



Mountsett Crematorium Joint Committee

Date **Friday 30 January 2015**
Time **11.00 am**
Venue **Saltwell Room, Civic Suite, Gateshead Council**

Business

Part A

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

1. Apologies for Absence.
2. Minutes of the Meeting held on 3 October 2014. (Pages 1 - 4)
3. Declarations of Interest, if any.
4. Quarterly Performance and Operational Report: (Pages 5 - 12)
Report of the Corporate Director of Neighbourhood Services –
Bereavement Services Manager, Neighbourhood Services.
5. Financial Monitoring Report - Spend to 31/12/14 and Projected Outturn
to 31/03/15: (Pages 13 - 18)
Joint Report of the Treasurer to the Joint Committee / Corporate
Director: Resources and the Corporate Director of Neighbourhood
Services
6. Annual Review of the System of Internal Audit: (Pages 19 - 24)
Report of the Treasurer to the Joint Committee / Corporate Director:
Resources
7. Local Audit and Accountability Act 2014 - Changes to Audit
Requirements for Joint Committees: (Pages 25 - 34)
Joint Report of the Treasurer to the Joint Committee / Corporate
Director: Resources and the Corporate Director of Neighbourhood
Services.
8. Provision of Support Services 2015/16: (Pages 35 - 48)
Joint Report of the Treasurer to the Joint Committee / Corporate
Director: Resources and the Corporate Director of Neighbourhood
Services.

9. Fees and Charges 2015/16: (Pages 49 - 56)
Joint Report of the Treasurer to the Joint Committee / Corporate Director: Resources and the Corporate Director of Neighbourhood Services.
10. 2015/16 Revenue Budget: (Pages 57 - 64)
Joint Report of the Treasurer to the Joint Committee / Corporate Director: Resources and the Corporate Director of Neighbourhood Services.
11. 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 January 2015

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

Durham County Council:-

Councillors: O Temple (Chairman), A Batey, K Dearden, C Hampson, I Jewell, O Milburn, T Nearney, W Stelling, O Temple (Chairman) and B Stephens

Gateshead Council:

Councillors K Dodds (Vice-Chairman), M Ord, M Charlton, L Green, P Ronan, D Davidson and J Lee

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Committee Room 1A, County Hall, Durham on **Friday 3 October 2014 at 10.00 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

Councillors A Batey, C Hampson, I Jewell and T Nearney

Gateshead Council:

Councillors M Ord, M Charlton, P Ronan and J Lee

1 Apologies for Absence

Councillors K Dodds, D Davidson and L Green (Gateshead Council)

Councillors K Dearden and B Stephens (Durham County Council)

2 Minutes of the Meeting held on 13 June 2014

The minutes of the meeting held on 13 June 2014 were agreed as a correct record and signed by the Chairman with the inclusion of Councillor M Ord's apologies.

3 Declarations of Interest, if any.

There were no declarations of interest.

4 Quarterly Performance and Operational Report:

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

The Bereavement Services Manager and Registrar advised that there were 285 cremations undertaken during 1 June 2014 to 31 August 2014, compared to 286 in the comparable period last year, a decrease of 1. The total number of cremations undertaken during the period 1 April – 31 August 2014 was 495, compared to 501 in the comparable period during 2013, representing a decrease of 6 cremations (1.2%)

It was noted that in discussions with funeral directors they had indicated that were also been experiencing reductions in business and that this was further mirrored in the national picture as detailed in Appendix 2. With regard to the 2014/15 income budget it was noted

that despite the reduction in numbers the Crematorium were still expected to exceed the budgeted position.

With regard to the sale of memorials it was noted that there had been an increase of 4 (£1,407.00) over the two periods compared to the same periods last year.

Moving on to operational matters it was reported that the Crematorium had been successful in obtaining/retaining the Green Flag for the third year in row.

With regards to staffing it was reported that the Business Administration Apprentice position had been filled, however due to unforeseen circumstances, the Crematorium Assistant (appointed in June 2014) was no longer working at the Crematorium and the position was currently being advertised.

It was reported that the recycling of metals scheme had once again produced a significant sum nationally and Councillor Dodds had requested that the next donation be given to the Child Funeral Charity who assisted those families who were unable to pay for children's funeral costs. Members agreed that the above named charity should be the next beneficiary of any donation made.

The Bereavement Services Manager provided members with a copy of the recently published Crematorium Brochure and welcomed the Committee's feedback.

Details were also provided regarding the Service Asset Management plan, which had been updated and attached at appendix 3. Urgent essential works identified for 2014/15 had been included within the budget and were estimated to the sum of £81,500.

Desirable works which had not been included within the improvement works had been estimated to the sum of £90,775 and desirable works for 2016/17 estimated to the sum of £42,950. Details of the planned works were contained within the report.

Councillor Jewell asked what capacity the crematorium was currently operated at. In response the Bereavement Services Manager advised that they were currently operating at around 60%, however it was interesting to note that Funeral Directors from outside the area were now wishing to promote the use of Mountsett because of its good reputation.

Councillor Jewell further queried whether there were any plans for improving parking facilities as he was concerned that due to high volumes attending funerals the car park may be inadequate to meet demand. It was reported that work to improve the car parks was programmed to take place this year with additional spaces being provided by the removal of some green areas and pinch points at the access and exit. Following completion of these works the situation would be carefully monitored and if necessary further proposals brought forward for consideration by members.

Councillor Temple commented that he was also happy to see that shower facilities were to be provided for staff in the list of crematorium improvement works and welcomed the increased investment in improving the overall facility, using the financial strength we now had.

Resolved:

That the recommendations contained in the report be approved.

5 Financial Management System (FMS) - Transfer to SAGE Accounting Software.

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which sought agreement for the transfer of the Financial Management Information from the current FMS – Oracle to a standalone SAGE system following a review of Mountsett Crematorium by Internal Audit (for copy see file of minutes).

The Head of Finance (Financial Services) advised that financial package was offered at a relatively low cost and lent itself well too small to medium enterprises. It had successfully been implemented at the Durham Crematorium and was working very well. In addition to the implementation of the system the crematorium would be required to set up a separate bank account as detailed within the report with a view to the system being in place and operation by the new financial year. The Finance Team had experience from implementing the system at Durham and the policies and procedures implemented there could be migrated to Mountsett.

Resolved:

That the recommendations contained in the report be agreed.

6 External Audit Report - Issues Arising Report for the Year Ended 31 March 2014:

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which presented the External Auditors (BDO LLP) Issues Arising Report for the year ended 31 March 2014 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that the External Auditor had raised one point regarding the initialling and signing of minutes, however upon further inspection this had been found to be an error and with such, the Auditor had issued an email to disregard the issue and therefore there was no material weaknesses identified / issues arising to bring to the attention of the committee in terms of the system of internal control and the conclusion of the external audit was that the Small Bodies return was a true and fair view of the financial position at 31 March 2014.

Councillor Temple commented that this was as good as it gets and asked the Head of Finance (Financial Services) to pass on a thanks you to all staff involved.

Resolved:

That the content of the report be noted and the appropriate notices published at County hall; Gateshead Civic Centre and at the Crematorium.

7 Financial Monitoring Report - Position at 31/08/14, with Projected Outturn to 31/03/15:

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 income and expenditure in the period 1 April 2014 to 31 August 2014, together with the provisional outturn position for 2014/15, and highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report also included details of the funds and reserves of the Joint Committee at 1 April 2014 and forecast outturn position at 31 March 2015, taking into account the provisional financial outturn (for copy see file of minutes).

The Head of Finance (Financial Services) advised that the projected outturn was showing a surplus of £295,183 against a budgeted surplus of £276,695 (£18,488) more than the budgeted position. The report provided detailed analysis of those significant variances across the agreed budget.

Moving on the Head of Finance advised that due to the surplus, a projected contribution of to the Cremator Reserve of £115,293 had been made. In addition a transfer of £10,200 from the Cremator Reserve to the general Reserve had been undertaken in line with the Reserves Policy. It was therefore reported that the retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2014 were forecast to be £768,198, representing a £130,293 (20%) increase over the opening position at 1 April 2014.

Resolved:

That the content of the report be noted.

Mountsett Crematorium Joint Committee

30 January 2015

Mountsett Crematorium Performance and Operational Report



Report of Graham Harrison, Bereavement Services Manager

Purpose of the Report

1. To provide Members of the Mountsett Crematorium Joint Committee with an update relating to performance and other operational matters.

Performance Update - Number of Cremations

- 2 The table below provides details of the number of cremations for the period 1 September 2014 to 31 December 2014 inclusive, with comparative data in the same periods last year:

	2013/14	2014/15	Change
September	85	100	+ 15
October	92	119	+ 27
November	97	107	+ 10
December	90	111	+21
TOTAL	364	437	+73

3. The profile of where families came from can be seen below. In summary 122 came from Gateshead, 251 from Durham and 64 from outside of the area.

Gateshead	122
Durham	251
Outside Area	64
Total	437

4. The 2014/15 income budget estimated that there would be 1,150 cremations undertaken by the Mountsett Crematorium in the year. Taking into account the increased cremation numbers in the first 9 months of this year, the projected outturn indicates an increase of 132 (1,282) cremations compared to budget and therefore an over achievement of cremation fee income of £83,160.

Memorials

5. The table below outlines the number and value of the memorials sold in period September to December 2014 compared to the same period the previous year.

