



## **Mountsett Crematorium Joint Committee**

**Date**        **Friday 29 January 2016**  
**Time**        **2.00 pm**  
**Venue**       **Committee Room 1A, County Hall, Durham**

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### **Business**

#### **Part A**

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

1. Apologies for Absence
2. Minutes of the Meeting held on 25 September 2015 (Pages 1 - 6)
3. Declarations of Interest, if any.
4. Performance and Operational Report (Pages 7 - 24)  
Report of Bereavement Services Manager.
5. Financial Monitoring Report - Position at 31/12/15, with Projected  
Outturn at 31/03/16 (Pages 25 - 30)  
Joint Report of Corporate Director Neighbourhood Services and  
Corporate Director Resources and Treasurer to the Joint Committee.
6. Annual Review of the System of Internal Audit (Pages 31 - 36)  
Report of the Corporate Director Resources and Treasurer to the Joint  
Committee.
7. External Audit Arrangements 2015/16 (Pages 37 - 40)  
Joint Report of the Corporate Director Neighbourhood Services and  
Corporate Director Resources and Treasurer to the Joint Committee.
8. Provision of Support Services 2016/17 (Pages 41 - 54)  
Joint Report of the Corporate Director Neighbourhood Services and  
Corporate Director Resources and Treasurer to the Joint Committee.
9. Fees and Charges 2016/17 (Pages 55 - 60)  
Joint Report of the Corporate Director Neighbourhood Services and  
Corporate Director Resources and Treasurer to the Joint Committee

10. 2016/17 Revenue Budget (Pages 61 - 68)  
Joint Report of Corporate Director Neighbourhood Services and  
Corporate Director Resources and Treasurer to the Joint Committee.
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  
21 January 2016

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, M Plews and W Stelling

**Gateshead Council:**

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

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**Contact: Lucy Gladders**

**Tel: 03000 269712**

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**DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in Saltwell Room, Civic Suite, Gateshead Council on **Friday 25 September 2015 at 2.00 pm**

**Present:**

**Councillor O Temple (Chairman)**

**Members of the Committee:**

**Durham County Council**

Councillors C Hampson, I Jewell and T Nearney

**Gateshead Council:**

Councillors D Davidson, L Green, J Lee and M Ord

**1 Apologies for Absence**

Apologies for absence were received from Councillors A Batey, K Dearden, M Plews (Durham County Council) and M Charlton and P Ronan (Gateshead Council).

**2 Minutes of the Meeting held on 22 June 2016.**

The minutes of the meeting held on 22 June were confirmed as a correct record and signed by the Chairman.

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

There were no declarations of interest submitted.

**4 External Auditors Issues Arising Report for the Year Ended 31 March 2015**

The Joint Committee considered a 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 2015 (for copy see file of minutes).

The Head of Finance - Financial Services advised that the audit had not highlighted any material weaknesses around the Joint Committee's system of internal control and had concluded that the return was a true and fair view of the financial position at 31 March 2015.

**Resolved:**

That the joint committee noted the conclusion of the Crematorium Audit and approve the Small Bodies in England Annual Return for the financial year ended 31 March 2015.

## **5 Quarterly 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 June 2015 to 31 August 2015 inclusive, there were 297 cremations undertaken, a reduction of 12 on the comparable period last year.

It was further reported that during the period, 11 memorial plaques were sold which represented an increase of 4 (£1,900) year on year.

With regard to operational matters it was reported that arrangements were in place to cover the cleaner's post which was vacated in November 2014, and this would continue until a Service Level Agreement was put in place with Durham County Council's facilities management team, to continue the arrangement.

Moving on the Bereavement Services Manager advised that Mountsett Crematorium was once again successful in retaining its Green Flag Award for the fourth year running, which was a great achievement. This was in addition to being awarded the Gold Star Status by the Institute of Cemetery and Crematorium Management, a testimony to the dedication of the Crematorium's staff.

It was further reported that the Recycling of Metals Scheme had produced a surplus of £350,000 nationally from the 2014/15 collection. As previously determined the North of England Children's Cancer Research Fund had been nominated by the Joint Committee for the next distribution of funds. A cheque for the sum of £4,321 would be forwarded in due course.

The Bereavement Services Manager then went on to explain that next year would mark the 50<sup>th</sup> Anniversary of the opening of the Crematorium and with such it was suggested that this was recognised and commemorated by way of special event. Suggestions and ideas were sought from Members.

Further to discussions at the last meeting regarding the options for extending car parking facilities on site, it was reported that a feasibility study had now been undertaken and had determined that the extension of the existing car park was possible. The Bereavement Services Manager advised that there were two options available as detailed within the report. It was further reported that subject to members' views it would seem appropriate to progress option 1, providing 22 additional car parking spaces which would supplement the 12 spaces recently created along the exit road.

In conclusion the Bereavement Services Manager advised that the Service Asset Management Plan (SAMP) had been amended following the meeting on 3 October 2014 and now provided further direction and highlighted future investment requirements and budget pressures for the Joint Committee. The revised SAMP was appended to the report for members' consideration. The Bereavement Services Manager advised that that the plan was split into four main areas of priority and included all planned crematorium improvement



works up until 2018. Further discussion related to the SAMP would be undertaken during Item 9 regarding cremator replacement.

Councillor Nearney queried whether the staff involved in the crematorium's grounds maintenance had been rewarded in any way for their efforts. It was further suggested that a nomination be put forward for the Great staff Great stuff awards on behalf of the joint committee.

In addition Councillor Temple added that he wished to further congratulate the finance / admin teams for such a positive audit outcome.

Councillor Temple further raised a query regarding the cleaning services currently being provided and asked what the benefits were of using Direct Services to carry out the work. The Bereavement Services Manager advised that Direct Services were able to clean the facilities 5 days per week. In addition where cover was not previously possible for sick leave or holiday, Direct Services were able to provide cover at short notice. Councillor Jewell asked how much this service cost. In response the Head of Finance (Financial Services) advised that the services cost approximately £1000 more under the SLA, however this also included 2 additional days per week which were not provided under the old arrangement. The Head of Direct Services advised that the SLA was flexible and the number of days provided could be altered if required at any time, and this would be reflected in the cost.

Councillor Temple then asked for any ideas or suggestions regarding the 50<sup>th</sup> year anniversary celebrations. Councillor Nearney in referencing Watford Crematorium's celebrations suggested, that a balloon release could be arranged, with one balloon for each year of its operation. He suggested that this could be a good non-faith way of marking 50 years.

Further discussion ensued and it was felt that holding a dinner would be inappropriate. It was also noted that the joint committee would have to be mindful of all faiths in determining the most appropriate way of marking his occasion. Councillor Temple suggested that any ideas should be brought forward to the next meeting for consideration.

Moving on to the proposed car park extension Councillor Jewell commented that he felt there were 3 options, the third unmentioned option, being that the smaller option be implemented immediately with the option to extend further at a later stage. The Bereavement Services Manager added that this may not be possible due to drainage issues however this could be explored further with the design team.

Councillor Ord asked whether it was felt that 22 spaces was adequate enough to meet future demand. In response the Bereavement Services Manager advised that no matter how many spaces were provided, it was unlikely that they could ever fully meet the demand.

Councillor Green in referencing option 1 asked whether retaining the hedgeline as detailed in option 1 could cause problems in the future for extending the car park. In response the Bereavement Services Manager advised that the hedgeline consisted on mainly privit and hawthorn and could potentially impact on future works.

