



Mountsett Crematorium Joint Committee

Date Monday 30 January 2017
Time 10.00 am
Venue Whickham Room, Civic Suite, Gateshead Council

Business

Part A

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

1. Welcome to newly appointed Joint Committee Member
2. Apologies for Absence
3. Minutes of the Meeting held on 28 September 2016 (Pages 3- 8)
4. Declarations of Interest, if any
5. Treasurer to the Joint Committee:
Update from the Clerk to the Joint Committee.
6. Quarterly Performance and Operational Report: (Pages 9 - 13)
Report of the Bereavement Services Manager.
7. Financial Monitoring Report - Position at 31/12/16, with Projected
Outturn at 31/03/17: (Pages 15 - 20)
Joint Report of the Corporate Director: Regeneration and Local
Services and the Corporate Director: Resources / Treasurer to the Joint
Committee.
8. Provision of Support Services 2017/18: (Pages 21 - 34)
Joint Report of the Corporate Director: Regeneration and Local
Services and the Corporate Director: Resources / Treasurer to the Joint
Committee.
9. Fees and Charges 2017/18: (Pages 35 - 40)
Joint Report of the Corporate Director: Regeneration and Local
Services and the Corporate Director: Resources / Treasurer to the Joint
Committee.

10. 2017/18 Revenue Budget: (Pages 41 - 48)
Joint Report of the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
11. Update Report on Cremator Replacement and Extension: (Pages 49 - 54)
Joint Report of the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
12. Such other business as in the opinion of the Chairman of the meeting is of sufficient urgency to warrant consideration
13. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

14. External Audit Arrangements 2016/17 to 2018/19: (Pages 55 - 58)
Joint Report of the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
15. 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
20 January 2017

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), D Bradford, M Charlton, D Davidson, L Green, J Lee and M Ord

Contact: Lucy Gladders

Tel: 03000 269712

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Committee Room 1A, County Hall, Durham on **Wednesday 28 September 2016 at 10.00 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

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

Gateshead Council:

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

1 Apologies for Absence

Apologies for absence were received from Councillor M Plews (Durham County Council) and Councillor M Ord (Gateshead Council).

2 Declarations of Interest, if any

There were no declarations of interest.

3 Minutes of the Meeting held on 27 June 2016

The minutes of the meeting held on 27 June 2016 were confirmed as a correct record and signed by the Chairman.

4 External Audit Annual Review of the Return for the year ended 31 March 2016.

The Joint Committee considered a joint report of the Interim Corporate Director Neighbourhood Services and Interim Corporate Director Resources and Treasurer to the Joint Committee which presented the External Auditors (BDO LLP) Annual review of the Joint Committee's Return for the year ended 31 March 2016 (for copy see file of minutes).

The Principal Account, Ed Thompson advised that the audit had now been concluded, adding that there had been no material weaknesses highlighted around the Joint Committee's system of internal control.

Resolved:

That the Joint Committee approve the Joint Committee's Return for the year ended 31 March 2016 including the External Report 2015/16 Certificate.

5 Quarterly Performance and Operational Report

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

The Bereavement Services Manager advised that during the period 1 June– 31 August 2016 there were 342 cremations undertaken and increase of 45 on the comparable period last year. He further reported that the number of plaques during the period was 12 (£3,816) which was an increase of 1, however resulted in a decrease of income of £475.

Moving on to operational matters, it was reported that the Business Admin Apprentice position had now been filled following interviews held on 23 September and the successful candidate was awaiting a formal start date from HR.

The Bereavement Services Manager further reported that the Crematorium had been successful in retaining the Green Flag Award for the fifth year running and was testimony to the dedication of the staff. This award was in addition to the Gold Star Status awarded by the Institute of Cemetery and Crematorium Management.

It was also reported that the national recycling of metals scheme had produced a surplus of £350,000 from the 2015/16 collection. It was noted that Macmillan Cancer Support had been nominated for the next distribution of funds.

Members were reminded that Mountsett Crematorium marked its 50th anniversary on Saturday 23 July 2016 and a Memorial Service was attended by approximately 50 guests. A booklet was also produced covering the 50 years and was circulated to those who attended on the day. Copies were also made available to Members of the Joint Committee.

The Bereavement Services Manager reported that further to discussion regarding the installation of a curtain to cover the cross in the Chapel, discussions with the manufacturer had determined that a curtain would be difficult to maintain and instead had suggested that an electronic roller blind be installed. Works were expected to be completed during October 2016.

Members further noted progress in respect of the replacement of cremators and installation of mercury abatement equipment. It was reported that the extension project could commence on site as early as January 2017. The Bereavement Services Manager went on to provide a brief update on the Service Asset Management Plan and planned crematorium improvement works.

Councillor Green added that she was disappointed to learn that the 50th Anniversary event had been so poorly attended by public and attributed this to the late timing and lack of advertising. Councillor Temple added that unfortunately the council's corporate communications policy on promotion of such events was restricted and this was something that the committee would continue to challenge.