	(Sept - Dec) 2013/14		(Sept - Dec) 2014/15	
	Number	£	Number	£
Large Plaques	10	3,280	15	6,036
	10	3,280	15	6,036

6. In overall terms the number and value of memorials sold of 15 / £6,036, compared to 10 / £3,280 in the same period last year shows a year on year increase of 5 / £2,756. As Members will recall, at the meeting held in October 2014 the Service Asset Management Plan included an option to increase the availability of wall space through the installation of a Memorial Tower. This has been included in the 2015/16 budget.

Operational Matters

Staffing

7. Members will recall at the meeting held on 3 October 2014, approval was given for a replacement trainee Crematorium Attendant position to be advertised and an appointment has now been made. The new member of staff started on 8 December 2014 and is settling in well.
8. Since the last committee meeting the cleaner, who has been at the Crematorium for 23 years, left at the end of November 2014. The DCC Facilities cleaning team currently attend 3 times a week, which will continue until the end of March 2015. The Crematorium staff continue to keep up the same standards of cleanliness whilst carrying out their normal duties when the cleaning team are unavailable.
9. It is therefore proposed to employ a new cleaner who can carry out cleansing duties 5 days a week instead of the 3 days previously to ensure that the crematorium is maintained to a high standard at all times. This would equate to an additional 4 hours per week at an extra cost of £2,078.

Green Flag Application

10. It is proposed that an application is submitted to retain the Green Flag award / status in 2015 and a management plan for this will be updated to help maintain the award, although any future works will be covered by existing budgets. Progress updates will be provided to future meetings.

Recycling of Metals Scheme

11. The Crematorium received a cheque from the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £3,333 for Cancer Research UK.

12. Arrangements were made for the cheque to be presented to Cancer Research UK by the Committee Chair on 4 November 2014. (See Appendix 2).

Mountsett Crematorium car park extension

13. After the meeting held on 3 October 2014 it was requested that the Bereavement Services Manager investigate the possibility of creating extra car parking spaces within the crematorium.
14. The car park currently accommodates 55 cars along with 2 disabled parking spaces. When there is a large funeral the car park fills quickly and cars are directed to the nearest parking facilities next to the Plough Inn in the near vicinity. A recent study has indicated that on average the car park reaches over capacity 4 times a month.
15. Work due to be completed by the end of March 2015 will see some road widening along with the creation of a possible 12 extra car parking spaces along the exit road from the crematorium car park to ease congestion.
16. An area of land next to the existing car park has been identified as a possible extension to the car park, however in order to proceed a design scheme will need to be produced to develop the project. It is unknown how many spaces this area will create until the scheme is developed, however initial estimates indicate that it may provide an extra 27 car parking bays. A sum of £7,000 has been quoted in order to progress this design work which involves excavating trial holes, carrying out a topographical survey as well as surface water drainage designs.
17. It is therefore proposed to proceed with the design work and a sum of £7,000 has been included in the 2015/16 budget in anticipation of this being supported by members of the Joint Committee.

Mountsett Crematorium: Replacement of Cremators and Installation of Mercury Abatement Plant

18. As Members may recollect, at the meeting held on 4 October 2013 it was agreed that an option would be supported in principle to continue to run the existing cremators as long as possible and build up reserves prior to any large scale scheme to replace them.
19. An updated feasibility study will be required, at an estimated cost of £15,000, in order to provide updated options for the Joint Committee to move the project forward by the time the Cremators will require replacing in 2020.
20. It is proposed that given the continued financial pressures within local government that the feasibility study should consider the following full range of options available including:

- Option 1 (as per the current proposal) to install 2 cremators with mercury abatement equipment in a proposed extension (or any new technology on the market at this time).
 - Option 2 to install 2 cremators with mercury abatement equipment to current location where existing cremators are in situ and a smaller proposed extension (or any new technology on the market at this time).
 - Option 3 to install 1 cremator with mercury abatement equipment (or any new technology on the market at this time) and any excess cremations to be carried out at a collaborative crematorium. However this option will need to be discussed with potential partners.
 - Option 4 to install no cremator, but to retain the Chapel in order to carry out services and all cremations to be carried out at a collaborative crematorium. However this option will need to be discussed with potential partners.
21. It is therefore proposed to undertake the feasibility study at an estimated cost of £15,000 and the outcomes will be presented to the committee at the September 2015 meeting.

Recommendations and Reasons

22. It is recommended that Members of the Mountsett Joint Committee:
- Note the current performance of the crematorium and monitoring against budget.
 - Note the appointment of a trainee crematorium attendant.
 - Agree to the additional cost of employing a cleaner over 5 days a week.
 - Note the application for the Green Flag Award.
 - Note the distribution of recycling income to the respective charity.
 - Agree to proceed with design works for extending the car parking provision within the Crematorium.
 - Agree to undertake a feasibility study on the replacement of Cremators and installation of Mercury Abatement Plant.

Contact: Graham Harrison, 03000 265606

Appendix 1: Implications

Finance

As identified in the report with regards to the position of the Income, cleaner, car park extension and replacement of Cremators.

Staffing

As identified in the report with regards to appointing a Trainee Crematorium Attendant and employing a Cleaner.

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 Issues

There are no implications

Legal Implications

As outlined in the report

Appendix 2: Letter of thanks from chosen Charity



Neville's Cross Friends of Cancer Research UK

16, Cherrytree Drive,

Langley Park,

Durham

DH7 9FX

☎ 0191 373 9009

✉ robertson-k1@sky.com

10th November, 2014

Dear Graham,

Thank you very much for the donation of £3333.00 from the ICCM recycling of metals scheme.

At Cancer Research UK, the world-class doctors and scientists are working together to push through new and effective treatments for cancer faster than ever before, and to prevent more people from developing the disease.

If you would like further information on the work of Cancer Research UK please check the very detailed national website

Thank you again for thinking of Cancer Research UK.

Anne Robertson

A handwritten signature in black ink that reads 'Anne Robertson'.

(Chairperson)



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Mountsett Crematorium Joint Committee

30 January 2015

Financial Monitoring Report – Position at 31/12/14, with Projected Outturn to 31/03/15



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. This report details income and expenditure in the period 1 April 2014 to 31 December 2014, together with the updated projected outturn position for 2014/15, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2014 and forecast outturn position at 31 March 2015, taking into account the updated projected 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 have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2014/15 £	Year to Date Actual April – December £	Probable Outturn 2014/2015 £	Variance Over/ (Under) £
Employees	123,215	83,996	121,184	(2,031)
Premises	200,350	103,825	184,794	(15,556)
Transport	400	409	613	213
Supplies & Services	115,765	31,820	118,715	2,950
Agency & Contracted	8,000	5,687	6,995	(1,005)
Central Support Costs	26,075	25,800	26,075	0
Gross Expenditure	473,805	251,537	458,376	(15,429)
Income	(750,500)	(610,564)	(841,703)	(91,203)
Net Income	(276,695)	(359,027)	(383,327)	(106,632)
Transfer to Reserves				
- Repairs Reserve	15,000	0	15,000	0
- Cremator Reserve	96,805	0	203,437	106,632
- General Reserve	0	0	0	0
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	0	107,178	0
35% Gateshead Council	57,712	43,284	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2014 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2015 £
Repairs Reserve	59,558	15,000	0	74,558
Cremator Reserve	363,397	203,437	(10,200)	556,634
General Reserve	214,950	175,090	(164,890)	225,150
Total	637,905	393,527	(175,090)	856,342

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. 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 £383,327 against a budgeted surplus of £276,695, (£106,632) more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

6.1 **Employees**

The projected outturn reflects a **(£2,031)** underspend, based on current spending. The reasons for this underspend are highlighted below:

- A further member of staff has been enrolled on the Institute of Cemetery and Crematorium Diploma Course which has resulted in additional unbudgeted expenditure of **£1,785**.
- The recent appointment to the Modern Apprentice post has resulted in a saving of **(£5,537)**. (This is due to a change in age profile and subsequent Modern Apprentice payments applied).
- The termination of the Crematorium Assistant contract has resulted in a slight underspend to budget of **(£502)**. The outturn includes overtime worked by other employees to cover the post until it was filled in December.
- Additional National Insurance and Pension contributions of **£2,223**

6.2 **Premises**

An under spend of **(£15,556)** is projected in relation to the Crematorium premises costs. The reasons for this are identified below:

- Utility expenditure is expected to underspend by **(£2,243)**.
- NNDR Charges for 2014/15 are **£121** more than budget.
- The replacement seating works undertaken within the chapel area underspent by **(£1,507)**.
- Following an inspection of the Crematorium, redecoration works have been delayed and will now be carried out during 2015/16, resulting in a saving to budget of **(£7,500)**.
- The relining of the cremator hearth will not be completed in 2014/15 saving of **(£2,000)**
- A replacement grass cutting machine totalling **£13,995**, agreed at the 4 October 2013 meeting to be purchased from Reserves, has now been purchased.
- Improvements works to the pedestrian paved areas underspent by **(£1,510)**.
- Renewal of the South Perimeter fence has been delayed until 2015/16 resulting in a saving to budget of **(£6,300)**.
- Works to tarmac the roads have underspent by **(£10,027)**

- Improvement to the catafalque doors have not been carried out this year saving of **(£2,000)**.
- The Cremator reline and repairs budget overspent by **£11,295**.
- General repairs and equipment repairs under spent by **(£7,880)**.

