

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Committee Room 1A, County Hall, Durham on **Thursday 30 January 2014 at 10.00 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

Councillors A Batey, K Dearden, C Hampson, I Jewell, O Milburn and T Nearney

Gateshead Council:

Councillors D Davidson and J Lee

1 Apologies.

Apologies for absence were received from Councillors W Stelling and B Stephens (Durham County Council) and Councillors K Dodds, M Ord, M Charlton, P Ronan and P Mole (Gateshead Council).

2 Declarations of Interest, if any.

There were no declarations of interest submitted.

3 Minutes of the Meeting held on 4 October 2013

The minutes of the meeting held on 4 October 2013 were confirmed as a correct record and signed by the Chairman.

4 Quarterly Performance and Operational Report.

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

The Bereavement Services Manager advised that during the period 1 September 2013 to 31 December 2013, compared to 468 in the comparable period the previous year, a decrease of 104. It was noted that the decrease had been offset by the large increase in the previous reporting period. Usage was continually monitored and for the period April-December 2013 there had been 150 less cremations when compared to the previous year (2012). Prudent assumptions built in to the financial monitoring report projected a final year reduction of 93 as at 31 March 2014.

Moving on the report provided detail in respect of memorial plaques and sales for the period 1 September 2013 to 31 December 2013 which had also seen a decrease in the number and value of sales on the previous year.

The Bereavement Services Manager then went on to provide an update in respect of operational matters in particular changes to staffing and appointments made to the Business Administration Apprentice and Crematorium Attendant's position.

Further details were provided with regard to the Bereavement Services Manager's role in managing both crematoria in Durham. It was also noted that the continuation of this arrangement had been factored into the budget on a permanent basis for 2014/15. The net effect of this arrangement equated to a £21,447 saving against the 2013/14 budget, which had also been factored in to the 2013/14 provisional outturn.

Moving on the report provided details relating to the Green Flag Application and the 2014 submission. In addition good news was reported relating to the recycling of metals and it was noted that a cheque for £3,472 had been presented to Age Concern in November 2013.

Further details were reported in respect of the recent ICCM Conference and full details of the conference were included within appendix 3 to the report.

In conclusion the Bereavement Services Manager provided an update on the replacement of cremators and installation of mercury abatement equipment. He advised that an options paper had been developed and would be reported to the April meeting for the joint committee's consideration.

Councillor Temple commented that the variations in the numbers of cremations was significant and questioned whether there was any reason for this decrease. In response the Head of Finance (Financial Services) advised that there were a number of reasons which could contribute to the lower figures, such as lower death rates due to a milder winter, choice of facilities, possible increase in choice of burial over cremation etc. However across the area in overall terms crematoria were all experiencing similar changes in figures.

Councillor Temple commented that he was concerned as to how this impacted upon the cremator reserves budget and suggested that the situation continued to be monitored.

Resolved:

That the content of the report be noted.

5 Financial Monitoring Report - Position at 31/12/13, with Projected Outturn to 31/03/14.

The Joint Committee considered a joint report of the Corporate Director Neighbourhoods and Corporate Director Resources and Treasurer which set out details of income and expenditure for the period 1 April 2013 to 31 December 2013, together with the provisional outturn position for 2013/14, and highlighted areas of over / underspend against 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 2013 and forecast outturn position of reserves at 31 March 2014, taking into account the provisional financial outturn (for copy see file of minutes).

The Head of Finance (Financial Services) referred to page table on page 22 of the report which detailed the projected outturn and surplus before transfers to reserves and distribution of surpluses to the partner authorities of £186,199 against a budgeted surplus of £254,526, (£68,327) less than the budgeted position. The report provided in detail those significant variances and reasons for those over / underspends.

He advised that there were two key issues to note, one of which was the under achievement of income due to the reduction of cremations. The second was in relation to recent correspondence which had been received in respect of an environmental surcharge for mercury abatement at £50 per cremation. The budget had assumed a £25 charge and therefore based upon 2013/14 projected numbers, the outturn assumed an overspend of £47,118 against the budget.

Moving on the Head of Finance (Financial Services) reported that contributions to the earmarked reserves were forecast to be £68,327 less than budgeted. In addition in line with the reserves policy, a contribution from revenue trading to the Cremator Reserve of £6,309 was included within the outturn position.

Following a transfer from the cremator reserve to the repairs reserve in order to finance capital expenditure for the purchase of a grass cutting machine, the retained reserves therefore at the 31 March 2014 were forecast to be £592,911.

Councillor Temple raised a query regarding the environmental surcharge and commented that he understood that mercury abatement equipment could not be retrofitted to cremators and therefore the only could be installed alongside the fit of new cremators.

