

## **DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in Committee Room 1A, County Hall, Durham on **Friday 29 January 2016 at 2.00 pm**

### **Present:**

**Councillor O Temple (Chairman)**

### **Members of the Committee:**

#### **Durham County Council**

Councillors A Batey, K Dearden, C Hampson, I Jewell, T Nearney and M Plews

#### **Gateshead Council:**

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

### **1 Apologies for Absence**

Apologies for absence were received from Councillors O Milburn (Durham County Council) and Councillors D Davidson and P Ronan (Gateshead Council).

### **2 Minutes of the Meeting held on 25 September 2015**

The minutes of the meeting held on 25 September 2015 were confirmed as a correct record and signed by the Chairman.

### **3 Declarations of Interest, if any.**

There were no declarations of interest.

### **4 Performance and Operational Report**

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

The Bereavement Services Manager advised that during the period 1 September 2015 to 31 December 2015 inclusive, there were 455 cremations undertaken, an increase of 18 on the comparable period last year.

It was further reported that during the period, 4 memorial plaques were sold which represented a decrease of 11 (£4,394) year on year. In addition a new memorial tower had been installed providing a wider choice to families of memorials to purchase.

With regard to operational matters it was reported that following adhoc arrangements which had been put in place to cover the cleaner's post which was vacated in November 2014, a

Service Level Agreement had now been put in place with Durham County Council's facilities management team at a cost of £6,599 for cleaning services. This had been factored into the budget proposals considered later in the Agenda.

The Bereavement Services Manager advised that arrangements had been made to purchase an Automated External Defibrillator (AED) to be kept on site at Mountsett. The AED and associated training would cost £1,100 which would be accommodated from the existing equipment budget.

As discussed at the previous meeting options regarding a celebration to mark the 50<sup>th</sup> anniversary of Mountsett Crematorium were being considered. It was proposed that a balloon release to celebrate each year of its operation followed by a service would be arranged. Subject to any further suggestions, officers would finalise proposals and provide full details to the next meeting in April.

Members were advised that Mountsett Crematorium would be submitting an application for the 2016 Green Flag Award, which had been achieved in the previous four years. The management plan would be updated accordingly in order to maintain standards.

Under the Recycling of Metals Scheme, the Crematorium had received a cheque for the sum of £4,321 and this had been presented to the North East Children's Cancer Research by the Chair of the Joint Committee on 20 October 2015.

Further to discussions at the last meeting regarding the options for extending car parking facilities on site, it was reported that planning permission had been granted and work was expected to be underway by 20 February, 2016 with an estimated completion date of 3 April 2016.

The Bereavement Services Manager advised that following the Joint Committee's decision to approve a scheme to build an extension to the Crematorium and install 2 new cremators with Mercury Abatement equipment to each, further design work had been undertaken and discussions have been ongoing with Legal Services to draft the tender. Further updates would be provided at future meetings.

Councillor Charlton asked whether all staff would be trained in the use of the AED. In response the Bereavement Services Manager advised that all 12 staff would be trained as part of the package. Councillor Dearden asked whether the Crematorium would be responsible for its maintenance and upkeep and it was noted that there was a facility for replacing after 2 years.

Moving on to discuss the replacement of the cremators it was noted that now we were in the procurement phase, there was two options available to the committee. The first being that any conditional offers be brought back to committee for its approval, or alternatively, that the Chair of the Joint Committee alongside the Project Team were given delegated approval to make the decision on behalf of the committee. Councillor Dodds commented that he felt that allowing the Chair to make the decision on behalf of the Committee with legal input seemed the most practical solution, negating the requirement for another meeting to be convened at potentially short notice.

## **Resolved:**

- That the current performance of the crematorium be noted.
- That the current situation with regards to the sale of memorials be noted.
- That the SLA with Durham County Council's Facilities Management team for the cleaning services, which will provide additional business continuity and cover for any further periods of absence be agreed.
- That the purchase of an Automated External Defibrillator be noted.
- That proposals for the 50<sup>th</sup> Anniversary celebrations be noted.
- That the status of the application for the Green Flag Award 2016 be noted.
- That the distribution of recycling income received be noted.
- That the current position with regards to the proposed car park extension be noted.
- That the current progress with regards to the cremator replacement be noted and that the Chair of the Joint Committee be delegated authority to alongside the project Team and Legal Services determine the outcome of any offer.

## **5 Financial Monitoring Report - Position at 31/12/15, with Projected Outturn at 31/03/16**

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 income and expenditure in the period 1 April 2015 to 31 December 2015, together with an updated projected outturn position for 2015/16, highlighting areas of over/underspend against the revenue budgets at a service expenditure analysis level. The report further detailed the funds and reserved of the Joint Committee at 1 April 2015 and forecast outturn position at 31 March 2016, taking into account the updated financial positions (for copy see file of minutes).

The Head of Finance (Financial Services) referred members to the table on page 26 of the report which highlighted the annual budget, year to date spend and forecast outturn / variances for each budget line; an explanation for each of those variances was contained within paragraph 6 of the report. He further pointed out that there was a number of one off items of expenditure, including the extension to existing car park that had been included in the forecasts that would not be recurring items.