6.3 **Supplies and Services**

An over spend of **£2,950** is projected in relation to Supplies and Services. The reasons for this are highlighted below:

- The Wesley Annual Music and Broadband Service charge for the year is **£132** more than budget.
- Telephones, clothing and sundry items such as stores issues, subscriptions and general cleaning materials are expected to underspend by **(£1,220)**.
- Due to the projected increase in Masterplan sales it is anticipated that associated costs will be overspent by **£1,194**.
- Due to the projected increase in cremations (highlighted later within the income section of the report) medical referee expenditure is projected to overspend by **£2,178**.
- Equipment purchase and rental is expected to underspend by **(£6,000)**.
- Due to the increase in cremations the fee to the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) is anticipated to be overspent by **£6,666**.

6.4 **Income**

It is anticipated that there will be an increase in income from the 2014/15 budget totalling **(£91,203)**. The main reasons are detailed below:

- The updated outturn projection has taken into consideration a forecast 132 more cremations compared to budget, totalling an increased income to budget of **(£83,160)**. The outturn allows for a total of 1,282 cremations against a budget estimate of 1,150 during the 2014/15 financial year.
- Book of Remembrance entries are anticipated to be slightly lower than budget by **£33**.
- Miscellaneous income from vending and Organ fees etc are anticipated to be higher than budget by **(£1,427)**.
- Plaque sales are also projected to be higher than budget resulting in an increased income of **(£6,649)**.

6.5 ***Earmarked Reserves***

Contributions to the earmarked reserves are forecast as **(£106,632)** more than originally budgeted, primarily due to the increase in cremation income during the year.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£10,200)** is required. This results in a net transfer to the Cremator Replacement Reserve of **£193,237**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2015 are forecast to be **£631,192** along with a General Reserve of **£225,150** giving a forecast total reserves and balances position of **£856,342** at the year end.

Recommendations and reasons

7. It is recommended that:-

- Members note the April to December 2014 revenue spend financial monitoring report ,associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2015.

Contact(s): Paul Darby 03000 261930
Ed Thompson 03000 263481

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 Bereavement Services Manager and Assistant Superintendent and Registrar. The projected outturn has been produced taking into consideration spend to date, trend data and market intelligence, and includes an element of prudence. This, together with the information supplied by the Bereavement Services Manager and Assistant 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.

Mountsett Crematorium Joint Committee

30 January 2015

Annual Review of the System of Internal Audit



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 advise the Joint Committee of a review of effectiveness of the Durham County Council Internal Audit Service, which was carried out by the County Council's Audit Committee in June 2014.

Background

2. The Joint Committee's internal audit provider is Durham County Council Internal Audit Services. The service is delivered in accordance with a Service Level Agreement (SLA) approved by the Joint Committee in January 2014.
3. In order to place reliance on the work of internal audit, and the annual audit opinion provided through it on the adequacy and effectiveness of the control environment operating across the Joint Committee, it is important that the Joint Committee is assured that the service is effective.
4. Under the Accounts and Audit Regulations 2011, Durham County Council as a large public body is required to carry out an annual review of the effectiveness of its Internal Audit Service. Whilst there is no such legal requirement for the Joint Committee as a small body under these regulations to do likewise, assurance can be provided on the effectiveness of the service provided to the Joint Committee from this review.

Summary of the outcomes from the review carried out by DCC Audit Committee

5. The DCC Audit Committee considered a report presented by the Corporate Director, Resources that provided evidence on the effectiveness of the service during 2013/14. Having considered the evidence, the Committee concluded that sufficient assurance had been provided that the service was effective. In reaching this conclusion the Committee considered:
 - Actions taken by the service during 2013/14 to address areas identified for improvement following the 2012/13 effectiveness review
 - A self-assessment of compliance against the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN) which came into effect 1 April 2013, carried out by the Head of Internal Audit.

6. A summary of the main outcomes from the review is attached as Appendix 2 and the resultant improvement plan prepared by the Head of Internal Audit (Chief Internal Auditor and Corporate Fraud Manager) is attached as Appendix 3.
7. The improvement plan fulfils part of the requirement of PSIAS for the Head of Internal Audit to develop and maintain a quality assurance and improvement programme (QAIP). The quality assurance programme will be further developed during the year and reported upon as part of the annual audit report as required by the PSIAS.

Other Relevant Performance Indicators

8. Following each annual audit, a post audit satisfaction survey is issued to the Bereavement Services Manager. The feedback from the 2013/14 audit returned an average score of 4.4 where 1 is very poor and 5 is very good.

Recommendation and Reasons

9. The Joint Committee is asked to note:
 - The information provided that demonstrates the efficiency and effectiveness of the Durham County Council Internal Audit Service
 - Actions planned to further improve the service during 2014/15

Background Documents

Report to DCC Audit Committee 26 June 2014

Contact(s): Paul Darby, Head of Financial (Financial Services)

Appendix 1: Implications

Finance

None

Staffing

None

Risk – Not a key decision

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

None

Disability Issues

None

Legal Implications

Compliance with the Account and Audit Regulations 2011

Extract from the report considered by DCC Audit Committee 26 June 2014

Conformance with UK Public Sector Internal Audit Standards (PSIAS)

1. Internal Audit completed a self-assessment against the key elements of the PSIAS and is attached as Appendix 2. For 2013/14 this demonstrated that the Section was meeting 92% of the applicable Code requirements and 8% partially met. A service improvement plan is attached at Appendix 3.
2. There is still some further work to be done to adjust current processes and documents: specifically related to the need to embed the development improvement plan known as the Quality Assurance Improvement Programme (QAIP). This has been developed and is due to be implemented in July 2014.
3. All employees were introduced to the ethics requirements (as described in PSIAS) in relation to the professional role of an auditor. While the basis of this remains the same as in previous years employees were also required to read and sign a document confirming they understand the ethics and behaviour requirements. All employees provided an annual declaration of interests for consideration to enable management to ensure that there was sufficient information to address any potential conflicts of interest which arise during audit activities. Employees are obliged to raise any conflicts or issues with management during the year. Records are maintained for this.
4. Quality of audit work was actively managed in year and the achievement of quality standards enabled the Chief Internal Auditor and Corporate Fraud Manager to confirm work has been completed in conformance with PSIAS. Individual audits had agreed and clear scope; activity was reviewed and assessed for its effectiveness and quality during and after completion of work; and customer feedback was received from post audit questionnaires. It is planned to also compile an annual report for service groupings and Corporate Directors next year and an online questionnaire to be sent to all Senior Management to gauge the effectiveness of the audit approach.
5. Liaison with the County Council's External Auditor was productive and audit plans were coordinated within this process. The two services continue to share information and to use this to inform risk assessments and direct audit activity.
6. There is sufficient evidence to support the conclusion that the service was overall effective during 2013/14 and that the opinion provided in the 2013/14 Annual Audit Report is reliable.

REVIEW OF SYSTEM OF INTERNAL AUDIT – ACTION PLAN 2013/2014

REF	AREA FOR IMPROVEMENT	PSIAS REF	ACTION REQUIRED	RESPONSIBLE OFFICER	TARGET DATE	PROGRESS UPDATE
1.	Audit responsibilities are to be rotated periodically	1130	Rotation of auditors to deliver assignments is routine however rotation at Principal Auditor level to be complete in April 2015	Paul Bradley	April 2015	
2.	Internal Auditors Programme of Continuing Professional Development (CPD)	1230	Programme of CPD activities to be developed, delivered and evidenced	Paul Bradley	March 2015	First CPD exercise planned for 12 June 2014 to be held quarterly thereafter.
3.	Terms of Reference to be drafted for all audit engagements	1220	Auditors and Managers to ensure Terms of Reference are created for all audit engagements	Paul Bradley Stephen Carter Paul Monaghan	Ongoing to be reviewed quarterly for compliance.	
4	Development of a Quality Assurance and Improvement Plan	1300	Develop Quality Assurance and Improvement Plan and monitor its implementation	Paul Bradley	March 2015	Quality Assurance and Improvement Plan developed and to be implemented 1 July 2014 for 2014/15 audit year.
5.	External Assessment to be completed once every five years	1312	Formally agree and external assessor and the date for the assessment. Formally agree the form and scope of the external assessment.	Paul Bradley	March 2015	Informal discussions have taken place with North Tyneside, South Tyneside and Newcastle to enter into a quadripartite agreement to complete external assessments. To be formally documented.
6.	Formally report the results of the Quality Assurance and Improvement Plan	1320	Present through the Annual Audit report to Corporate Management Team and Audit Committee on the results of the Quality Assurance and Improvement Plan	Paul Bradley	March 2015	Quality Assurance and Improvement Action Plan to be implemented 1 July 2014 and monitored across the 2014/15 audit year.