The Head of Finance - Financial Services added that with the 12 spaces recently created and the additional 22 proposed, the total number of spaces would be in line with Durham Crematorium. In addition he advised that funds could be redirected from the major works reserve if the committee wanted to implement option 2. Councillor Temple then commented that he could therefore see no reason to preclude option 2 at this stage. Members however agreed that Option 1 would be the most suitable at this time, however wished for the option of possible future extension works to be explored.

**Resolved:**

- (i) That the current performance of the crematorium be noted.
- (ii) That the current situation with regards to the sale of Memorials be noted.
- (iii) That the continued success with regards to the Green Flag Award be noted. In addition that the joint committee shall nominate the staff involved in its maintenance for a Great Staff Great Stuff award.
- (iv) That the current round of money available with regards to the recycling of metals scheme be noted.
- (v) That the outcome of the car park extension feasibility study be noted and that Option 1 be implemented, with costs being met from the Repairs Reserve.
- (vi) That the content of the Service Asset Management Plan be attached at Appendix 3.
- (vii) That Members should submit any ideas regarding the 50<sup>th</sup> Anniversary celebrations to the next meeting for discussion.

**6 Financial Monitoring report 2015/16: Position at 31/08/15 with Projected Outturn to 31/03/16.**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2015 to 31 August 2015, together with the provisional outturn position for 2015/16, highlighting areas of over/underspend against the revenue budgets at service expenditure analysis level. The report further detailed the funds and reserves of the Joint Committee at 1 April 2015 and the forecast outturn position at 31 March 2016, 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 £395,326 against a budgeted surplus of £306,196 (£89,130) more than the budgeted position. The report further details the reasons for those variances broken down by subjective analysis area.

With regard to income the Head of Finance – Financial Services advised that contributions to reserves were forecast to be £89,130 more than originally budgeted and this was primarily due to the increase in CAMEO income and the over provision of the CAMEO abatement budget.

After taking into account the transfer to reserves it was reported that £198,516 would be transferred to the Cremator Replacement Reserve.

With regard to the retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2016, it was reported that they were forecast to be £949,905 along with a General

Reserve of £242,070, giving a forecast total reserves and balances position of £1,191,975 at the year end.

**Resolved:**

That the content of the report be noted.

## **7 Risk Register 2015/16 - Update**

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 an update on the current position with regards to the Risk Register of the Mountsett Crematorium Joint Committee (for copy see file of minutes).

The Head of Finance – Financial Services advised that the Risk register which was considered and approved by the Joint Committee on 24 April 2015 had been reviewed, reassessed and updated in accordance with the Durham County Council methodology and approach to Risk Management. Following this review it was reported that service and operational risks had been plotted onto a risk matrix and were set out within Appendices 2 and 3 of the report.

**Resolved:**

- (i) That the content of the report be noted.
- (ii) That the Risk Register be kept up to date and be reviewed by the Joint Committee on a half yearly basis.

## **8 Exclusion of Public**

**Resolved:**

That under Section 100 A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the said Act

## **9 Options Appraisal -Cremator Replacement / Mercury Abatement, Potential Extension and Refurbishment**

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 options for the cremator replacement, taking into account the Asset Management Requirements / lifespan of the existing cremators and the Mercury Abatement Regulations, which came into effect on 1 January 2013 (for copy see file of minutes).

Members of the Joint Committee discussed in depth all options presented regarding both the construction, timing and financial aspects of the project. Members were also given the opportunity to view plans of the various options and the Senior Projects Manager was in attendance to talk through the design aspects of the project and feasibility study.

**Resolved:**

- (i) That option 1a, which mitigated the legislative risks and allowed for a simpler delivery be agreed.
- (ii) That the cremators be replaced in 2017/18, mitigating interest rate rises and allowing sufficient time to procure the equipment, design and deliver the finished facility at the earliest opportunity.
- (iii) That a negotiated tender with Direct Services be undertaken with regards to the building works.
- (iv) To receive update reports throughout the lead up to and delivery of the project.

**Mountsett Crematorium Joint Committee**

**29 January 2016**



**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 2015 to 31 December 2015 inclusive, with comparative data in the same periods last year:

	<b>2014/15</b>	<b>2015/16</b>	<b>Change</b>
September	100	100	+ 0
October	119	114	- 5
November	107	112	+ 5
December	111	129	+ 18
<b>TOTAL</b>	<b>437</b>	<b>455</b>	<b>+18</b>

3. There were 455 cremations undertaken during the period 1 September 2015 to 31 December 2015, compared to 437 in the comparable period last year, an increase of 18 year on year. The profile of where families came from can be seen below:

Gateshead	132
Durham	254
Outside Area	69
<b>Total</b>	<b>455</b>

**Memorials**

4. The table below outlines the number and value of the memorials sold in the period September to December 2015 compared to the same period the previous year.

	<b>(Sep – Dec) 2014/15</b>		<b>(Sep – Dec) 2015/16</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
<b>Large Plaques</b>	15	6,036	4	1,642

5. In overall terms the number and value of memorials sold 4 / £1,642 represents a decrease of 11 / £4,394 year on year. Members may recall that at the meeting held on 3 October 2014 the Service Asset Management Plan included an option to increase the availability of wall space through a new memorial tower and this

has now been installed, which now allows families a wider choice of memorials to purchase.

## **Operational Matters**

### **Staffing**

6. Members may recall that the cleaner who had worked at the Crematorium for 23 years left at the end of November 2014. Durham County Council's facilities management team have been carrying out the cleaning duties on an ad hoc arrangement since then.
7. We have therefore approached Durham County Council's facilities management team to provide a Service Level Agreement to undertake the cleaning duties at the Crematorium. The cost associated with the SLA is £6,599 and includes all labour and materials required to carry out the duties identified. A copy of the SLA is attached at appendix 2 for Members information.

### **The AED (Automated External Defibrillator)**

8. The Sudden Arrhythmic Death Syndrome (SADS) charity can provide a defibrillator and has worked with schools and organisations for over 10 years, placing defibrillators and working closely with ambulance services around the country providing training alongside the Resuscitation Council (UK). The purchase of a defibrillator along with training costs will be approximately £1,100, which can be accommodated from within the existing equipment budget.
9. It has been agreed to purchase an AED (Automated External Defibrillator) and for this to be kept on site at Mountsett Crematorium.

### **50<sup>th</sup> Year Anniversary celebrations**

10. Mountsett Crematorium will be celebrating their 50th year anniversary in July 2016. At the last meeting members were asked for any suggestions they might have in terms of events to mark this occasion. An option was proposed for a balloon release, with one balloon to celebrate each year of its operation and the holding of a service at the Crematorium. Subject to any further ideas members might have, which should be brought to this meeting for consideration, officers will finalise proposals and set these out in detail at the next meeting in April 2016.

### **Green Flag Application**

11. In 2015 the Mountsett Crematorium was successful in retaining its Green Flag Award for the fourth year running.
12. An application will be submitted for the 2016 Award in January 2016 and progress will be reported back to future meetings. A management plan to

maintain the required standards will be updated and any required works will be covered by existing budgets.

### **Recycling of Metals Scheme**

13. The Crematorium has received a further cheque for the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £4,321.
14. Arrangements were made for the Cheque to be presented to the North East Children's Cancer Research by the Committee Chair on 20 October 2015. (See Appendix 3).
15. The fundraisers will be setting up a new initiative with the money donated by the Crematorium and will be purchasing equipment for their researchers to take into schools to educate children about the work that their researchers carry out.