Regarding earmarked reserves the Head of Finance (Financial Services) advised that contributions to Reserves were forecasted to be £15,922 more than budgeted, primarily due to the increase in cremation income during the year and the over provision in the CAMEO abatement budget, which was offset by the additional car park extension costs being met in year. This therefore resulted in a net transfer to the Cremator Replacement Reserve of £205,308 in year.

The retained reserves of the Joint Committee at 31 March 2016 were forecast to be £876,697, along with a General Reserve of £242,070.

## **Resolved**

That members note the April to December 2015 revenue spend financial monitoring report and the updated outturn position at 31 March 2016, including the projected year end position with regards to the reserves and balances of the Joint Committee.

## **6 Annual Review of the System of Internal Audit**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which provided details regarding the review of the effectiveness of the Durham County Council Internal Audit Services, which was carried out by the County Council's Audit Committee in June 2015 (for copy see file of Minutes). The report gave members assurance that they could rely on the Annual Audit Opinion when it is received in April.

### **Resolved:**

- That it be noted that the information provided demonstrates the efficiency and effectiveness of the Durham County Council Internal Audit Service.
- That the actions planned to further improve service during 2015/16 be noted.

## **7 External Audit Arrangements 2015/16**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which provided details of the proposed external audit arrangements for the Mountsett Crematorium for 2015/16 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that the Limited Assurance Audit contract previously undertaken by BDO LLOP ended in September 2015, following completion of the 2014/15 audit. Therefore two options were available:

- i. Continue with the existing external auditor for the 2015/16 audit.
- ii. Undertake a procurement exercise to appoint an external auditor for the 2015/16 audit.

It was explained that continuing with the current arrangement would cost £2,500 for 2015/16 and would need to be revisited in future years. The current fee was £1,600. Remaining with the Joint Committee's current external auditor would provide continuity for the Joint Committee.

The Head of Finance advised if members chose to appoint a new external audit a specification would have to be drawn up for the procurement exercise. External audit companies would then need to tender for the 3 year contract and the Joint Committee would then need to select a preferred bidder.

Councillor Green commented that a £900 increase for the 2015/16 audit was high, although appreciated that it may not be feasible to procure this year.

The Head of Finance (Financial Services) advised that the fee proposed for 2015/16 was of a similar level to charges for the Central Durham Crematorium Joint Committee. He further advised that it was uncertain whether a cheaper fee could be procured and at this late stage it may not be practical to do so but that arrangements would be made to set in place a three year contract to cover the external audit of the 2016/17; 2017/18 ab 2018/19 statements during the coming months.

**Resolved:**

That the Joint Committee engage BDO LLP to continue with the existing audit arrangements for the 2015/16 financial year but that a tendering exercise be undertaken to market test the rates being charges and appoint a new auditor for a 3 year period covering the 2016/17, 2017/18 and 2018/19 external audit.

**8 Provision of Support Services 2016/17**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which outlines the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2016 to March 2017 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that Members note a small increase on last year's charges; which could be attributed to inflationary pressures arising from pay awards and additional employer national insurance costs as a result of the pension changes in 2016.

It was further noted that there had been no increase in charges over the last 2 years.

**Resolved:**

That the Service Level Agreement for the year 2016/17 be approved.

**9 Fees and Charges 2016/17**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of the proposed fees and charges for the Mountsett Crematorium for 2016/17 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that in light of the decisions to move ahead with the Cremator replacement project and decisions reached by the Central Durham Crematorium, and taking into account the desire to maintain harmonised charges across County Durham, it was proposed that there was to be a £20 (3.3%) increase to the current cremation fees and charges for 2016/17.

Members attention was drawn to the benchmarking data provided, which showed that with the small increase proposed fees still remained at or below the vast amount of crematoria in the region / locality. The increase in fees and charges provided additional budget capacity to increase the contribution to the cremator replacement reserve.

Councillor Temple in referencing the cremator replacement project and building works added that he hoped that the MCJC would be able to manage a similar quid pro quo with Central Durham Crematorium Joint Committee whilst works were ongoing where it was

likely that Mountsett members might not want to increase charges whilst the work was underway.

**Resolved:**

- That the Joint Committee note and approve the proposed fees and charges effective from 1 April 2016, which sought to increase charges by £20 (3.3%) per cremation from £630 to £650.
- That the proposed fees and charges be incorporated into the 2016/17 budget.

**10 2016/17 Revenue Budget**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out proposals with regards to the 2016/17 revenue budget (for copy see file of minutes).

The Head of Finance (Financial Services) advised that in light of the previous reports being approved the proposed 2016/17 budget was set out in Appendix 2 of the report. It was noted that the proposals incorporated £49,790 of one off expenditure requirements which would provide more scope in the 2017/18 budget setting round. These one off items related to works included in the Service Asset Management Plan approved by members at the previous meeting.

With regards to earmarked reserves the estimated total of reserves at 31 March 2017 were forecast to be £1,399,750.

**Resolved:**

- That the Joint Committee noted and approved the budget proposals contained within the report.
- That the forecast level of reserves and balances at 31 March 2017.