REVIEW OF SYSTEM OF INTERNAL AUDIT – ACTION PLAN 2013/2014

REF	AREA FOR IMPROVEMENT	PSIAS REF	ACTION REQUIRED	RESPONSIBLE OFFICER	TARGET DATE	PROGRESS UPDATE
7.	Development of the Council's Assurance Framework	2010	Whilst there is an Assurance Framework that supports the Annual Governance Statement. The Audit Plan 2015/16 is to be developed with reference to an 'Assurance Map' that details where the Council gets its assurance supported by the Council's Assurance Framework.	Paul Bradley	March 2015	
8.	The Chief Internal Auditor should share information and coordinate activities with internal and external providers of assurance	2050	Further development of the Assurance Map will identify those areas of assurance where further work should be developed e.g. Ofsted, Care Quality Commission etc.	Paul Bradley	March 2015	To support the Assurance Map. This work will also support the Annual Audit Report for 2014/2015
9.	Internal Audit to evaluate the design, implementation and effectiveness of the Councils ethics and its related objectives, programmes and activities	2110	Audit assignment to be completed	Paul Bradley	March 2015	Ethics review included in the 2014/15 audit plan. Training being completed in June 2015 to inform the review and begin to define the scope.
10.	Audit reports to include acknowledgement of satisfactory and good performance where it is noted.	2410	To be consistently applied across all audit reports communicated to clients	Paul Bradley	To be monitored throughout the audit year for formal review in March 2015	

Mountsett Crematorium Joint Committee

30 January 2015



Local Audit and Accountability Act 2014 – Changes to Audit Requirements for Joint Committees



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 inform members of changes to the Statutory Audit requirements for Joint Committees effective from 1 April 2015.

Background Information

2. Prior to 2010/11, the Mountsett Crematorium Joint Committee was required, under the Accounts and Audit Regulations 2003, to prepare a fully CODE/ SORP Compliant Statement of Accounts, which was subject to independent external audit review.
3. In April 2011 the Joint Committee was advised of changes made by the Department for Communities and Local Government (DCLG) which sought to consolidate the Accounts and Audit Regulations 2003 and subsequently resulted in a change to the classification of the Joint Committee as a Smaller Relevant Body.
4. During 2011/12, as a smaller relevant body, the Joint Committee was permitted by the regulations to prepare and publish much simpler accounts, in the form of a Small Bodies Annual Return and as a result was subsequently subject to a limited assurance audit regime.
5. Members will however recall the decision to further evidence it's financial position and provide supporting evidence on the accuracy of the information included within the Annual Return, by continuing to prepare Statement of Accounts which considered the Code of Practice on Local Authority Accounting in Great Britain as updated and published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
6. In December 2014 the DCLG issued the Local Audit and Accountability Act 2014 – Changes to Audit Requirements for Joint Committees circular (copy attached at Appendix 2) which advised Joint Committees that, with effect from 1 April 2015, (following the implementation of the Local Audit and Accountability Act 2014) there would be changes in audit requirements applicable to such bodies.
7. From 1 April 2015, Joint Committees will no longer be required to have their accounts separately prepared and audited. As a result, the final mandatory audit for such bodies will cover the period 2014/15 period.

8. The Department for Communities and Local Government has made this change as it is recognised that the appropriate parts of Joint Committee's financial results are reported within the Accounts of their constituent authorities and are therefore subject to audit via their individual statutory audit arrangements.

Implications for Mountsett Crematorium Joint Committee

9. The Audit and Accountability Act 2014 removes the statutory requirement for the Mountsett Crematorium Joint Committee to complete a separate Small Bodies Annual Return and the outcome of its subsequent limited assurance audit. Continuing this practice is now discretionary.
10. In order to ensure that an effective financial and governance framework is maintained however the Mountsett Crematorium Joint Committee will need to consider the effect of ending its separate audit arrangements.
11. Whilst the removal of the Audit requirement could result in a saving of £2,000 in terms of the External Audit fee, the Joint Committees financial governance arrangements could be weakened as a result.
12. The Joint Committee will need to provide continued assurance regarding stewardship of the funds under its control and as a result it is proposed that members consider the continued preparation of the Small Bodies Annual Return and an audit arrangement separate to those of their constituent authorities.
13. It is however proposed to discontinue the production of a full Statement of Accounts for the 2014/15 financial year onwards and instead merely provide the Statutory Annual Return along with a Balance Sheet within a supporting outturn report for member's consideration at the June 2015 meeting.
14. Members will note from the Support Services SLA a proposed reduction in time undertaken by finance staff for Accounts preparation for the forthcoming year in anticipation that members support the proposals within the report.

Further Information

15. The Limited Assurance Audit contract currently undertaken by BDO LLP is due to end in September 2015 following the completion of the 2014/15 audit. Guidance regarding the engagement for future first auditor appointments under the provision of the 2014 Act will be published by the National Audit Office in the forthcoming weeks and should members support the proposals set out in this report an External Auditor will be appointed in line with this guidance.

Recommendations and reasons

16. It is recommended that:-
 - Members of the Joint Committee note the changes to Audit Requirements with effect from 1 April 2015.

- Members consider and approve the discontinuation of the full Statement of Accounts element for the 2014/15 financial year.
- Members of the Joint Committee consider and approve the continued separate audit arrangements following the 2014/15 audit in order to ensure a continued effective financial and governance framework and that this will be based upon the continued preparation of the small Bodies Annual Return and reporting of Balance Sheet information within a supporting outturn report in June each year.
- Members of the Joint Committee note the publication of Audit Appointment guidance in forthcoming weeks and agree to the appointment of an independent External Auditor in line with that guidance.

Background Papers

Department for Communities and Local Government Circular – Local Audit and Accountability Act 2014- Changes to Audit requirements for Joint Committees Dec 2014

Contact(s): Paul Darby 03000 261930

Appendix 1: Implications

Finance

The proposed guidance on the appointment of Audit bodies is expected within the coming weeks. The 2014/15 audit is mandatory and therefore there is no financial impact for the 2014/15 year as a result of the Act.

Staffing

There are no staffing implications associated with this report.

Risk

None identified. Finance staff are professionally competent and capable of preparing the annual return and preparing the accounts for the CDCJC in line with audit requirements

Equality and Diversity

None identified.

Accommodation

None.

Crime and Disorder

None.

Human Rights

None

Consultation

Officers of Spennymoor Town Council were consulted on the contents of this report.

Procurement

None. External Auditors are appointed by the Audit Commission.

Disability Discrimination Act

None

Legal Implications

The Local Audit and Accountability acts 2014 sets out the legal and regulatory framework in which Joint Committees are to report their financial arrangements. The proposals within this report seek to strengthen the Joint Committees compliance with these regulations.



Department for Communities and Local Government

To: Joint Committees currently subject to full audit; Local Authority Chief Finance Officers

December 2014

LOCAL AUDIT AND ACCOUNTABILITY ACT 2014 – CHANGES TO AUDIT REQUIREMENTS FOR JOINT COMMITTEES

The Audit Commission Act 1998 (section 2 and Schedule 2) required joint committees to prepare accounts and undergo an audit separate from their constituent bodies. From 1 April 2015, implementation of the Local Audit and Accountability Act 2014 will mean that joint committees will no longer be required to have their accounts separately prepared and audited. This approach follows consultation with the local government and accounting sector and means that the final mandatory audit for such bodies will cover the period 2014/15.

The Government has made this change as the appropriate parts of the financial results of joint committees are reported in the accounts of their constituent bodies, so they will be audited by auditors appointed to audit the accounts of those bodies, and there will be no need for a separate audit appointment to them.

Constituent authorities will need to consider the effect of ending separate joint committee audits, and ensure that an effective financial and governance framework is maintained for those joint committees and the funds they control. Authorities may arrange for a continued separate audit of their joint committees if they choose. However this will not be an audit under the 2014 Act.

We will consider with the sector what guidance might be provided to authorities on the audit of joint committees, in the context of wider guidance on auditor appointment in general. We intend guidance to be published in good time to support the first auditor appointments undertaken by local authorities under the provisions of the 2014 Act.

This letter has been sent to those joint committees we understand currently to be subject to full audit and all local authority chief finance officers, and is being made available on the DCLG website. The change will also be communicated to all local authorities by DCLG newsletter. A list of all joint committees we are aware of is appended to this letter.

Ben Stoneman

Department for Communities and Local Government
Ben Stoneman
Fry Building
2 Marsham Street
London
SW1

0303 444 2562

Principal Authorities Joint Committees

Adur and Worthing Joint Committee
Association of Greater Manchester Authorities
Eastern Shires Purchasing Organisation
Leeds City Region Leaders' Board
Local Government Shared Service Joint Committee
London Councils
Norfolk Joint Museums Committee
Somerset Waste Board
South Worcestershire Shared Services Partnership Joint Committee
Tamar Bridge and Torpoint Ferry Joint Committee
Three Rivers and Watford Shared Services Joint Committee
Tyne and Wear Archives and Museum Joint Committee
West Mercia Energy Joint Committee
West Yorkshire Joint Services Committee
Yorkshire Purchasing Organisation

Smaller Authorities Audit Joint Committees

Abington Recreation Ground Committee
Aley Green Cemetery Joint Committee
Almondsbury Joint Burial Committee
Andover Museum Joint Management Committee
Anglia Revenues and Benefits Partnership Joint Committee
Ash Green Sports Centre
Ashby Woulds Oakthorpe and Donisthorpe Joint Burial Committee
Audlem Joint Burial Committee
Aysgarth Cemetery Joint Management Committee
Bandon Hill Cemetery Joint Committee
Basingstoke Canal Joint Management Committee
Bedale, Aiskew, Leeming Bar and Burrill Joint Burial Authority
Berkeley Burial Committee
Bickerton Joint Burial Committee
Billesdon and Rolleston Joint Burial Committee
Bramcote Crematorium Joint Committee
Brayton & District Joint Burial Authority
Brodsworth & Sprotbrough Parish Councils Joint Management Committee
Buckinghamshire Waste Joint Committee
Bures Joint Burial Authority
Bures Joint Sportsground Committee
Burnham Joint Burial Committee
Bursledon Windmill Joint Management Committee
Bus Lane Adjudication Service Joint Committee
Campton & Shefford Joint Burial Committee
Cannock Chase Area of Outstanding Natural Beauty Joint Committee
Central Durham Crematorium Joint Committee
Central Lincolnshire Joint Strategic Planning Committee
Cheshire Brine Subsidence Compensation Board Joint Committee

