

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in **Farnham Room 1/51, County Hall, Durham** on **Thursday 25 April 2013 at 10.00 am**

Present:

Councillor O Temple (Chair)

Durham County Council:

Councillors A Bainbridge

Gateshead Council:

Councillors M Charlton, J Lee, P Ronan and D Davidson

1 Apologies for Absence

Apologies for absence were received from Councillors M Hogdson, J Hunter, J Nicholson (Durham County Council) and Councillors K Dodds, P Mole and M Ord.

2 Substitute Members

There were no substitute members.

3 Minutes of the Meeting held on 31 January 2013

The minutes of the meeting held on 31 January 2013 were confirmed as a correct record and signed by the Chairman.

4 Declarations of Interest, if any.

There were no declarations of interest submitted.

5 Review of Terms of Reference

The Joint Committee considered a report of the Head of Legal and Democratic Services which provided members with updates/amendments to the terms of reference of Mountsett Crematorium Joint Committee, further to recommendations made by external audit.

The Clerk to the Joint Committee advised that the amended terms of reference had been approved by Durham County Council at its meeting on 20th March 2013 following agreement by Legal Departments at both Durham County Council and Gateshead Council. It was noted however that Gateshead Council were yet to determine whether the revised terms of reference were to be agreed by full council and therefore the Joint Committee were recommended to approve the terms of reference subject to approval by Gateshead Council.

Resolved:

That the recommendations contained in the report be approved.

6 Quarterly Report of the Bereavement Services Manager

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

The Bereavement Services Manager reported upon the number of cremations which had been undertaken during the last quarter of 2012/13, noting that there had been an increase of 40 (11%) on the comparable period last year. It was noted that there was an error contained in paragraph 3 of the report which related to the total number of cremations undertaken in the year to 31 March 2013, the Bereavement Services Manager advised that the figures should read 1,404 not 1,413 as stated in the report with an increase of 146 not 155.

The Bereavement Services Manager went on to detail further performance related data relating to memorial plaques including the number and value of sales in the last quarter of 2012/13, compared to the same period in the previous year.

Moving on to operational matters the Bereavement Services Manager advised that following the last meeting further work had been undertaken to explore options for the replacement of the Superintendent and Registrar. It was reported that since that meeting the Superintendent and Registrar at the Central Durham Crematorium would be leaving his post, with effect from the 31 May 2013. Subsequently a meeting had been convened between the Chairs and Vice-Chairs of both joint committee's, although the Vice Chair of the Mountsett Crematorium Joint Committee could not attend on the day. The following options had been considered:

- i. Joint Management Arrangements over the two Crematorium.
- ii. Support via an SLA with DCC Bereavement Services
- iii. Replacement for the Superintendent and Registrar.

Following those discussions it was proposed that replacements for the Superintendent and Registrar posts be sought independently. In addition it was proposed that an additional Cremator Attendant be appointed at Mountsett to ensure the efficient and effective running of the Crematorium. This would also require an addition of £20,400 to be added to the Employee budget.

Moving on the Bereavement Services Manager advised it had been proposed to appoint a Business Administration Apprentice. Details of the costs of the scheme were outlined within the report.

The Clerk to the Joint Committee then provided an update regarding the Pre-Payment Cremation Bond scheme and FSA registration. It was reported that following further advice which had been sought from specialist consultants – Bovill – the Council's application for FSA registration had been withdrawn due to the potential wider implications regarding Durham County Councils regulated activities.

Full details of Bovill's response, was included in the report. The Head of Finance (Financial Services) advised that the scheme now represented too high a risk and that the Central Durham Crematorium had agreed to withdraw their interest in establishing a scheme at their meeting on 24 April 2013.

The Bereavement Services Manager then went on to advise that the Joint Committee would be making a donation of £4,333 to St Oswald's Hospice, Gosforth from the Recycling of Metal's Scheme. Arrangements would be made for the presentation of the cheque.

Details were then provided regarding proposals to introduce Coffin Footplate's following an incident which had occurred at another crematorium, which resulted in a coffin being cremated in error. The introduction of a footplate would further minimise the risk of such error occurring at Mountsett Crematorium, where procedures would have prevented this occurring in any event. It was noted that this was a small change in operational processes which would add a small / minimal cost to Funeral Directors in the form of a small plaque.

The Bereavement Services Manager then went on to provide an update in respect of the Service Asset Management Plan and works which had been completed during 2012/13. It was reported however that a number of works had not been fully completed during the year however, would be done so by 30 April 2013.

Councillor Charlton asked if the number of cremations had increased due to a higher death rate or due to the popularity of the crematorium. In response the Bereavement Services Manager advised that the current death rate was high, however due to the economic climate families were often looking for the most competitive prices and were using crematoria out of their local area, therefore the increase was likely to be as a result of both as the Mountsett and Durham Crematorium fees were believed to be the lowest in the region.