### **Car Park Extension**

16. Members may recall at the September 2015 meeting that an area of land adjacent to the existing car park had been identified as a possible extension to the car park. A sum of £80,000 has been set aside to cover the costs of the extension to the car park, which would create 22 additional spaces.
17. The planning application is in progress (planning application submitted December 2015) and the results of the ground investigation works have been received. Unfortunately the results show poor ground bearing strength so we are now seeking technical advice on suitable ground stabilisation methods. This also identified a different method of construction and will reduce the amount of excavation required therefore this should have no additional cost to the Crematorium.
18. A provisional start date has been timetabled for February 2016 but this may be delayed by the technical advice / further design process.

### **Replacement of Cremators and Installation of Mercury Abatement Plant**

19. At the meeting in September 2015 members approved a scheme to build an extension to the Crematorium and install 2 new cremators with Mercury Abatement equipment to each to replace the existing cremators.
20. Further design work has been undertaken and discussions have been ongoing with DCC Corporate and Legal Services to draft the tender and it is envisaged that this will be sent out in early February 2016.
21. Further updates will be provided at future meetings.

### **Recommendations and Reasons**

23. It is recommended that Members of the Mountsett Joint Committee:

- Note the current performance of the crematorium.
- Note the current situation with regards to the sale of Memorials.
- Agree to 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.
- Note the purchase of an Automated External Defibrillator.
- Discuss and agree any members suggestions to mark the 50<sup>th</sup> anniversary celebrations.
- Note that the application for the Green Flag Award 2016 will be submitted shortly.
- Note the distribution of recycling income received to the respective charity.
- Note the current position with regards to the proposed car park extension.
- Note the progress with regards to the cremator replacement.

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**Contact:                   Graham Harrison, 03000 265606**

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## **Appendix 1: Implications**

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### **Finance**

As identified in the report.

### **Staffing**

As identified in the report.

### **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



Service Level Agreement for  
the provision of Building  
Cleaning Services

for 'Mountsett Crematorium'

by 'Direct Services,  
Neighbourhood Services,  
Durham County Council'



## Table of Contents

<u>Ref</u>		<u>Page</u>
	Definitions	2
1.0	What are Service Level Agreements?	3
2.0	Service Level Agreement Overview	4
3.0	Service Provider Requirements	6
3.7	Table 1 – Schedule of Services & Charges	7
3.9	Table 2 – Schedule of Additional Cleaning Charges	8
4.0	Customer Requirements	9
5.0	Key Performance Indicators	9

## Definitions

'Customer'	Refers to the requesting individual/organisation as set out in the Service Level Agreement [section 2.1]
'Service Provider'	Refers to Direct Services who are the providing organisation as set out in the Service Level Agreement [section 2.2]
'SLA'	Refers to the term 'Service Level Agreement'



## 1.0 What are Service Level Agreements?

Service Level Agreements are essentially contracts between Direct Services and our customers that formalise the extent of services to be provided. Formally documenting our basic levels of service and sharing that information with our customers, creates an opportunity to enhance existing service delivery. From an internal perspective, we have also found that SLA's play an important role in managing both employee and organisation performance.

Other benefits of SLA's include opportunities to;

- Define basic levels of services to designated customers/buildings
- Define procedures corresponding to important areas or programmes e.g. building cleaning
- Consolidate contact listings for building maintenance/repairs
- Document customer needs
- Provide clear service expectations and priorities along with nominated staff (Customer and Direct Services)
- Provide opportunities for Direct Services to deliver services beyond the basic levels noted in the Service Level Agreement
- Provide a fixed price for the defined services within the Service Level Agreement
- Provide tracking of work performance through inspections, measurements and agreed levels of reporting
- Obtain targeted customer satisfaction feedback
- Establish effective communication with customers to improve service delivery

The process begins by identifying, documenting and understanding the needs of our customers and their building(s).

We believe that SLA's are effective tools for all of our customers and we have a number of SLA's in place with Durham County Council, other local authorities, and a range of external organisations and private individuals.

Our SLA's help our customers make the most of their own budgets by enabling them to project costs and the impact on budgets with more certainty, as these agreements define cost and payment schedules. Responsibility is also defined with regards to who approves additional works (e.g. additional cleaning). As the SLA's are meant to be dynamic documents, major changes in programmes, equipment or building services can be made at any time through formalised contract modifications.

A handwritten signature in black ink that reads "Oliver Sherratt". The signature is written in a cursive, flowing style.

**Oliver Sherratt, Head of Direct Services**

## **2.0 Service Level Agreement Overview**

### **2.1 Customer Details**

Name: Mountsett Crematorium  
Address: Ewehurst Road  
Dipton  
Stanley  
DH9 9JP  
Premises Telephone No: 01207 570 255  
Premises Email Address: mountsettcrem@durham.gov.uk  
Authorised Officer: Graham Harrison  
Position/Job Title: Bereavement Services Manager  
Officer Telephone No: 03000 265 606 / 07918 684535  
Officer Email Address: graham.harrison@durham.gov.uk  
Billing Address: Ewehurst Road  
Dipton  
Stanley  
DH9 9JP

### **2.2 Service Provider Details**

#### **2.2.1 General**

Name: Direct Services, Durham County Council  
Head Office: St. John's Road  
Meadowfield Industrial Estate  
Durham  
DH7 8XQ  
Authorised Officer: John Hallam  
Position/Job Title: Business Development Manager  
Officer Telephone No: 03000 269 184 / 07786 027288  
Officer Email Address: john.hallam@durham.gov.uk

#### **2.2.2 Single Point of Contact**

Name: Sonia Parkin  
Telephone No: 03000 267 358 / 07713 193781  
Email Address: sonia.parkin@durham.gov.uk

### 2.3 Service Level Agreement Details

Services Provided: Building Cleaning Services as detailed in Table 1 of this SLA  
Duration of SLA: Rolling SLA, with a 1 year opt out option, therefore, SLA covers a minimum 2 year period  
Period Covered: 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018  
Period of Notice to Quit: One Year (to be notified prior to 1<sup>st</sup> April 2017)

### 2.4 Service Level Agreement Approval

To accept the terms set out in this Service Level Agreement please sign below and return one copy to the service provider: John Hallam, Durham County Council, Direct Services, St. John's Road, Meadowfield Industrial Estate, Durham, DH7 8XQ; and retain one copy for your records.

#### Customer

Name of Signatory: Graham Harrison

Signature: \_\_\_\_\_ on behalf of  
Mountsett Crematorium

Date: \_\_\_\_\_

#### Service Provider

Name of Signatory: Oliver Sherratt (Head of Direct Services)

Signature:  on behalf of  
Direct Services, Durham County Council

Date: 24/12/2015

### **3.0 Service Provider Requirements**

#### **3.1 Aim of the SLA**

To provide efficient building cleaning servicing with minimal disruption, to agreed standards and within agreed timescales.

#### **3.2 Period of Agreement**

This agreement will run from on a rolling basis or until terminated on 12 months' notice by either party as set out under the terms of the SLA [section 2.3].

#### **3.3 Periodic Review**

This agreement is valid from the commencement date as detailed under the terms of the SLA [section 2.3] and is valid until further notice. This agreement will be reviewed annually, but may be reviewed on a more regular basis subject to the request of either the 'Customer' or Direct Services. During any review period, the current SLA will remain in effect.