Chesterfield Joint Crematorium Committee
Chilterns Crematorium Joint Committee
Chobham and West End Joint Burial Committee
Chorley and South Ribble Shared Services Joint Committee
Clayton-le-Woods & Whittle-le-Woods War Memorial
Cleveland Emergency Planning Joint Committee
Clifton And Newton Joint Burial Committee
Clowne & Barlborough Joint Burial Committee
Colburn, Hipswell and Scotton Joint Burial Authority
Colchester and Ipswich Museum Service Joint Committee
Colchester, Braintree and Uttlesford Parking Joint Committee
Cornwall Port Health Authority Committee
Crewkerne and West Crewkerne Burial Board
Croft and Dalton Joint Burial Board
Curbar, Calver & Froggatt Joint Burial Committee
Devizes & Roundway Joint Burial Committee
Devon Audit Partnership
Devon Authorities Waste Reduction and Recycling Joint Committee
Downham Market & Downham West Joint Burial Committee
Dronfield & District Joint Burial Committee
Dunstable Joint Committee
East & West Hagbourne Cemetery
Eastern Inshore Fisheries and Conservation Authority Joint Committee
Eastleigh Museum Joint Management Committee
Eastrington and Gilberdyke Joint Burial Committee
Ellesmere Parishes Joint Burial Committee
Eltham Crematorium Joint Committee
Embleton Joint Burial Committee
Etwall Leisure Centre Joint Management Committee
Everton & Scaftworth Joint Burial Committee
Fareham Museum Joint Management Committee
Felton Cemetery Joint Committee
Gateshead and Newcastle Joint Bridges Committee
Glastonbury & Sharpham Burial Board
Godalming Joint Burial Committee
Gosport Museum Joint Management Committee
Grand Western Canal Joint Advisory Committee
Great and Little Hale Joint Burial Committee
Haltwhistle & District Joint Burial Committee
Havercroft & Ryhill Joint Recreation Ground Committee
Haxby and Wigginton Joint Burial Committee
High Weald Area of Outstanding Natural Beauty Joint Advisory Committee
Houghton Regis Town Centre Management Committee
Howden Asselby and Kilpin Joint Burial Committee
Huntington Burial Authority
Joint Committee on Strategic Planning & Transport
Joint Parish Councils Committee
Kempston Burials Joint Committee
Kibworth Joint Burial Committee
Kibworth Joint Recreation Committee
Malmesbury and St Paul Without Joint Burial Committee
Malpas Joint Burial Committee

Manydown Joint Management Committee
Marcham & Frilford Joint Burial Committee
Mersey Valley Joint Committee
Merseyside Port Health Committee
Merton & Sutton Joint Cemetery Board
Middlesbrough and Eston Joint Health Scrutiny Committee
Middlewich Cemetery Board
Misterton & West Stockwith Joint Burial Committee
Monk Fryston, Hillam and Burton Salmon Joint Burial Committee
Mortlake Crematorium Board
Mount Edgcumbe Joint Committee
Mountsett Crematorium Joint Committee
Nassington & Yarwell Joint Burial Committee
Newport and Gilberdyke Joint Burial Committee
No Man's Orchard Management Committee
Nonsuch Park Joint Management Committee
Norfolk Records Joint Committee
North Devon Crematorium Joint Committee
North East Surrey Crematorium Board
North Northamptonshire Joint Committee
North of England Open Air Museum
North Western Inshore Fisheries and Conservation Authority
North Yorkshire Building Control Partnership
North Yorkshire Procurement Partnership
Northallerton & Romanby Joint Burial Committee
Northamptonshire Traveller Consortium Joint Committee
Northfield Management Committee
Ovingham Joint Burial Committee
Oxfordshire Joint Health Overview & Scrutiny Committee
Oxfordshire Waste Partnership Joint Committee
Parking & Traffic Regulations Outside London Adjudication Joint Committee
Partnership for Urban South Hampshire Joint Committee
Portchester Crematorium Joint Committee
Portsmouth & Gosport Joint Board
Project Integra Joint Committee
Ranskill and Torworth Joint Burial Committee
Red House Museum, Christchurch Joint Management Committee
Rothbury Burial Committee
Shared Services Partnership Joint Committee (CenSus)
Shoal Hill Common Joint Committee
Sir George Staunton Country Park Joint Management Committee
Skirlaugh and Ellerby Joint Burial Committee
South Kirkby, North & South Elmsall Joint Burial Committee
South London Waste Partnership
South Thames Gateway Building Control Partnership Committee
South West Middlesex Crematorium Board
South Yorkshire Archaeology Service Joint Committee
South Yorkshire Archives Service Joint Committee
South Yorkshire Joint Secretariat
South Yorkshire Mining Advisory Service
Spennithorne and Harmby Cemetery Committee
St Minver Cemetery Committee

Staffordshire and Stoke on Trent Archives Joint Committee
Staffordshire Connects Joint Committee
Stratfield Brake Recreation Ground Management Committee
Tees Valley Airport Consultative Committee
Tees Valley Health Scrutiny Unit
Teesside Joint Archives Committee
Tisbury & West Tisbury Joint Burial Committee
Trans Pennine Trail Joint Committee
Transport for Urban South Hampshire Joint Committee
Tyne and Wear Economic Development Joint Committee
Tyne and Wear Trading Standards Joint Committee
Upper and Nether Heyford Joint Burial Board
Upper Norwood Library Joint Committee
Wallops Parish Hall Committee
Wareham Burial Joint Committee
Weaverham Cuddington & Acton Bridge Cemetery Committee
Welland Joint Committee
West Hertfordshire Crematoria Joint Committee
West Hoe Cemetery Committee
West Midlands Joint Committee
Wetley Moor Joint Committee
Whalley & Wiswell Joint Burial Committee
Whitchurch Joint Cemetery Board
Wigton Joint Burial Committee
Wimborne Cemetery Joint Management Committee
Wolston, Brandon & Bretford Joint Burial Committee
Womersley Burial (Joint) Authority
Worcestershire Regulatory Shared Service Joint Committee
Yeovil Crematorium and Cemetery Committee
Mansfield and District Crematorium Joint Committee
Tregony and Cuby Joint Burial Committee
Humber Archaeology Partnership Joint Board
Snaith and Cowick Town Council Cemetery Committee
South Essex Parking Partnership
Longframlington Joint Burial Committee
Essex Countywide Traveller Committee
Barnsley, Doncaster and Rotherham Joint Waste Board
Berrow and Pendock Village Hall Management Committee
Weasenham Playing Field Committee
Cadbury Hill Management Fund Joint Committee

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Mountsett Crematorium Joint Committee

30 January 2015

Provision of Support Services 2015-2016



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 present 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 2015 to March 2016.

Background

2. A formal Service Level Agreement for Support Services provided by Durham County Council to the Mountsett Crematorium Joint Committee has been considered and approved by the Joint Committee for the past three years. As part of the budget setting for 2015/16, members are now requested to consider the Support Services requirements for the coming year.
3. This report sets out details of the proposed SLA for the period 1 April 2015 to 31 March 2016 to cover the following functions:
 - Management Services
 - Financial Services
 - Administration Services
 - Payroll Services
 - Human Resources Services

Service Level Agreement (SLA)

4. The SLA established for the provision of Support Service functions to the Joint Committee provides a commitment for both parties over the medium term. This includes the provision of Management advice and attendance at Joint Committee Meetings by the Head of Finance (Financial Services), in addition to Accountancy, HR, Payroll, Creditor payment and Administration Services.
5. The proposed SLA, attached at Appendix 2, has been developed in consultation with the Head of Finance (Financial Services) under the delegated responsibility of the Treasurer to the Joint Committee and reflects the nature of the current partnership, the services to be provided, the period of agreement and total estimated annual budget.
6. As in previous years, all work carried out directly on behalf of the Joint Committee will be recharged and the resultant budget requirement for Support Services is set out in the

SLA. Details of all work to be carried out will be itemised so that costs are more transparent.

7. The proposed SLA considers the proportion of time spent by key staff undertaking the requirements of the Joint Committee. The proposed charge for 2015/16 is £20,300 (same as 2014/15). The applicable fee takes into consideration the staff pay award and other inflationary pressures, offset by a saving in staff time due to the proposals to no longer produce a fully SORP compliant annual Statement of Accounts.
8. The Support Service SLA is attached at Appendix 2 for consideration and approval by members. Schedule 1 to the Appendix, as attached, provides a more detailed breakdown of the following functions and responsibilities:

Management Services

- Overall Support Service Management and attendance at Joint Committee Meetings.

Financial Services

- Preparation and Production of Revenue Budget
- Budget Monitoring and guidance
- Preparation and production of the statutory Small Bodies Annual Return
- Review of the Effectiveness of Internal Audit
- Creditor payments and day to day cash flow management.
- Financial Appraisals and budget monitoring of Service Asset Management Plan works

Administration Services

- Committee and Secretarial services including the remit of Clerk to the Joint Committee (providing advice and guidance to Members).