Councillor Batey queried whether if mercury abatement equipment was fitted to one cremator would the surcharge be avoided on all cremations or only on those carried out in the new unit. In response the Head of Finance (Financial Services) advised that new cremators were too large to be able to replace existing cremators in their current position, therefore this would only happen following a purpose built extension. It was further reported that this work including the new equipment would cost in the region of £1.25m.

Councillor Batey further queried whether the charge would encourage customers to use alternative facilities who did not impose any charge. In response the Head of Finance (Financial Services) advised that other crematoria were already charging more for services and Mountsett offered the lowest charges in the region.

Resolved:

That the content of the report be noted.

6 Fees and Charges 2014/15:

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of the proposed Fees and Charges for Mountsett Crematorium for 2014/15 (for copy see file of minutes).

The Head of Finance advised that the fees and charges for the crematorium were reviewed annually in line with Durham Crematorium's review of fees and charges. Details of the proposed charges for 2014/15 were detailed within the report alongside comparable charges imposed by Crematorium's within the North East area.

In addition it was noted that in addition to the revised charges the joint committee may wish to consider a discounted price (of £580) in relation to the currently underutilised 9 am and 9.30 am appointments. It was therefore proposed that a pilot operation be undertaken during the first 6 months of the year to assess any increased revenue as a result of amended working practices.

Councillor Jewell queried what the current uptake was on the 9.00 am slot. In response the Bereavement Services Manager advised that very few people took up this appointment time.

Councillor Dearden suggested that it may be useful to advertise these slots to those who did not require clergy men to be present for example those wanting humanist or non-religious services.

Resolved:

That the proposed fees and charges be approved with effect from 1 April 2014 and subsequently be incorporated into the 2014/15 budget.

Resolved:

- (i) That the proposed fees and charges be noted and approved with effect from 1 April 2014.
- (ii) That approved fees and charges be incorporated into the 2014/15 budget.

7 Provision of Support Services 2014/15:

The Joint Committee considered a joint report of the Corporate Director, Neighbourhood Services and Treasurer to the Joint Committee which presented for approval a proposed Service Level Agreement (SLA) for Support Service Provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2014 to March 2015 (for copy see file of Minutes).

The Head of Finance advised that the SLA covered the following functions:

- Management Services
- Financial Services
- Administration Services
- Payroll Services
- Human Resources Services

Full details of the SLA and budget schedule were appended to the report along with the associated charges for the service provided under the agreement.

Resolved:

That the Service Level Agreement for 2014/15 be approved.

8 Review of the Effectiveness of Internal Audit.

The Joint Committee considered a joint report of the Treasurer to the Joint Committee which provided detail in relation to the review of the effectiveness of the Durham County Council Internal Audit Service, carried out by the County Council's Audit Committee in June 2013. The report further provided assurance to the Joint Committee as part of its annual review (for copy see file of minutes).

The Head of Finance advised that the Audit committee had been satisfied that assurance could be provided on the effectiveness of the service provided to the Joint Committee. A summary of the main outcomes from the review and the resultant improvement plan prepared by the Head of Internal Audit and Risk was appended at appendix 2.

Resolved:

That the content of the report and actions to further improve the service during 2013/14 be noted.

9 Provision of Internal Audit and Risk

The Joint Committee considered a report of the Manager of Internal Audit and Risk which presented proposals for the continued delivery of Internal Audit and Risk Management Services by Durham County Council, via an extension to the existing service level agreement (SLA) to cover the period April 2014 to June 2017 (for copy see file of minutes).

Resolved:

That the recommendations contained in the report be approved.

10 2014/15 Revenue and Capital Budgets.

The Joint Committee considered a joint report of the Corporate Director, Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out proposals with regards to the 2014/15 revenue budget for the Mountsett Crematorium (for copy see file of minutes).

The Head of Finance (Financial Services) reported upon the main changes to the budget within Employees, Premises costs, Supplies and Services and Agency and Contracted services. In addition he provided detail relating to Income and it was noted that the impact of increases in fees and charges were included. In addition the assumptions on the number of cremations which would be undertaken during the year had been amended to reflect current cremation numbers, however if a large increase was seen during 2014/15 then this would create a large surplus.

Further details were reported in respect of reserves and it was noted that in order to maintain the 30% reserves policy, a transfer of £10,200 would be required from the cremator reserve to the general reserve.

Councillor Nearney raised a query regarding the income generated from the sale of memorial plaques and queried whether there was a marketing strategy in place. In response the Head of Finance (Financial Services) advised that there was an awareness raising strategy in place for memorial plaques. However what was being seen; was a take up of the popular areas of the Book of Remembrance building with less prominent areas not proving as popular. It was also noted that the decrease in sales could also be related to the lower cremation numbers.

Resolved:

That the recommendations contained in the report be approved.