

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held at **Durham Crematorium, South Road, Durham** on **Wednesday 23 September 2015** at **5.30 pm**

Present:

Councillor JV Graham (Chairman)

Durham County Council:

Councillors A Bonner, P Conway, K Corrigan, N Foster, B Kellett, M Plews (Vice-Chairman), M Simmons and K Thompson

Spennymoor Town Council:

Town Councillors P Lawton and GD O'Hehir

1 Apologies for Absence

Apologies for absence were received from Councillors D Bell, J Chaplow, B Moir and D Stoker (Durham County Council).

2 Minutes

The Minutes of the Annual General Meeting held on 24 June 2015 were confirmed as a correct record and were signed and initialled by the Chairman.

3 Declarations of Interest

There were no Declarations of Interest submitted.

4 External Auditor's Issues Arising Report for the Year Ended 31/03/15

The Joint Committee considered a Joint Report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee relating to 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, Paul Darby advised that the audit had now been concluded, adding the External Auditors had indicated via e-mail that there had been no material weaknesses highlighted around the Joint Committee's system of internal control, however, the official notification was still with the Directors of BDO, awaiting signature.

Members noted that BDO had previously been informed that their report would be presented to Members at the September meeting of the Joint Committee and therefore Officers had expressed their disappointment to the External Auditors that the finalised report had not been received in time for the meeting.

Accordingly, the Head of Finance – Financial Services asked whether the Joint Committee would agree for the Chairman to agree the report once received from the External Auditors, and then for the matter to be reported back to the Joint Committee for information at its meeting to be held 27 January 2016.

Resolved:

- (i) That the Chairman note and approve the finalised External Auditors' Issues Arising Report once received.
- (ii) That the matter be reported to the Joint Committee for information at its meeting to be held 27 January 2016.

5 Quarterly Performance and Operational Report

The Bereavement Services Manager, Graham Harrison asked Members to note the performance figures from 1 June 2015 to 31 August 2015 and the comparison to the same period for 2014, highlighting that there was a net decrease of 7 cremations year on year. It was noted there was a total of 505 for the three month period with the June to August profile breakdown showing 158 from Durham, 21 from Spennymoor and 326 from outside of the area.

Members were asked to note that the number of memorials sold had decreased in comparison to the same period the previous year, however sales generated £869 more than the comparable period last year.

The Joint Committee noted the continuing issue in respect of a long-term sickness and was reminded of the arrangements put in place for Durham County Council to provide assistance until such time as the employee returned to work.

The Bereavement Services Manager noted the Crematorium had received the Green Flag Award, awarded now for four years in a row and the Crematorium was awarded Gold Star Status by the Institute of Cemetery and Crematorium Management. In addition, it was explained that the South Road Cemetery and Durham Crematorium had received a Silver Award from Northumbria in Bloom 2015 in the "Religious Establishments" category.

Councillors were reminded that there had been a list of charities selected for nomination by the Joint Committee in respect of the recycling of metals and each of these would be put forward year-on-year. Members noted the next nominee was Antenatal Results and Choices and whether they would be successful recipients would be reported back in due course.

The Joint Committee noted that Phase 3 works had commenced the weekend of 11 April 2015 and the majority of the works had now been completed, subject to some minor snagging issues.

Members noted works had been completed with minimal disruption to operations and the improvements had been received well by Funeral Directors and visitors to the Crematorium.

It was explained that the provisional outturn for the Phase 3 works was £416,000, which included all works except the replacement of the canopies around the building. Members were referred to proposed canopy designs that were obtained from specialist crematoria canopy companies and it was explained that Officers from Durham County Council's Planning Section and English Heritage did not feel the designs were in keeping with the aesthetics and heritage of the building or surrounding area. Accordingly, it was explained that the Council's in-house Design Team had produced a canopy design and this was shown to Members, in comparison to those received from canopy manufacturers. The Bereavement Services Manager noted the in-house design was more in keeping with the building and it was proposed, subject to approval of the Joint Committee, that the works be completed as per the in-house designs, noting an additional cost of around £51,000 to the original total budget, taking into account the underspend in Phase 1 and 2, and the contingency sums available from Phase 3.

The Bereavement Services Manager concluded by noting the update to the Service Asset Management Plan (SAMP), setting out the 4 priorities of works: urgent essential for 2015/16; Priority 2 for 2016/17; Priority 3; and longer term works. Members noted a breakdown of the SAMP was attached to the report at Appendix 3.

Councillor K Thompson noted that he agreed that the designs received from canopy manufacturers were not acceptable and the in-house design was more in keeping with the design of the Crematorium, however, he asked for clarification as regards the estimated total cost for the in-house canopy design.

The Senior Projects Manager, Neighbourhood Services, Richard Fenwick explained that effectively the contingency from Phase 3 would carry forward to what could be considered as "Phase 4", and that works to produce the in-house design would be carried out off-site and then canopies transported to, and installed at, the Crematorium. It was added that as designed, to replace all existing canopies and to install 1 additional canopy would be around £254,000, with it being prudent to incorporate some contingency as regards out-of-hours working to complete the works over a number of weekends to minimise disruption to the public.