Payroll Services

- Employee crematorium salary processing.

Human Resources Services

- Provision of Health & Safety advice and guidance in compliance with relevant Health and Safety legislation.
- Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
- Delivery and facilitation of staff training, recruitment and selection processes.

Recommendations

9. It is recommended that:-

- Members consider and approve the Service Level Agreement attached at Appendix 2 (including relevant schedule) for the year 2015/16.

Contact(s):	Paul Darby	03000 261930
	Ed Thompson	03000 263481

APPENDIX 1 – Implications

Finance

With the approval of a service level agreement costs in respect of the support service will be agreed in advance for the forthcoming year (subject to any agreed inflationary increase) and will cover a number of specified functions. This means that the cost of the service is more transparent and the committee has more control over the work areas covered. Details of how costs will be factored into the Joint Committee budget and how they will be recharged are shown in the Service Level Agreement.

Staffing

There are no staffing implications associated with this report. All staff are provided from within the various functional areas of Durham County Council.

Risk

Many tasks considered within the SLA must be completed within statutory deadlines and in line with changing guidance. By ensuring such tasks are delivered by staff who are appropriately experienced, qualified and competent and who receive adequate training and supervision, any relative risk will be minimised.

Equality and Diversity/ Public Sector Impact 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 Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The services outlined within this report will be provided in accordance with the guidelines and legislation relevant to each function.

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APPENDIX 2



Service Level Agreement

for the provision of Support Services to

**MOUNTSETT CREMATORIUM JOINT
COMMITTEE**

AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES

THIS AGREEMENT is made the [30th] of [January] **two thousand and fifteen**
BETWEEN DURHAM COUNTY COUNCIL (“the Council”) and **MOUNTSETT**
CREMATORIUM JOINT COMMITTEE (“the Partnership”)

1. PROVISION OF SERVICES

- 1.1. The Mountsett Crematorium Joint Committee engages the Council to provide Support Services as set out in Schedule 1 and in return for the payments as set out in Schedule 2.

2. DURATION

- 2.1. This agreement will be effective 1st April 2015 and will continue until 31st March 2016 (“the Term”)

3. THE COUNCIL’S OBLIGATIONS

3.1. Services

- 3.1.1. The scope of the Support Services available to the Mountsett Crematorium Joint Committee is summarised in Schedule 1.

- 3.1.2. The Council will provide Support Services with all reasonable skill and care and in compliance with:

- The Accounts and Audit Regulations 2003 as amended by The Accounts and Audit (Amendment) (England) Regulations 2006, 2011 (Regulations)
- The Code of Practice on Local Authority Accounting in the United Kingdom
- All other relevant CIPFA guidelines, best professional practice and legislation
- The Local Government Act 2000 and other associated legislation
- All appropriate Employee and Health and Safety legislation
- The Joint Committee’s relevant policies, rules, standing orders, procedures and standards. (These are the policies, rules, standing orders, procedures and standards of Durham County Council adopted by the Mountsett Crematorium Joint Committee)
- The terms and conditions of this agreement.

- 3.1.3. To ensure that the Services are delivered by such staff who are appropriately experienced qualified and competent and who receive adequate training and supervision.

- 3.1.4. To submit to the Joint Committee, a reconciliation of the charges for services provided during the year to be recharged to the Joint Committee in accordance with Schedule 2.

3.2. Accommodation

- 3.2.1. To provide at its own cost its own office accommodation, administrative support and services as may be necessary for the provision of Support Services.

3.3. Insurance

- 3.3.1. To ensure that adequate insurance cover is affected and maintained in respect of any property held by it for the purposes of this agreement, employee liability, public liability and liability for professional negligence.

4. THE JOINT COMMITTEE'S OBLIGATIONS

4.1. Support Services Fee Provision

- 4.1.1. To make available such Support Services provision as set out in Schedule 2 for the provision of agreed services for the year 2015/16 notwithstanding the contents of Schedule 2, the Support Services provision will be the subject of regular review and agreement by both parties as part of the Joint Committee's normal budget timetable. Final confirmation of the Support Services provision must be agreed no later than the 31st January in each year.
- 4.1.2. Both parties intend that the annual Support Services fee provision will be set at such a level as to cover the costs incurred by the Council in delivering the Central Support Functions. An indicative annual budget and time allocated to each of these areas as at the date of this agreement is set out in Schedule 2.
- 4.1.3. The parties agree that, without affecting the annual Support Services fee provision and the principles set out in Schedule 2, at the Joint Committee's request;
- The percentage split between the service elements to be provided can be varied up to 10% provided always that the maximum number of days per element specified in Schedule 2 is not exceeded
 - Crematorium Joint Committee being satisfied that any such changes will not have an adverse impact on the delivery of the service provision.
- 4.1.4. The parties agree that all variations, other than those referred to in the clause 4.1.3 above, require the expressed written consent of both parties.
- 4.1.5. To pay the Council annually the payments as set out in Schedule 2. The payment principles set out in Schedule 2 will apply for the purposes of determining the payments paid to the Council by the Joint Committee.

4.2. Service Delivery

4.2.1. The Joint Committee is required to make arrangements for:

Allowing Council staff access to the Joint Committee's business premises if necessary at reasonable times for the provision of the Support Services.

4.2.1.1. The provision of suitable accommodation for the use of the Support Services on the Joint Committee's business premises, at its own cost, as may be necessary.

4.2.1.2. Agreed adherence to Durham County Council's Members Code of Conduct and Constitution.

4.2.1.3. Allowing Council staff access to all relevant assets, records (including those belonging to third parties, subject to the Joint Committee having lawful authority to do so) documents, correspondence, electronic files, software and other systems as may be necessary for the provision of the Service.

4.2.1.4. Allowing and facilitating where necessary direct access by the Head of Finance (Financial Services) / Principal Accountant: Direct Services, to the Chair of the Joint Committee and the Treasurer (or his nominated representative) for the purpose of delivering the relevant services.

4.2.1.5. Approving the Small Bodies Annual Return, Annual Governance Statement, Revenue Budget and all other Financial Reports.

4.2.1.6. Taking whatever action it considers necessary as a result of issues highlighted by the Head of Finance (Financial Services).

5. MANAGEMENT OF THE SERVICE

5.1. Paul Darby, Head of Finance (Financial Services) is responsible for the overall management and delivery of the support service functions and will (under delegated responsibility) in practice fulfil the role of the Treasurer for the Joint Committee. Any queries arising from financial and other relevant reports and any general day to day enquiries about the service should be addressed to the Head of Finance (Financial Services).

- In person at Durham County Council, County Hall, Durham
- E-mail: paul.darby@durham.gov.uk
- Telephone 03000 261930

5.2. The Head of Finance (Financial Services) will report to the Corporate Director of Neighbourhood Services and to the Corporate Director of Resources and Treasurer to the Joint Committee and to the Mountsett Crematorium Joint Committee.

- 5.3. The Head of Finance (Financial Services) and the Bereavement Services Manager will meet periodically to review performance on delivering agreed services and agree any changes to the delivery of the Service. Such meetings may be attended by other such persons as either party may wish.
- 5.4. The Corporate Director of Resources at the Council is ultimately responsible for the performance and effectiveness of services provided to the Joint Committee under this agreement. Any issues concerning any aspect of the delivery of the service or terms of this agreement that can not be satisfactorily resolved with Head of Finance (Financial Services) should be referred to the Council's Corporate Director: Resources.

Contact details are:

Don McLure, Corporate Director: Resources
Durham County Council,
County Hall, Durham
e.mail:don.mclure@durham.gov.uk
Telephone 03000 261945

- 5.5. The Principal Accountant: Direct Services (under delegated responsibility) will meet with the Bereavement Services Manager each financial year to consider the support service fee for the following financial year. Such meetings will be scheduled in line with the Joint Committee's annual budget timetable (final confirmation of the support service fee provision must be agreed no later than the 31st January in each year) and be attended by such other persons as either party may wish.
- 5.6. The Bereavement Services Manager is responsible for ensuring:-
- Responses to reports are received within timescales specified
 - Information is provided to substantiate the implementation of any recommendations when requested
 - Co-operation with Support Services staff when required
 - Timely contact with the Head of Finance (Financial Services) / Principal Accountant: Direct Services
 - Compliance with relevant Codes of Conduct and Durham County Council Policies and Procedures.

6. INFORMATION AND CONFIDENTIALITY

- 6.1. Each party will provide all information within its control necessary to enable the other to discharge its obligations under this agreement.
- 6.2. Neither party shall, without the written consent of the other party, make use of for its own purposes or disclose or allow to be disclosed to any person, (except as may be required by law or by an authorised body in evaluating the work undertaken e.g. external audit), this Agreement or any material connected with it.

7. DATA PROTECTION AND FREEDOM OF INFORMATION

7.1. Each party will:-

7.1.1. Comply with the Data Protection Act 1998

Maintain the confidentiality of personal data to which it has authorised access under the terms of this Agreement.

Take reasonable technical and organisational measures against the unauthorised or unlawful processing of personal data and against the accidental loss or destruction of or damage to personal data (including adequate back up procedures and disaster recovery systems).

Provide such assistance and/or information reasonably required by the other in connection with any requests for information received by that party under the Freedom of Information Act 2000.

8. TERMINATION

8.1. Either party may terminate the agreement before the 1 April 2016 by giving the other not less than 3 months prior written notice.