The content of this SLA may be amended as required, subject to approval by the 'Customer' and Direct Services.

Direct Services retains the right to increase the costs applied in the SLA [section 3.7 and 3.12] on an annual basis by the rate of inflation, however, all customers will be notified in advance of any planned increase.

#### **3.4 Changes in Charges**

Charges as detail in Table 1 of this SLA [section 3.7] may be increased/reduced by Direct Services without approval by the 'Customer' as a result of:-

- Changes in legislative regulations relating to an area of this SLA
- Corporate Procurement Exercises aimed at ensuring best value

In these instances Direct Services will engage with the 'Customer' in advance of adjusting the charges detailed in Table 1 to explain the reasons for the increase/decrease.

#### **3.5 Description of Services**

This SLA covers the provision of building cleaning servicing as detailed in Table 1 of this SLA [section 3.7].

Both parties shall comply with al statutory requirements relating to the provision of the service.

#### **3.6 Billing**

Charges as detail in Table 1 of this SLA [section 3.7] will be levied on an annual basis at the commencement of each financial year, and will be due for payment in line with Direct Services' standard debt recovery protocols.

Charges resulting from additional requests carried out will be levied on a quarterly basis, and will be due for payment in line with Direct Services' standard debt recovery protocols.

All charges & rates incorporated in this SLA are exclusive of VAT. The appropriate VAT rate will be applied at the point of billing.



### 3.7 Table 1 – Schedule of Services & Charges

Table 1 below represents the areas of building cleaning are to be provided by Direct Services to the 'Customer'. However, Direct Services can undertake additional cleaning upon request.

*All prices are exclusive of VAT, which will be applied at the appropriate rate.*

<b>Mountsett Crematorium</b>
<b>Offices</b>
<u>Daily</u> <ul style="list-style-type: none"><li>• Empty waste receptacles</li><li>• Remove contents of waste receptacles to point of disposal</li><li>• Damp wipe tables/desks/work surfaces</li><li>• Clean all ledges and pipe work</li><li>• Vacuum all communal areas</li><li>• Damp mop all ceramic tiled and/or vinyl floor coverings</li><li>• Vacuum all communal areas as required</li><li>• Vacuum the main entrances as required</li></ul>
<u>Twice Weekly</u> <ul style="list-style-type: none"><li>• Vacuum corridors</li></ul>
<u>Weekly</u> <ul style="list-style-type: none"><li>• Damp wipe all skirtings' and ledges as required</li><li>• Remove any scuff marks from walls/painted doors</li><li>• Clean internal glass to smear free finish</li><li>• Clean the interior of the lift 'car' (if applicable)</li></ul>
<u>Monthly</u> <ul style="list-style-type: none"><li>• Clean glass panels, screens, borrowed lights, all surfaces as required</li><li>• Dust walls and high level ledges to ceiling height (3.6m)</li></ul>
<b>Toilets</b>
<u>Daily</u> <ul style="list-style-type: none"><li>• Empty waste bins &amp; water receptacles</li><li>• Remove all litter from area</li><li>• Clean all wash basins and associated taps/fittings and pipes</li><li>• Clean all other sanitary fittings</li><li>• Clean mirrors to a smear free finish</li><li>• Replenish toilet rolls, soaps and paper hand towels</li><li>• Sweep and damp mop hard floors</li></ul>
<u>Monthly</u> <ul style="list-style-type: none"><li>• Scrub around sanitary fittings by hand if machine cannot access</li><li>• Wet scrub hard floor areas</li><li>• Damp wipe finger marks from doors/frames, walls and glass panels</li></ul>
<u>Every Six Months</u> <ul style="list-style-type: none"><li>• Wash walls and ledges to recommended height</li></ul>



<b>Public Areas</b>
<u>Daily</u> <ul style="list-style-type: none"> <li>• Empty bins and waste receptacles to the point of disposal.</li> <li>• Remove all litter from area.</li> <li>• Sweep/damp mop/vacuum clean floors and carpets.</li> <li>• Clean entrance mats and dust control mats.</li> </ul>
<u>Weekly</u> <ul style="list-style-type: none"> <li>• Damp wipe skirting boards.</li> <li>• Damp wipe finger marks from doors/frames and glass panels.</li> <li>• Damp wipe furniture sills and ledges and skirting.</li> <li>• Damp wipe furniture.</li> </ul>
<u>Monthly</u> <ul style="list-style-type: none"> <li>• Clean glass panels, screens and borrows lights.</li> <li>• Wash doors and frames.</li> <li>• Damp wipe bins and waste receptacles.</li> </ul>
<p>Annual Cost of Service Provision: £6,598.80</p> <p><i>The price quoted includes all labour and materials required to carry out the activities identified in Table 1 above; and is based on a cleaning requirement of 10 hours per week</i></p>

### 3.8 General Services

The following general conditions/provisions apply and Direct Services will:-

- 3.8.1 Be professional, courteous and sensitive to the 'Customers' needs at all times.
- 3.8.2 Deliver a quality cleaning service
- 3.8.3 Undertake all cleaning using only Direct Services' own workforce or approved contractors.
- 3.8.4 Undertake cleaning during normal working hours, unless otherwise agreed between Direct Services and the 'Customer' or their representative(s).
- 3.8.5 Fully co-operate with the 'Customer' or their representative(s) to maintain the security of the premises and its contents whilst undertaking cleaning activities.
- 3.8.6 Monitor the quality of work to ensure compliance with current standards and relevant legislation. Direct Services aims to comply fully with all relevant legislation and will maintain appropriate health and safety management systems, which will be audited periodically.
- 3.8.7 Direct Services will maintain accreditation under the OHSAS 18001 as part of assurance measures for health and safety management.
- 3.8.8 Levy charges in accordance with the terms detailed in section 3.6, with charges for compliance applied as per the schedule detailed in Table 1 [section 3.7]. Charges for repairs will be either agreed at the time of undertaking the repair, or the rates detailed in Table 2 [section 3.12] will be applied.

### 3.9 Table 2 – Schedule of Additional Cleaning Charges

All prices are exclusive of VAT, which will be applied at the appropriate rate.

<u>Tradesperson</u>	<u>Standard Hourly Rate</u>	<u>Overtime Rate</u> (Mon - Thurs 16:30 to 00:00; Fri 15:30 to 00:00; Saturday) <i>(minimum 2 hours)</i>	<u>Overtime Rate</u> (Mon - Fri 00:00 to 08:00; Sunday) <i>(minimum 2 hours)</i>
Cleaner	£12.69	£12.69	£12.69
Materials, Plant and Sub-Contractors	Charged at actual costs + 10%		

### 3.10 Additional Services

Direct Services can (upon request) undertake a range of other services beyond the scope of this SLA, for example repairs & maintenance works, etc.

- 3.10.1 Provide quotations for improvement works funded by the 'Customer'. Quotations will be delivered within a mutually agreed period of time.
- 3.10.2 Undertake improvement works to a mutually agreed timetable and agreed cost.
- 3.10.3 Provide technical advice on any building/FM related issues.