Councillor P Conway added that he also agreed the in-house design was better than those provided by canopy manufacturers, however, added that he was disappointed that Members were not being given a clear indication of expected costs in relation to the in-house design prior to having to make a decision whether to approve the works or otherwise.

The Head of Finance – Financial Services explained that incorporating the cost of the design, and taking into account underspends and contingencies carried forward, the overall figure was around £280,000, however, a more detailed breakdown could be provided to Members as a postscript to the minutes.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the continued long term sickness absence and arrangements put in place be noted.
- (iii) That the continued success with regards the Green Flag Award be noted.
- (iv) That the updated position with regards to the recycling of metals scheme be noted.
- (v) That the progress of Phase 3 improvement works be noted and the implementation of the bespoke design for the canopy replacement works be approved.
- (vi) That the use of the Major Capital Works Reserve to finance the forecast additional costs of the bespoke design for canopy works be approved.
- (vii) That the content of the Service Asset Management Plan, which will be factored into budget planning in 2016/17 and beyond, be approved.

The Head of Finance – Financial Services provided the following information subsequent to the meeting:

The Report of the Bereavement Services Manager identified the need to increase the capital budget for Phase 3 works by £51,343 to cover the additional costs from the revised design for the canopies. Members were supportive of this, but there was some confusion over how much of the contingencies / provisional sums were unallocated and would be available to this aspect of the work, the details are set out below:

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| <i>Original Contract sum for Canopies:</i> | <i>199,263</i> |
| <i>Revised Costings for Bespoke Design:</i> | <i>250,606</i> |
| <i>Additional Budget Requested:</i> | <i>51,343</i> |

Based on the provisional final account for the completed works under Phases 1 – 3, and excluding the sums included in these budgets for the original canopy design, there is a forecast £29,284 underspend against the original budget provision for contingencies. The revised total budget to complete the works, assuming the provisional final account remains as currently anticipated, is as follows:

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| <i>Revised Budget for Replacement Canopies (Bespoke Design):</i> | <i>250,606</i> |
| <i>Carry Over of Unallocated / Unspent Contingencies from Phase 1-3:</i> | <i>29,284</i> |
| <i>Total Budget to Complete the works:</i> | <i>279,890</i> |

The contingency sum to mitigate against risks on the remaining works (canopies) equates to approximately 10% of the direct works costs. If these costs are not required then this would be released back to the Major Works Reserve at project completion.

6 Financial Monitoring Report 2015/16 - Position at 31/08/15 with Projected Outturn to 31/03/16

The Head of Finance - Financial Services, Paul Darby referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 August 2015 and with projected outturn to 31 March 2016 (for copy see file of minutes).

The Joint Committee noted that the income and expenditure were broadly in line with the budget though, as mentioned previous to Members, it was explained that the prudent forecast in terms of the number of cremations during the period of the improvement works was less than the actual number of cremations undertaken and therefore it was predicted that there would be an increase in income for the 2015/16 budget. It was explained that the reasons for the major variances were set out in detail in the report.

Members noted a projected total reserve of approximately £1.1 Million at the year-end, giving a strong financial position. The Head of Finance – Financial Services noted that once the improvement works had been completed, then reserves would build up steadily, ready for further cremator replacement at the end of the life-cycle of the current equipment. It was added that the strong position was in the context of the Joint Committee not increasing fees and charges in 2015/16 together with the prudent estimate of the number of cremations that would be carried out.

Councillor K Thompson asked why the increased canopy costs were not incorporated into the forecast position. The Head of Finance – Financial Services noted that the position set out in the report was as at the end of August 2015, and did not presume any decision the Joint Committee would make at this meeting as regards progressing the issue of replacement canopies. It was added that the next budget report would incorporate the Joint Committee's decision to implement the in-house design and associated costs.

Resolved:

That the April to August 2015 Financial Monitoring Report and associated Provision Outturn position at 31 March 2016, including the projected year end position with regards to the reserves and balances of the Joint Committee, be noted.

7 Risk Register 2015/16 - Update

The Head of Finance - Financial Services asked Members to note the Risk Register Update 2015/16 report, the Joint Committee considering updates on a 6 monthly basis. Members recalled that the report set out Strategic Risks and Operational Risks and risks were regularly reviewed by the DCC Risk Management Team in conjunction with the Bereavement Services Manager.

It was noted that there were no new major risks identified and there were no proposed additions to the Register. It was noted that the completion of the Phase 3 works meant that risks associated with those works were now removed and Members were asked if they perceived any risks not set out in the updated Register.

Resolved:

- (i) That the Members of the Central Durham Crematorium Joint Committee note the content of the report and the updated position following the September review.
- (ii) That the Risk Registers are kept up-to-date and continue to be reviewed by the Joint Committee on a half yearly basis, the next one to be completed in January 2016.