Resolved:

That the recommendations contained in the report be noted and approved.

7 Reserves Policy

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources / Treasurer to the Joint Committee which set out a proposed Reserves Policy for the Mountsett Crematorium Joint Committee (for copy see file of Minutes).

The Head of Finance (Financial Services) advised that guidance notes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on Reserves and Balances had made recommendations to the determination and to the adequacy of Local Authority Reserves. This had been used as a basis on which to develop the Reserves Policy for the Mountsett Crematorium.

Taking in to account the information published it was proposed that the Reserves Policy of the Mountsett Crematorium Joint Committee be as follows:

1. To set aside sufficient sums in Earmarked reserves (Cremator and Repairs reserves) as is considered prudent for the anticipated known area of future expenditure. As a minimum, the strategy of the Joint Committee should be to increase the value of the Cremator earmarked reserve to circa £1m in the medium term to cover future liabilities.
2. Create and maintain a General Reserve of at least 30% of the Joint Committee's income budget. (This is based on a risk assessment identifying Income as the highest financial risk element to the Joint Committee).

The Head of Finance (Financial Services) then went on to outline that the 2013/14 revenue budget agreed by members incorporated an income budget of £716,500. In line with the proposed reserve policy as indicated above, this would require a General Reserve, balance of £214,950 (30%). He advised therefore in order to create a General Reserve, it was proposed that £214,950 be transferred from the Cremator Reserve as part of the year end accounting for, 2012/13 leaving a revised, balance of £333,243 in the Cremator Replacement Reserve.

Councillor Temple raised a query with regard to point 10 of the report and asked what the current timeframe was for the replacement of cremators and whether the current strategy / contributions to the reserve were in line with this. The Head of Finance (Financial Services) advised that notwithstanding any further capital investments arising from the Asset Management Plan, based upon current performance it was estimated that within 3 to 5 years there would potentially be adequate funds in the cremator replacement reserve and that was well within the life of the existing cremators.

Resolved:

That the recommendations contained in the report be approved.

8 Financial Monitoring Report 2012/13: Provisional Outturn - Revenue

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources / Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2012 to 31 March 2013, together with the provisional outturn position for 2012/13, highlighting areas of over / under spend against the revenue budgets at a service expenditure analysis level.

It further set out details of the funds and reserves of the Joint Committee at 1 April 2012 and the provisional position as at the year ended 31 March 2013 (for copy see file of Minutes).

The Head of Finance advised that the outturn was showing a provisional year end surplus (before transfer to reserves and distribution of surpluses to the partner authorities) of £311,584 at the year end against a budgeted surplus of £270,448, £41,136 more than the budgeted position. Details of the variances by subjective analysis area were contained in the report.

In conclusion he advised that the joint committee were in a strong financial position and could confidently continue to make key capital investments over the forthcoming year.

Councillor Charlton raised a query with regard to the distributable surplus and asked for some clarification regarding the 65% - 35% split. The Head of Finance (Financial Services) advised that the split was determined by the original investment made by each authority and that this was reflected in the Terms of Reference Agreement considered earlier in the Agenda.

Resolved:

That the recommendations contained in the report be approved.

9 Annual Internal Audit Report 2012/13

The Joint Committee considered a report of the Head of Internal Audit which presented the Annual Internal Audit Report for 2012/13. The report further detailed Internal Audit and Risk Services to be provided in 2013/14.

The Audit Manager advised that based on the work undertaken, a Substantial Assurance opinion had been issued on the adequacy and effectiveness of internal control operating across the Joint Committee in 2012/13. It was also reported that there was no significant weaknesses that warranted inclusion in the 2012/13 Annual Governance Statement.

Resolved:

That the recommendations contained in the report be approved.

10 Response to the 2012/13 Internal Audit Report

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources / Treasurer to the Joint Committee which presented the response to the Mountsett Crematorium Joint Committee Internal Audit Report for 2012/13 (for copy see file of Minutes).

The Head of Finance (Financial Services) reported that whilst the crematorium had received a substantial assurance rating from the Internal Audit service, the Internal Audit report had highlighted 3 issues with low risk rating / classification and 1 advisory recommendation. As such, those recommendations identified had been incorporated in an action plan. Two of the four actions had already been implemented. The other two recommendations were scheduled for completion during May and a further update would be provided to the Joint Committee in June 2013 as part of the Annual Governance Statement.

Resolved:

That the recommendations contained in the report be approved.

11 Such Other Business.

Councillor Temple added his thanks to Members and officers of the Joint Committee and wished those standing for re-election the best of luck and to those who were not, his best wishes for the future.