### 3.11 Queries, Comments and Complaints

Issues arising from this SLA shall be subject to the following escalation process:-

- Stage 1: Refer issue to the Single Point of Contact (03000 267 358)
- Stage 2: If unsatisfied having raised the issue as per Stage 1, refer to the Facilities Manager (03000 268 872)
- Stage 3: If unsatisfied having raised the issue as per Stage 2, refer to the Building & Facilities Maintenance Manager (03000 269 263)

#### **4.0 Customer / Representative Requirements**

It is essential for both you (the 'Customer') and Direct Services that we undertake the building cleaning service and handle your additional request for assistance efficiently and therefore it is important that you/your representative(s):-

- 4.1 Provide accurate and concise information, including details of the location of the cleaning requirement, its priority, contact details, the room availability, any notice periods for access and details of any known hazards and risk assessments, where appropriate.
- 4.2 Facilitate/allow access to enable the cleaning to be carried out, including making arrangements to provide keys where necessary (if the Direct Services is not a registered key holder).
- 4.3 Co-operate with the Direct Services' staff and contractors as far as reasonably practicable, to ensure disruption is minimised.
- 4.4 Report as soon as reasonably practicable any defect or hazard associated with the works.
- 4.5 Where needed, arrange for the attendance of a suitable member of staff to act as the 'Customer' representative whilst cleaning is being carried out
- 4.6 Provide feedback on performance and participate in customer satisfaction surveys.
- 4.7 Co-operate with Direct Services' staff to maintain the security of premises and property whilst maintenance/repair tasks are being undertaken
- 4.8 Indicate clearly any budget or cost limit that applies to any maintenance project/repair.

#### **5.0 Key Performance Indicators**

##### **5.1 Monitor & Review**

- 5.1.1 Direct Services will nominate a contract manager to act as your single point of contact. The contract manager will assist with monitoring and reviewing the SLA and will deal with problems that cannot be routinely resolved.
- 5.1.2 An annual review will be undertaken by Direct Services to review service delivery and any issues arising from the provision of the SLA. An updated SLA will be issued if required following these discussions.
- 5.1.3 The 'Customer' or Direct Services has the right to convene meetings relating to this SLA should this become necessary.

##### **5.2 Performance Standards/Targets**

- 5.2.1 Satisfaction with the cleaning service 92% to be measured using customer satisfaction surveys.
- 5.2.2 Scheduled cleaning dates & times achieved 95% to be measured by Direct Services.

## Appendix 3: Letter of thanks from chosen Charity



North of England  
Children's Cancer  
Research



02 November 2015

Graham Harrison  
Bereavement Services Manager & Registrar  
Durham County Council  
South Road  
Durham  
DH1 3TQ

Dear Mr Harrison,

I would like to thank you very much indeed for the donation of £4321 to the North of England Children's Cancer Research Fund on behalf of Mountsett Crematorium. I understand this is the proceeds of the ICCM Recycling of Metals Scheme. Please convey our sincere thanks to the Trustees of Mountsett Crematorium for their support, and to Durham City Council for their assistance in implementing this scheme.

You may rest assured that the money will go directly towards supporting the important research work being undertaken in Newcastle into the causes, prevention and treatment of cancer in children. Whilst good progress is being made, we need to continue with this work until a cure is found for all children affected by this disease and we rely on generous donations, such as this one, to enable us to do this.

Thank you once again.

Yours sincerely,

**Janet Price**

**NECCR Fundraiser**

Helping more children beat cancer

Sir James Spence Institute of Child Health,  
Royal Victoria Infirmary, Newcastle, NE1 4LP

T. 0191 282 1322 [www.neccr.org.uk](http://www.neccr.org.uk) [info@neccr.org.uk](mailto:info@neccr.org.uk)

Registered charity number: 510339

500783/57



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## Mountsett Crematorium Joint Committee

29 January 2016

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



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

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### **Purpose of the Report**

1. This report sets 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.
2. The report also details the funds and reserves of the Joint Committee at 1 April 2015 and forecast outturn position at 31 March 2016, taking into account the updated financial outturn projections.

### **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:



<b>Subjective Analysis</b>	<b>Base Budget 2015/16 £</b>	<b>Year to Date Actual April – December £</b>	<b>Projected Outturn 2015/16 £</b>	<b>Variance Over/ (Under) £</b>
Employees	133,198	95,311	129,667	(3,531)
Premises	212,776	180,330	309,059	96,283
Transport	600	334	600	0
Supplies & Services	121,330	66,538	85,142	(36,188)
Agency & Contracted	7,000	5,644	6,095	(905)
Central Support Costs	25,800	25,800	25,800	0
<b>Gross Expenditure</b>	<b>500,704</b>	<b>373,957</b>	<b>556,363</b>	<b>55,659</b>
<b>Income</b>	<b>(806,900)</b>	<b>(623,562)</b>	<b>(878,481)</b>	<b>(71,581)</b>
<b>Net Income</b>	<b>(306,196)</b>	<b>(249,605)</b>	<b>(322,118)</b>	<b>(15,922)</b>
<b>Transfer to Reserves</b>				
- Repairs Reserve	15,000	0	(65,000)	(80,000)
- Cremator Reserve	126,306	0	222,228	95,922
- General Reserve	0	0	0	0
<b>Distributable Surplus</b>	<b>(164,890)</b>	<b>0</b>	<b>(164,890)</b>	<b>0</b>
<b>65% Durham County Council</b>	<b>107,178</b>	<b>0</b>	<b>107,178</b>	<b>0</b>
<b>35% Gateshead Council</b>	<b>57,712</b>	<b>0</b>	<b>57,712</b>	<b>0</b>
<b>Mountsett Crematorium Earmarked Reserves</b>	<b>Balance @ 1 April 2015 £</b>	<b>Transfers to Reserve £</b>	<b>Transfers From Reserve £</b>	<b>Balance @ 31 March 2016 £</b>
Repairs Reserve	74,768	15,000	(80,000)	9,768
Cremator Reserve	661,621	222,228	(16,920)	866,929
General Reserve	225,150	16,920	0	242,070
<b>Total</b>	<b>961,539</b>	<b>174,148</b>	<b>(16,920)</b>	<b>1,118,767</b>

### 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 £322,118 against a budgeted surplus of £306,196, (£15,922) more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:



### 6.1 **Employees**

The updated outturn projections indicate an underspend of **(£3,531)** in relation to employee costs in year. The reasons for this are:

- An underspend of **(£5,194)** is projected against the vacant cleaning post, which is being covered by Direct Services, as highlighted below in Premises related costs.
- Additional overtime not included in original budget of **£1,663** and this has been factored in to the 2016/17 budget.

### 6.2 **Premises**

The updated outturn projections indicate an overspend of **£96,283** in relation to premises costs. The reasons for this are identified below:

- Additional costs relating to the car park extension as agreed by Members at the September 2015 meeting total **£80,000** have been included in the outturn.
- The Cremator reline and repairs budget is projected to overspend by **£4,467**.
- Unbudgeted cleaning costs recharged from Direct Services, in relation to covering the vacant cleaner post, are **£6,074**.
- Miscellaneous premises budgets including general repairs and rates, are forecast to overspend by **£5,742**.

### 6.3 **Supplies and Services**

The updated outturn shows an underspend of **(£36,188)** in relation to supplies and services. The reasons for this are highlighted below:

- Telephones and sundry items are expected to be underspend by **(£2,972)**.
- It is anticipated that the Book of Remembrance calligraphy costs will be underspent by **(£1,982)**.
- Due to the projected increase in cremations (highlighted later within the income section of the report) medical referee expenditure is projected to overspend by **£1,881**.
- Equipment purchase and rental is expected to underspend by **(£3,000)**.
- The budget provision made for the environmental surcharges payable for tradable mercury abated cremations from the CAMEO scheme is overstated in the base budget and is therefore predicted to underspend by **(£30,115)**. Members will recall from the 2014/15 outturn that the CAMEO charges being incurred are less than originally anticipated. This is a matter that came to light after the 2015/16 base budget was set.