9. VARIATION

9.1. The terms of this agreement may only be varied by written agreement signed by both parties

AS WITNESSED

Signed by:.....

Duly authorised for and on behalf of **DURHAM COUNTY COUNCIL**

Date

Signed by:.....

Duly authorised for and on behalf of the
MOUNTSETT CREMATORIUM JOINT COMMITTEE.

Date

The following Support Services will be provided.

Management Services

1. Monitoring and reporting of progress made in the delivery of agreed services to the Mounsett Crematorium Joint Committee.
2. Report review and presentation of all Financial and other Support Services reports to the Joint Committee.

Financial Services

3. Preparation and Production of the Annual Revenue Budget for approval by the Mountsett Crematorium Joint Committee.
4. Review and setting of the Annual Fees and Charges taking into consideration inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc.
5. Revenue Budget Monitoring including the provision of sound financial advice.
6. Preparation of Monthly Payroll, Bank, Debtor and Creditor Reconciliations.
7. Production of the Small Bodies Annual Return for the Mountsett Crematorium Joint Committee and liaison with External Audit.
8. Timely processing and payment of all Mountsett Crematorium Joint Committee Purchase order and direct Invoices in line with BVPI 8 Regulations and Durham County Council Payment Terms.
9. Financial Appraisals and Budget Monitoring of Service Asset Management Plan works.

Payroll Services

10. Monthly processing of all directly employed Mountsett Crematorium employee salaries and allowances.

Human Resources

11. Provision of Health and Safety Advice and guidance in compliance with relevant Health and Safety guidelines and legislation.
12. Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.
13. Delivery and facilitation of the staff training, recruitment and selection processes.

Administration

14. Distribution of Joint Committee Papers (including electronic distribution).
15. Provision of Committee and Secretarial Services including the remit of Clerk (providing advice and guidance on the constitutional issues and protocols) to the Joint Committee and processing any follow up requirements as appropriate.
16. Maintenance of Committee minutes and Indexing.

Advice

17. Provision of help and advice to the Crematorium Superintendent & Registrar and other officers and nominated members of the Mountsett Crematorium Joint Committee on all Financial, and other Support Service function matters.

BUDGET SCHEDULE

Support Service Area	2015/16
Management	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	4,300
Financial Services	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	10,300
Payroll Services	
Employee payroll processing	150
Human Resources	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	1,800
Creditor Payments	
Processing and payment of Invoices	200
Administration	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	3,550
Total	20,300

BASIS OF CHARGE

1. Charges in respect of the period 1 April 2015 to 31 March 2016 will be recharged to the Joint Committee using the existing methodology.
2. This SLA charge is in addition to the fixed term Audit SLA totalling £5,500 previously approved by members.

In overall terms the Support Service charge represents 2.7% of the gross turnover of the Joint Committee.

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Mountsett Crematorium Joint Committee

30 January 2015

Fees and Charges 2015/16



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 set out details of the proposed fees and charges for Mountsett Crematorium for 2015/16.

Background Information

2. In reviewing existing charges or setting new charges inflationary pressures; the potential impact of competition in terms of price and quality; trends in demand; results of customer surveys; budget targets; cost structure implications; impact on other service areas; alternative more effective charging structures and proposals for targeted promotions etc need to be fully taken into consideration.
3. The impacts of decisions made by the Central Durham Crematorium Joint Committee also need to be carefully considered. Members of the Joint Committee will recall that following Local Government Review in 2009 the fees and charges at the Mountsett Crematorium were harmonised with the charges at the Central Durham Crematorium.

Fees and Charges 2015/16

4. The inflationary and cost pressures facing the crematorium along with the views of the Bereavement Services Manager with regards to the local market, customer impact from any proposed increase and benchmarking data on the charges levied in other neighbouring facilities are key factors in considering any increases for 2015/16.
5. A major redevelopment of the chapel and book of remembrance areas of the Central Durham Crematorium is scheduled to be undertaken in 2015. The Central Durham Crematorium Joint Committee met on 21 January 2015 to set their budget and fees and charges for 2015/16. Taking into account the potential disruption that this may cause and in lieu of the fact that there was a 15% increase applied in 2014/15, the decision was taken to hold fees and charges at their current levels and not to increase to the current fees and charges for 2015/16. This decision will be welcomed by local funeral directors and customers.

6. In lieu of the decisions reached by the Central Durham Crematorium, and taking into account the desire to maintain harmonised charges across County Durham, plus the fact that there was a 15% increase in 2014/15, it is proposed follow suit and hold charges at the Mountsett Crematorium. Similar reciprocal arrangements would apply if a major refurbishment / redevelopment was being undertaken at the Mountsett facility.

Cremation Charges

7. Adult cremation fees were increased by 15% in 2014/15 to bring the fees in line with average charges levied by other facilities in the region. This represented a monetary increase of £80 per adult over the age of 16 years.
8. The projected number of cremations in 2014/15 is 1,282 which will be 91 more than the 1,191 cremations delivered in 2013/14 and 132 higher than the budgeted position of 1,150.
9. The proposed 2015/16 fees and charges for the neighbouring crematoria is attached at Appendix 3 and the average total cost is calculated at Appendix 4, which indicates an average cremation fee of £645 (inclusive of medical referees fees and environmental surcharge) next year. Holding the current charges will mean that the total cremation fees levied for the Mountsett Crematorium in 2015/16 (inclusive of medical referee fees) remains at £630.
10. In terms of the charging policy for child cremations, it is proposed to retain the NIL fee. Members will see from Appendix 3 that neighbouring crematoria charges range from £0 to £215.

Book of Remembrance

11. There is no proposed increase to the Book of Remembrance fee for 2015/16.
12. A full schedule of the proposed fees and charges for Mountsett Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for members' information. As can be seen, the cremation fees continue to compare well in relation to neighbouring crematoria, indicating a mid-price range position within the benchmarking group, but below the regional average.

Recommendations and Reasons

10. It is recommended that:-
 - Members of the Joint Committee note and approve the proposed fees and charges at Appendix 2 effective from 1 April 2015, which seek to maintain charges at existing levels.
 - The proposed fees and charges are incorporated into the 2015/16 budget.

Background Papers

2014/15 Budget and Financial Monitoring Reports
2015/16 Budget Working Papers

Contact(s):	Paul Darby	03000 261930
	Ed Thompson	03000 263481

Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for Mountsett Crematorium is included at Appendix 2. These proposals have been factored into budget proposals for 2015/16.

Staffing

There are no staffing implications associated with this report.

Risk

The sensitive pricing of services is essential to maintain the competitiveness and reputation of Mountsett Crematorium in the current economic climate. The proposed standstill in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets. Charging information will be publicised in advance and communication carefully handled.

Equality and Diversity/Public Sector Equality Duty

The proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett Central Crematorium and provide equity of treatment / access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

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 Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

SCHEDULE OF PROPOSED CREMATORIUM CHARGES 2015-16

	Mounsett				
	2015/2016 Charges incl VAT (where appropriate)	Proposed Charges 2015/2016 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
	£	£		£	%
Non-viable Foetus	£9	£9	O	£0	0.00%
Child	£0	£0 up to 1 mth	O	£0	0.00%
Child	£0 up to 16 yrs	£0 up to 16 yrs	O	£0	0.00%
Adult	£610 over 16 yrs	£610 over 16 yrs	O	£0	0.00%
<u>Surcharges</u>					
Non Resident (Adult)	£0	£0	O	£0	0.00%
Environmental surcharge	£0	£0	O	£0	0.00%
Saturdays Additional	50%	50%	O	Not Applicable	Not Applicable
Certificate of Cremation	Included	Included	O	Not Applicable	Not Applicable
Medical Referees Fees	£20	£20	O	£0	0.00%
Body Parts	£9	£9	O	£0	0.00%
2 line entry Book of Remembrance	£50	£50	S	£0	0.00%
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£304	£312	E/S	£8.00	2.63%

APPENDIX 3

Proposed Mountsett 2015/16	Period charged from:	Jan 2014 to Dec-15 2015/16 **	Jan 2014 to Dec 2015 2015/16 **	Apr 2014 to Dec 2015 2015/16 **	Apr 2014 to Mar 2015 2014/15 *	Apr 2014 to Mar 2015 2014/15 *	Jan 2014 to Dec 2015 2015/16 **	Apr 2014 to Dec 2015 2015/16 **	Apr 2014 to Mar 2015 2014/15 *	Mar 2014 to Apr 2015 2015/16 **	Proposed Mountsett 2015/16 ***
Mountsett		Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	North Tyneside	Durham
£		£	£	£	£	£	£	£	£	£	£

Cremation Fees

£610.00 16yrs or Over	Adult	£635 over 16 yrs	£605 15yrs or over	£590 over 18yrs	£574 15yrs or over	£599 over 16 yrs	£604 15yrs or over	£562 15yrs or over	£645	£605 over 18 yrs	£610.00 over 16 yrs
£0	Environmental surcharge	Included	£50	£40	£50	Included	£66	included	included	Included	£0
£20	Medical Referees Fees	Included	£20	£35.00	Included	Included	£36	£22	£41.00 13 yrs & over	£25	£20
£630	Sub total	£635	£675	£665	£624	£599	£706	£584	£686	£630	£630

