	£500
<b>3.0 Paths, Paving etc.</b>	Paving within and around edges of garden Path from floral display area.	£12,000
<b>4.0 Walls</b>	1.8m high brick wall including piers, Artstone coping stones	£10,500
<b>5.0 Contingencies</b>		£5,000
<b>6.0 Fees</b>	Estimation of consultancy fees for taking the project forward from sketch stage through to detailed design and administering the contract on site to completion.	£12,000

This would include:

Detailed design  
Selection of memorials  
Preparation of Tender Documents-drawings and specifications  
Bills of Quantities  
Seeking tenders  
Contract Administration  
Site inspections during 6 month contract period and a one-year maintenance period.

**Grand Total £ 48,000**





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<b>Scale</b> 1:10	<b>Project</b>	Location of memorial wall, Mountsett Crematorium	<b>Project No</b>
	<b>Drawing</b>		<b>Drawing No</b>

**SCHEDULE OF PROPOSED CREMATORIUM CHARGES 2011-12**

	Durham				
	2010/2011 Charges incl VAT (where appropriate)	Proposed Charges 2011/2012 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
	£	£		£	%
Seat for Lease of 10 years	£1,021.75	<b>£1,042</b>	E/S	£20.25	2.50%
Columbaria Unit for Lease of 20 years	£1,215.63	<b>£1,240</b>	E/S	£24.37	2.50%
Small Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£175.76	<b>£178</b>	E/S	£2.24	2.50%
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£299.13	<b>£304</b>	E/S	£4.87	2.50%
Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£522.38	<b>£532</b>	E/S	£9.62	2.50%



## Mountsett Crematorium Joint Committee

29 July 2011

**Financial Monitoring Report – Position at 30/06/11, with Projected Outturn at 31/03/12**




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

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#### **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 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.
2. The report also sets out details of the funds and reserves of the Joint Committee at 1 April 2011 and initial 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:

<b>Subjective Analysis</b>	<b>Base Budget 2011/12 £</b>	<b>Year to Date Actual – April – June £</b>	<b>Probable Outturn 2011/2012 £</b>	<b>Variance Over/ (Under) £</b>
Employees	114,615	26,479	109,565	(5,050)
Premises	106,835	3,172	106,835	0
Transport	300	85	300	0
Supplies & Services	54,785	3,641	54,785	0
Agency & Contracted	17,415	0	10,415	(7,000)
Central Support Costs	22,200	0	22,200	0
<b>Gross Expenditure</b>	<b>316,150</b>	<b>33,377</b>	<b>304,100</b>	<b>(12,050)</b>
<b>Income</b>	<b>(561,540)</b>	<b>(47,286)</b>	<b>(561,540)</b>	<b>0</b>
<b>Net Income</b>	<b>(245,390)</b>	<b>(13,909)</b>	<b>(257,440)</b>	<b>(12,050)</b>
<b>Transfer to Reserves</b>				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	65,500	0	77,550	12,050
<b>Distributable Surplus</b>	<b>(164,890)</b>	<b>0</b>	<b>(164,890)</b>	<b>0</b>
<b>65% Durham County Council</b>	<b>107,178</b>	<b>0</b>	<b>107,178</b>	<b>0</b>
<b>35% Gateshead Council</b>	<b>57,712</b>	<b>14,428</b>	<b>57,712</b>	<b>0</b>
<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2011 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2012 £</b>
Repairs Reserve	14,215	15,000	0	29,215
Cremator Reserve	279,239	77,550	0	356,789
<b>Total</b>	<b>293,454</b>	<b>92,550</b>	<b>0</b>	<b>386,004</b>

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

9. The 2011/2012 probable outturn, based on transactions to 30<sup>th</sup> June 2011, gives a very prudent approach to the anticipated position with regards to expenditure and income.

#### 9.1 *Employees*

The 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 currently reflected in the base employees budget.

## 9.2 **Premises**

There is no anticipated variance to budget at this stage.

## 9.4 **Transport**

There is no anticipated variance to budget at this stage.

## 9.3 **Supplies and Services**

There is no anticipated variance to budget at this stage.

## 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**

There is no anticipated variance to budget at this stage.

## 9.6 **Earmarked Reserves**

Contributions from the revenue surplus towards earmarked reserves are forecast to be £12,050 additional to budget. This is as a result of the 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 are forecast to be **£386,004**, representing a £92,550 (31%) increase over the opening position at 1 April 2011.

## **Recommendations and reasons**

10 It is recommended that:-

- Members note the April to June 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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**Contact(s): Paul Darby 0191 383 6594**

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## **Appendix 1: Implications**

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### **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.