#### 6.4 **Income**

An increase in income of **(£71,581)** from the 2015/16 budget is included within the outturn. The reasons for this are identified below:

- The updated outturn projection has taken into consideration a forecast additional 114 more cremations compared to budget, totalling an increased income to budget of **(£71,820)**. The outturn allows for a total of 1,344 cremations against a budget estimate of 1,230 during the 2015/16 financial year.
- Plaque sales are projected to be lower than budget resulting in reduced income of **£2,651**
- Miscellaneous income including customer DVD's and interest received is projected to be higher than budget by **(£2,412)**.

#### 6.5 **Earmarked Reserves**

Contributions to the earmarked reserves are forecast as **(£15,922)** more than originally budgeted, primarily due to the increase in cremation income during the year, the over provision in the CAMEO abatement budget, offset by the additional costs relating to the car park extension.

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 **(£16,920)** is required at year end. This results in a net transfer to the Cremator Replacement Reserve of **£205,308** in year.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2016 are forecast to be **£876,697**, along with a General Reserve of **£242,070**, giving a forecast total reserves and balances position of **£1,118,767** at the year end.

#### **Recommendations and reasons**

7. It is recommended 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.

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

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## **Appendix 1: Implications**

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### **Finance**

Full details of the year to date and projected outturn financial performance of the Mountset Crematorium are included within the body of the report.

### **Staffing**

There are no staffing implications associated with this report.

### **Risk**

The figures contained within this report have been extracted from the General Ledger, and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. 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 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.

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## Mountsett Crematorium Joint Committee

29 January 2016

### Annual Review of the System of Internal Audit



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

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### Purpose of the Report

1. The purpose of this report is to advise the Joint Committee of the review of effectiveness of the Durham County Council Internal Audit Service, which was carried out by the County Council's Audit Committee in June 2015.

### 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 Audit Committee considered a report presented by the Corporate Director, Resources that provided evidence on the effectiveness of the service during 2014/15. Having considered the evidence, the County Councils Audit Committee concluded that sufficient assurance had been provided that the service was effective. In reaching this conclusion regarding the current arrangements for Internal Audit, the Committee considered:
  - The structure and resourcing level, including qualifications and experience of the audit team.
  - The extent of conformance with the Public Sector Internal Audit Standards (PSIAS) in producing quality work.
  - Ensuring audit work was successfully delivered in the most appropriate areas on a prioritised (risk) basis.

- The overall performance of the Internal Audit team.
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 Crematorium Superintendent. The feedback from the 2014/15 audit returned an average score of 4.33 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 2015/16

### **Background Documents**

Report to DCC Audit Committee 29 June 2015

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

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## **Appendix 1: Implications**

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### **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 29 June 2015**

**Conformance with UK Public Sector Internal Audit Standards (PSIAS)**

1. Internal Audit completed a self-assessment against the key elements of the PSIAS and for 2014/15 this demonstrated that the Section was generally conforming with the Code's requirements. A service improvement plan is attached at Appendix 3.
2. 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.
3. 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. An annual report for Corporate Directors was produced for 2014/15 and was presented as part of the Internal Audit planning meetings with all Corporate Directors.
4. Liaison with the 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.
5. There is sufficient evidence to support the conclusion that the service was overall effective during 2014/15 and that the opinion provided in the 2014/15 Annual Audit Report is reliable.



**REVIEW OF SYSTEM OF INTERNAL AUDIT – ACTION PLAN 2014/2015**

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 2016	This has been achieved at April 2015. To be maintained on the action plan for consideration as resources are continually reviewed.
2.	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 2016	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.
3.	Development of the Council's Assurance Framework	2010	Whilst there is an Assurance Framework that supports the Annual Governance Statement. The Audit Plan 2016/17 is to be developed referencing the 'Assurance Map' that details where the Council gets its assurance supported by the Council's Assurance Framework.	Paul Bradley	March 2016	
4.	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 2016	To support the Assurance Map. This work will also support the Annual Audit Report for 2015/16.

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**Mountsett Crematorium Joint  
Committee**



**29 January 2016**



**External Audit Arrangements 2015/16**

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

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**Purpose of the Report**

1. The purpose of this report is to inform members of the proposed external audit arrangements for the Mountsett Crematorium for 2015/16.

**Background Information**

2. In April 2015, Members considered a report regarding the change in legislation in respect to the provisions of the Local Audit and Accountability Act 2014. This results in a change in respect of the external audit process for Joint Committees who no longer have a statutory obligation to prepare accounts and for these accounts to be subject to audit.
3. In line with advice provided by the Head of Finance (Financial Services), Members approved the discontinuation of the preparation of full Statement of Accounts from the 2014/15 financial year. However, Members also approved that separate audit arrangements should continue in order to ensure an independent effective financial and governance framework continued. This was to be based upon the continued preparation of the Small Bodies Annual return and reporting of Balance Sheet information to the Joint Committee.

**Implications for Mountsett Crematorium Joint Committee**

4. The Limited Assurance Audit contract previously undertaken by BDO LLP ended in September 2015, following the completion of the 2014/15 audit.
5. There are two possible options available to the Joint Committee:
  - 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.
6. Continuing with the existing audit arrangements has the following implications:
  - The current external audit fee is **£1,600** - there is a risk that this fee could rise if a procurement process is required.

- Through discussions with the external auditor a fee of **£2,500** would be acceptable in 2015/16 and then is revisited in future years.
  - The Joint Committee's external auditor relies on the audit arrangements of the lead authority Durham County Council in a number of areas. This is mainly in respect of the financial system's controls, bank accounts and the work of Internal Audit. Maintaining the same auditor should therefore yield benefits in terms of cost and time.
  - Remaining with the existing auditor will provide continuity for the Joint Committee.
7. Undertaking a procurement exercise and appointing a new external auditor would have the following implications:
- The Joint Committee will need to draw up a specification for the procurement of an external audit service.
  - External audit companies would then need to tender for the contract and the Joint Committee would need to select a preferred bidder.

### **Recommendations and reasons**

8. It is recommended that:-
- Members of the Joint Committee engage BDO LLP to continue with the existing audit arrangements for the 2015/16 financial year but that a tendering exercise is undertaken to market test the rates being charged and appoint a new auditor for a 3 year period covering the 2016/17, 2017/18 and 2018/19 external audit.

### **Background Papers**

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

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

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## **Appendix 1: Implications**

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### **Finance**

The costs associated with the external audit fee are included within the report and have been incorporated within the 2016/17 revenue budget.

### **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 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 Gateshead Council were consulted on the contents of this report.

### **Procurement**

None

### **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.

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**Mountsett Crematorium Joint Committee**

**29 January 2016**



**Provision of Support Services 2016/2017**



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

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**Purpose of the Report**

1. This report 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.

**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 four years. As part of the budget setting for 2016/17, 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 2016 to 31 March 2017 to cover the following functions:
  - Management Services
  - Financial Services
  - Administration Services (including Committee support)
  - 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 Business Support / 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 2016/17 is £20,600 (a 1.5% increase on the recharges levied in 2015/16). The applicable fee takes into consideration inflationary pressures such as the staff pay award and national insurance increases year on year.
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 2016/17.