Other Charges

£9	Non-viable Foetus	£0	£0	£0	£11	£17	£0	£0	£0	£0	£9
£0 up to 1 month	Infant Child	£0	£0 12 mths	£0	£21 up to 1 month	£17 under 5 yrs	£0 up to 14 yrs	N/A	£0 up to 12 yrs	£25	£0 up to 1 month
£0 up to 16 yrs	Child	£0	£215 up to 18 yrs	£0	£44 up to 14yrs	£103 up to 16 yrs	£0 up to 14 yrs	£129 under 16 yrs	£0	£25	£0 up to 16 yrs
£0	Non Resident (Adult)	£0	£0	£0	£0	£0	£604	£744	Not Available	£605	£0
50%	Saturdays/ Additional	£318	No Cremations on a Saturday	No Cremations on a Saturday	£44	No Cremations on a Saturday	£983	£830	No Cremations on a Saturday	£908	50%
Included	Certificate of Cremation	Included	Included	Included	Included	£10	£17	Included	£12	Included	Included
£50	2 line entry Book of Remembrance (inclusive of VAT)	N/A	£64	£60	£34	£57	£68	£47	£66	£55	£50
£0	Body Parts	£0	£0	50% of appropriate charge	£26	£0	£0	£78	£150	£0	£0

* All based on 14/15 Rates

** All based on 15/16 Rates

*** Subject to consideration by the Central Durham Crematorium Joint Committee January 2015

Appendix 4

Period charged from:	Jan 2014 to Dec 2015 2015/16 **	Jan 2014 to Dec 2015 2015/16 **	Apr 2014 to Dec 2015 2015/16 **	Apr 2014 to Mar 2015 2014/15 *	Apr 2014 to Mar 2015 2014/15 *	Jan 2014 to Dec 2015 2015/16 **	Apr 2014 to Dec 2015 2015/16 **	Apr 2014 to Mar 2015 2014/15 *	Mar 2014 to Apr 2015 2015/16 **
	Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	North Tyneside
	£	£	£	£	£	£	£	£	£
Cremation Fees									
Adult	£635	£605 15yrs or over	£590 over 18yrs	£574 15yrs or over	£599 over 16 yrs	£604 15yrs or over	£562 15yrs or over	£645	£605 over 18 yrs
Environmental surcharge	Included	£50	£40	£50	Included	£66	included	included	Included
Medical Referees Fees	Included	£20	£35.00	Included	Included	£36	£22	£41.00 13yrs and over	£25
Sub total	£635	£675	£665	£624	£599	£706	£584	£686	£630
Average of Benchmarking Group									£645

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Mountsett Crematorium Joint Committee

30 January 2015

2015/16 Revenue Budget



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 for Members' consideration proposals with regards to the 2015/16 revenue budget for the Mountsett Crematorium.

Background Information

2. The 2015/16 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2014/15 forecast outturn position and known expenditure pressures in the coming year.

Budget Proposals 2015/16

3. The proposed 2015/16 revenue budget is shown at Appendix 2, together with the forecast position with regards to the reserves of the Mountsett Crematorium. Members should note that the main changes from the 2014/15 budget are as follows:

Employees

4. The 2015/16 budget has increased by **£9,983** from 2014/15 due to the impact of the pay award and incremental progression.

Premises

5. The base budget has increased by **£12,426** from 2014/15. The main reasons for this increase are as follows:
 - The Repairs and maintenance budgets have increased in consideration of the Service Asset Management Plan scheduled works. The net result of the removal of the 2014/15 works schedule and the inclusion of the 2015/16 requirements is an increase in the base budget of **£10,875**
 - Utility Budgets and the NNDR Budget have been increased to reflect the inflationary pressures, which has resulted in an overall increase of **£1,551**.

Supplies and Services

6. The budget has increased by **£5,565** from 2014/15 due to the details below:-

- Provision has been made for increased Mercury Abatement charges in line with the budgeted number of cremations for 2015/16. This has resulted in an overall increase of **£4,040** from the 2014/15 budget base.
- Medical Referees Fees budget has increased in line with the anticipated increase in cremation numbers **£1,320**.
- Other supplies and services budgets including conferences subscriptions and clothing have been increased by **£205**.

Agency and Contracted

7. The Agency and Contracted Services budget has reduced by **(£1,000)** due to the reduction in the External Audit fee.

Support Service Costs

8. The 2015/16 budget factors in the proposed SLA for the provision of Support Service. As was agreed at the January 2014 meeting, Members will be aware the Audit Services SLA has reduced by **(£275)**. The Support Services SLA remains in line with the 2014/15 budget provision.

Income

9. The income budget has been increased by **£56,400**. The major changes are as follows:
 - An element of prudence has again been factored into the income budget proposal for next year. The projected outturn as at 31st December 2014 assumes an increase of 132 cremations against the 2014/15 budgeted number (of 1,150) and therefore the 2015/16 budgeted number of cremations has been increased by 80 to 1,230. The net effect of these considerations results in an increased cremation fee income of **(£50,400)**.
 - In consideration of the 2014/15 projected outturn, the Plaque income budget has been increased for 2015/16 by **£5,000**.
 - In consideration of the 2014/15 projected outturn, the miscellaneous income budget, including urns and ashes, has increased by **£1,000**
10. Should cremations numbers be maintained in line with those realised in previous years, and memorial sales become more popular than 2014/15 levels, then a reasonable surplus would again be generated in 2015/16.

Earmarked Reserves

11. The transfers to the Repairs Reserves next year is budgeted in line with the 2014/15 level at **£15,000**.
12. In line with the Reserves Policy, the surplus created after all of the above factors is budgeted to transfer to the Cremator Reserve. The Reserves Policy however, also requires a General Reserve of 30% of the Joint Committees income budget. This results in a required transfer from the Cremator Reserve to the General Reserve of **£16,920**. The net increase to the Cremator Reserve is therefore **£109,386**.

13. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2016, taking into account the 2014/15 Quarter 3 budgetary control report and the proposed transfers to / from earmarked as follows:

- General reserve of £242,070, an increase of £16,920 (7.5%) from 2014/15
- Retained Reserves of £755,578 an increase of £124,386 (19.7%) from 2014/15

The estimated total reserves as shown in Appendix 2 at 31 March 2016 are **£997,648**.

14. Members should note that the 2015/16 budget proposal incorporates £90,775 of one off expenditure requirements which will provide further scope in the 2016/17 budget setting round.

Recommendations and Reasons

15. It is recommended that:

- Members of the Joint Committee note and approve the budget proposals contained within the report (as set out at Appendix 2).
- Members note the forecast level of reserves and balances at 31 March 2016 (also set out at Appendix 2).

Background Papers

- 2014/2015 Budget and Financial Monitoring Reports
- 2015/2016 Budget Working Papers
- 2015/2016 Fees and Charges report.

Contact(s):	Paul Darby	03000 261930
	Ed Thompson	03000 263481

Appendix 1: Implications

Finance

The proposed budget for the Mountsett Crematorium is included at Appendix 2, with an explanation of year on year changes set out in the body of the report.

Staffing

The employee budget provides for 7 members of staff.

Risk

The budgets take into account the 2014/15 forecast outturn position and all known expenditure pressures and opportunities for efficiencies in the coming year. The budget also considers one off expenditure requirements for 2015/16. Knowledge of these requirements ensures that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Mountsett Crematorium in the current economic climate. The proposed increases in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets.

Equality and Diversity/Public Sector Equality/ Duty

The income proposals set out in this report are based on a harmonised fees and charges policy with the Central Durham Crematorium and provide equity of treatment/access across County Durham. An equality Impact assessment screening has been undertaken which has revealed no issues.

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 Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The Mountsett Crematorium Joint Committee is required to set a balanced budget and the budget proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

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APPENDIX 2

MOUNTSETT CREMATORIUM 2015/2016 BUDGET				
2013/2014 Actual Outturn (Memo Info)	2014/2015 Base Budget (Set QTR1)	2014/2015 Projected Outturn (QTR3)		2015/2016 Base Budget
£	£	£		£
			EXPENDITURE	
112,886	123,215	121,184	Employees	133,198
190,031	200,350	184,794	Premises	212,776
512	400	613	Transport	600
131,703	115,765	118,715	Supplies and Services	121,330
6,419	8,000	6,995	Agency & Contracted	7,000
25,300	26,075	26,075	Support Service Costs	25,800
466,851	473,805	458,376	Gross Expenditure	500,704
(683,044)	(750,500)	(841,703)	INCOME	(806,900)
(216,193)	(276,695)	(383,327)	Net Income	(306,196)
			Transfer to/from Reserves	
15,158	15,000	15,000	- Repairs Reserve	15,000
36,145	96,805	203,437	- Cremator Reserve	126,306
(164,890)	(164,890)	(164,890)	Distributable Surplus	(164,890)
57,712	57,712	57,712	35% Gateshead Council	57,712
107,178	107,178	107,178	65% Durham County	107,178

Actual Balance @ 31/03/14	Budget Earmarked Reserves Balance @ 31/03/15	Revised (QTR3) Forecast Balance @ 31/03/15	Reserve	Transfer to Reserve	Transfer from Reserve	Budget Forecast Balance @ 31/03/16
£	£	£		£	£	£
59,558	74,400	74,558	Repairs Reserve	15,000	0	89,558
363,397	390,166	556,634	Cremator Reserve	126,306	(16,920)	666,020
214,950	240,150	225,150	General Reserve	16,920	0	242,070
637,905	704,716	856,342	TOTAL	158,226	(16,920)	997,648

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