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<b>Contact(s):</b>	<b>Paul Darby</b>	<b>03000 261930</b>
	<b>Ed Thompson</b>	<b>03000 263481</b>

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## **APPENDIX 1 – Implications**

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### **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 [29th] of [January] **two thousand and sixteen**  
**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 1<sup>st</sup> April 2016 and will continue until 31<sup>st</sup> March 2017 (“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 2016/17 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 31<sup>st</sup> 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](mailto: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 31<sup>st</sup> 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 2017 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 via the SAGE system.
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 (including Committee support)**

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**

<b>Support Service Area</b>	<b>2016/17</b>
<b>Management</b>	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	<b>4,550</b>
<b>Financial Services</b>	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	<b>10,500</b>
<b>Payroll Services</b>	
Employee payroll processing	<b>150</b>
<b>Human Resources</b>	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	<b>1,800</b>
<b>Administration (including Committee support)</b>	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	<b>3,600</b>
<b>Total</b>	<b>20,600</b>

**BASIS OF CHARGE**

- Charges in respect of the period 1 April 2016 to 31 March 2017 will be recharged to the Joint Committee using the existing methodology.
- This SLA charge is in addition to the fixed term Audit SLA totalling £5,500 previously approved by members on 30<sup>th</sup> January 2014.

*In overall terms the Support Service charge represents 2.5% of the gross turnover of the Joint Committee.*

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## Mountsett Crematorium Joint Committee

29 January 2016

Fees and Charges 2016/17



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

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#### Purpose of the Report

1. This report sets out details of the proposed fees and charges for Mountsett Crematorium for 2016/17.

#### 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 2016/17

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 plus the recent decision by Members to replace the current cremators are key factors in considering any increases for 2016/17.
5. In lieu 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, plus the fact that there was no increase in 2015/16, it is proposed that there is to be a £20 (3.3%) increase to the current cremation fees and charges for 2016/17.

#### Cremation Charges

6. The projected number of cremations in 2015/16 is 1,320 which is the same as the number of cremations delivered in 2014/15 and 90 higher than the budgeted position of

1,230. For 2016/17 budget setting purposes it has been assumed there will be 1,300 cremations next year.

7. The current 2015/16 fees and charges for the neighbouring crematoria including the average total charge levied is attached at Appendix 3, which indicates an average cremation fee of £681 (inclusive of medical referees fees and environmental surcharge). Increasing the current charges by £20 will mean that the total cremation fees levied for the Mountsett Crematorium in 2016/17 (inclusive of medical referee fees) will be £650.
8. 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 £270 for child cremations.
9. The charges levied for provision of an organist has been increased by £10 to £35 per service, in recognition of the updated costs of providing this service. This additional charge has no impact on the Crematorium revenue as this increase is paid directly by the funeral director to the organist.

### **Book of Remembrance**

10. There is a proposed increase of £3, from £50 to £53 for a 2 line entry in the Book of Remembrance for 2016/17 to reflect increasing calligraphy costs.
11. 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 below average position within the benchmarking group.

### **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 2016, which seeks to increase charges by £20 (3.3%) per cremation from £630 to £650.
- The proposed fees and charges are incorporated into the 2016/17 budget.

### **Background Papers**

2015/16 Budget and Financial Monitoring Reports  
2016/17 Budget Working Papers

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<b>Contact(s):</b>	<b>Paul Darby</b>	<b>03000 261930</b>
	<b>Ed Thompson</b>	<b>03000 263481</b>

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## **Appendix 1: Implications**

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### **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 2016/17.

### **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 increase 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

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**SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2016-17**

	Mountsett				
	2015/2016 Charges incl VAT (where appropriate)	Proposed Charges 2016/2017 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
	£	£		£	%
Non-viable Foetus	£9	<b>£9</b>	O	£0	0.00%
Child	£0	<b>£0 up to 1 mth</b>	O	£0	0.00%
Child	£0 up to 16 yrs	<b>£0 up to 16 yrs</b>	O	£0	0.00%
Adult	£610 over 16 yrs	<b>£630 over 16 yrs</b>	O	£20	3.28%
Surcharges					
Non Resident (Adult)	£0	<b>£0</b>	O	£0	0.00%
Environmental surcharge	£0	<b>£0</b>	O	£0	0.00%
Saturdays Additional	50%	<b>50%</b>	O	Not Applicable	Not Applicable
Certificate of Cremation	Included	<b>Included</b>	O	Not Applicable	Not Applicable
Medical Referees Fees	£20	<b>£20</b>	O	£0	0.00%
Body Parts	£9	<b>£9</b>	O	£0	0.00%
2 line entry Book of Remembrance	£50	<b>£53</b>	S	£3	6.00%
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£312	<b>£312</b>	E/S	£0.00	0.00%
Organist	£25	<b>£35</b>	S	£10	40.00%
Urns	£6	<b>£6</b>	S	£0	0.00%
Scatter Tubes	£12	<b>£12</b>	S	£0	0.00%
Small Scatter Tubes	£5	<b>£5</b>	S	£0	0.00%

Proposed  
Mountsett  
2016/17

Period charged: 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16 2015/16

Proposed  
Durham  
2016/17  
\*

Mountsett £		Coundon £	Darlington £	Gateshead £	Middlesbrough £	Hartlepool £	South Tyneside £	Sunderland £	Newcastle £	North Tyneside £	Durham £
<b>Cremation Fees</b>											
£630 15yrs or Over	Adult	£728 over 16 yrs	£625 15yrs or over	£604 over 18yrs	£574 15yrs or over	£670 over 16 yrs	£604 15yrs or over	£604 15yrs or over	£604	£665.50 over 18 yrs	£630 over 16 yrs
Included	Environmental surcharge	Included	£52	£43	£50	Included	£66	included	£60	Included	£0
£20	Medical Referees Fees	Included	£20	£35	Included	Included	£36	£22	£42	£27.50	£20
<b>£650</b>	<b>Sub total</b>	<b>£728</b>	<b>£697</b>	<b>£682</b>	<b>£624</b>	<b>£670</b>	<b>£706</b>	<b>£626</b>	<b>£706</b>	<b>£693</b>	<b>£650</b>

**Average of Benchmarking Group Cremation Fees****£681****Other Charges**

£9	Non-viable Foetus	£0	£0	£0	£0	£0	£0	£0	£0	£28	£9
£0 up to 1 month	Infant Child	£0	£0 12 mths	£0	£11 up to 1 month	£0 under 5 yrs	£0 up to 14 yrs	N/A	£0 up to 12 yrs	£28	£0 up to 1 month
£0 up to 16 yrs	Child	£0	£270 up to 18 yrs	£0	£44 up to 14yrs	£200 up to 16 yrs	£0 up to 14 yrs	£139 under 14 yrs	£0	£28	£0 up to 16 yrs
£0	Non Resident (Adult)	£0	£0	£639	£0	£0	£604	£800	Not Available	£666	£0
50%	Saturdays/ Additional	£225	No Cremations on a Saturday	No Cremations on a Saturday	£44	No Cremations on a Saturday	£1,009	£892	No Cremations on a Saturday	£998	50%
£53	2 line entry Book of Remembrance (inclusive of VAT)	£137	£70	£62	£34	£57	£34	£51	£70	£60	£53
£0	Body Parts	£0	£0	50% of appropriate fee	£26	£0	£0	£78	£150	£0	£0

\* Subject to consideration by the Central Durham Crematorium Joint Committee January 2016

## Mountsett Crematorium Joint Committee

29 January 2016

2016/17 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 2016/17 revenue budget for the Mountsett Crematorium.

#### Background Information

2. The 2016/17 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2015/16 forecast outturn position and known expenditure pressures in the coming year.

#### Budget Proposals 2016/17

3. The proposed 2016/17 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 2015/16 budget are as follows:

#### Employees

4. The 2016/17 budget has been increased by **£8,519** due to the impact of the pay award and incremental progression and also to reflect the increased employer national insurance, pension costs and increased overtime.

#### Premises

5. The base budget has reduced by **(£45,986)** from 2015/16. The main reasons for this increase are as follows:
  - The Repairs and maintenance budgets have reduced in consideration of the Service Asset Management Plan scheduled works. The net result of the removal of the 2015/16 works schedule and the inclusion of the 2016/17 requirements is a decrease in the base budget of **(£49,285)**. Provision for the following works are included in the 2016/17:
 

○ Installation of Memorial Tower	<b>£5,000</b>
○ Tarmac car park	<b>£24,990</b>
○ Replacement of Bier	<b>£1,800</b>
○ Re vamp of existing shrub beds	<b>£8,000</b>
○ Carry out improvement works to uneven no slip pathway	<b>£10,000</b>

- A budget of **£6,600** has been included to cover the cleaning SLA proposed with Durham County Council.
- General Repairs, maintenance and utility budgets have been amended to reflect the 2015/16 projected outturn, which has resulted in an overall reduction of **(£3,301)**.

### ***Supplies and Services***

6. The budget has been reduced by **(£31,510)** from 2015/16, details below:-
  - The 2015/16 budget provision for the environmental surcharges payable for tradable mercury abated cremations from the CAMEO scheme was overstated therefore the 2016/17 budget has been brought in line with the 2015/16 outturn resulting in a decrease of **(£29,115)**.
  - Medical Referees Fees budget has increased in line with the anticipated cremation numbers **£1,155**.
  - Other supplies and services budgets including conferences, subscriptions and clothing have been reduced by **(£3,550)**.

### ***Agency and Contracted***

7. The Agency and Contracted Services budget has increased by **£100** due to the increase in the external audit fee offset by a reduction in the grounds maintenance budget.

### ***Support Service Costs***

8. The 2015/16 budget factors in the proposed increase of **£300** in the SLA for the provision of Support Service as detailed in a previous report.

### ***Income***

9. The income budget has been increased by **(£71,100)**. This is due to a combination of the following factors:
  - An element of prudence has again been factored into the income budget proposal for next year. The updated projected outturn as at 31 December 2015 assumes an increase of 114 cremations against the 2015/16 budgeted number of cremations (1,230). In preparing the 2016/17 budget the number of cremations estimated has been increased by 70 to 1,300. Along with the proposed £20 increase per cremation, the net effect of these considerations results in an increased cremation fee income of **(£70,100)**.
  - In consideration of the 2015/16 projected outturn, the Plaque income budget has been reduced for 2016/17 by **£2,000** and the miscellaneous income budget, including urns and ashes, has increased by **(£3,000)**
10. Should cremation numbers be maintained in line with those estimated in 2015/16 and realised in previous years, and memorial sales become more popular than the forecasts for 2015/16, then a reasonable surplus would again be generated in 2016/17.

### ***Earmarked Reserves***

11. The transfer to the Repairs Reserve next year is budgeted in line with the 2015/16 level at **£15,000**.
12. In line with the Reserves Policy, the surplus created after all of the above factors is taken into account necessitates a transfer to the Cremator Reserve. The Reserves Policy requires a General Reserve equal to 30% of the Joint Committees income budget. This results in a required transfer from the Cremator Reserve to the General Reserve of £21,330. The forecast net increase to the Cremator Reserve is therefore budgeted to be £244,653 in 2016/17.
13. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2017, taking into account the 2015/16 Quarter 3 budgetary control report, the 2016/17 budget and the proposed transfers to / from earmarked as follows:
  - General reserve of £263,400, an increase of £21,330 (8.8%) from 2015/16
  - Retained Reserves of £1,136,350 an increase of £259,653 (29.6%) from 2015/16The estimated total reserves as shown in Appendix 2 at 31 March 2017 are **£1,399,750**.
14. Members should note that the 2016/17 budget proposal incorporates £49,790 of one off expenditure requirements which will provide further scope in the 2017/18 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 2017 (also set out at Appendix 2).

### **Background Papers**

- 2015/2016 Budget and Financial Monitoring Reports
- 2016/2017 Budget Working Papers
- 2016/2017 Fees and Charges report.

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<b>Contact(s):</b>	<b>Paul Darby</b>	<b>03000 261930</b>
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## **Appendix 1: Implications**

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### **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 6 members of staff.

### **Risk**

The budgets take into account the 2015/16 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 2016/17. 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

<b>MOUNTSETT CREMATORIUM 2016/2017 BUDGET</b>				
<b>2014/2015 Actual Outturn (Memo Info)</b>	<b>2015/2016 Base Budget</b>	<b>2015/2016 Projected Outturn (QTR3)</b>		<b>2016/2017 Base Budget</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
120,773	133,198	129,667	<b>EXPENDITURE</b>	141,717
179,140	212,776	309,059	Employees	166,790
538	600	600	Premises	600
44,650	121,330	85,142	Transport	89,820
6,165	7,000	6,095	Supplies and Services	7,100
26,075	25,800	25,800	Agency & Contracted	26,100
			Support Service Costs	
<b>377,341</b>	<b>500,704</b>	<b>556,363</b>	<b>Gross Expenditure</b>	<b>432,127</b>
<b>(865,865)</b>	<b>(806,900)</b>	<b>(878,481)</b>	<b>INCOME</b>	<b>(878,000)</b>
<b>(488,524)</b>	<b>(306,196)</b>	<b>(322,118)</b>	<b>Net Income</b>	<b>(445,873)</b>
			<b>Transfer to/from Reserves</b>	
15,210	15,000	(65,000)	- Repairs Reserve	15,000
308,424	126,306	222,228	- Cremator Reserve	265,983
<b>(164,890)</b>	<b>(164,890)</b>	<b>(164,890)</b>	<b>Distributable Surplus</b>	<b>(164,890)</b>
57,712	57,712	57,712	35% Gateshead Council	57,712
107,178	107,178	107,178	65% Durham County	107,178

<b>Actual Balance @ 31/03/15</b>	<b>Budget Earmarked Reserves Balance @ 31/03/16</b>	<b>Revised (QTR3) Forecast Balance @ 31/03/16</b>	<b>Reserve</b>	<b>Transfer to Reserve</b>	<b>Transfer from Reserve</b>	<b>Budget Forecast Balance @ 31/03/17</b>
<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
74,768	89,558	9,768	Repairs Reserve	15,000	0	24,768
661,621	666,020	866,929	Cremator Reserve	265,983	(21,330)	1,111,582
225,150	242,070	242,070	General Reserve	21,330	0	263,400
<b>961,539</b>	<b>997,648</b>	<b>1,118,767</b>	<b>TOTAL</b>	<b>302,313</b>	<b>(21,330)</b>	<b>1,399,750</b>

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