Councillor Batey commented that she would like to congratulate the team at Mountsett for achieving the Green Flag Award for the fifth consecutive year.

The Bereavement Services Manager reported that members may be aware, that a petition was currently running on change.org regarding notices which were displayed at Mountsett Crematorium, prohibiting the placement of personal items, flowers and memorial items. It was noted that to date 1850 signatures had been received; however the lead petitioner had not been in touch with the crematorium to discuss their concerns.

Lengthy discussion and debate took place regarding the policy which was operated by Mountsett Crematorium. Councillor Dodds commented that by allowing the placement of such items, had the potential to impinge upon other people's form of grieving and in addition detracted from the beautiful setting of Mountsett. He commented that although he had deep sympathy for those concerned the decision was tempered by the impact this could potentially have on others.

Councillor Batey further commented that because crematorium grounds had no demarcation they could not apply the same rules regarding memorabilia as a graveyard and agreed that although she did have sympathy for those affected, the joint committee had to be sensitive to all users. She further asked what information was issued to relatives regarding the regulations of the crematorium and whether these details could be better communicated. The Bereavement Services Manager advised that a form was given to relatives which allowed them to identify what information they wanted to be provided with. Councillor Dodds commented that in his opinion this was a matter which should be dealt with by Funeral Directors and with such suggested that processes could be reviewed.

In summary the Chairman advised that the general consensus was that the Joint Committee endorse the current policy and position on memorabilia. However, the Joint Committee would review how information was communicated to the bereaved in future. It was further agreed that a response to the lead petitioner be prepared and forwarded in line with the lead authorities' petition scheme.

Resolved:

- (i) That the current performance of the crematorium be noted.
- (ii) That the current situation with regards to the Business Admin Apprentice be noted.
- (iii) That the continued success with regards to the Green Flag Award be noted
- (iv) That the current round of money available under the recycling of metals scheme be noted.
- (v) That the success of the 50th year anniversary event be noted.
- (vi) That progress in regard to iconography within the Chapel be noted.
- (vii) That the current position with regard to cremator replacement be noted.
- (viii) That the content of the Service Asset Management Plan be noted and agreed.

6 Financial Monitoring Report 2016/17: Position at 31/08/16 with Projected Outturn to 31/03/17

The Committee considered a joint report of the Interim Corporate Director Neighbourhood Services and Interim Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2016 to 31 August 2016, together with the provisional outturn position for 2016/17, highlighting areas of over/underspend against the revenue budgets at a service expenditure analysis level.

The report further detailed the funds and reserves of the Joint Committee at 1 April 2016 and forecast outturn position at 31 March 2017, taking into account the provisional financial outturn (for copy see file of minutes).

The Principal Accountant noted that there had been a significant increase in cremations during the period which had led to an increase in income of £130,000. This had been a trend seen by crematoria across the area.

Resolved:

That the Joint Committee note the April to August 2016 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2017, including the projected year end position with regards to the reserves and balances of the Joint Committee.

7 Risk Register 2016/17 - Update

The Joint Committee considered a joint report of the Interim Corporate Director Neighbourhood Services and Interim 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 (for copy see file of Minutes).

The Principal Accountant advised that the crematorium car park works had now been completed and was therefore now removed from the register. He further advised that major refurbishment involving the installation of new cremators and an extension was due to start in January 2017 and with such a full risk assessment had been completed and was appended to the report.

Resolved:

That the content of the report be noted and that the Risk Registers be kept up to date and reviewed by the Joint Committee on a half yearly basis.

8 Annual Review of the System of Internal Audit

The Joint Committee considered a joint report of the Interim Corporate Director Neighbourhood Services and Interim Corporate Director Resources and Treasurer to the Joint Committee which provided details of the review of the effectiveness of the Durham County Council Internal Audit Service, which was carried out by the County Council's Audit Committee in July 2016 (for copy see file of Minutes).

Resolved:

That the contents of the report and review of the efficiency and effectiveness of the Durham County Council Internal Audit Service be noted.

9 Provision of Internal Audit and Risk Management Services 2017-2020

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which presented proposals for the continued delivery of Internal Audit and Risk Management Services by Durham County Council to cover the period April 2017 to March 2020 (for copy see file of minutes).

Resolved:

- (i) The proposed Internal Audit and Risk Management Services SLA with Durham County Council covering the next 3 financial years be approved.
- (ii) That the proposed annual audit plan and fee as set out in Schedule 2 of the SLA.

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Mountsett Crematorium Joint Committee



30 January 2017

Mountsett Crematorium Performance and Operational Report



Report of Graham Harrison, Bereavement Services Manager

Purpose of the Report

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

Performance Update - Number of Cremations

- The table below provides details of the number of cremations for the period 1 September 2016 to 31 December 2016 inclusive, with comparative data in the same periods last year:

	2015/16	2016/17	Change
September	100	118	+ 18
October	114	118	+ 4
November	112	99	- 13
December	129	110	- 19
TOTAL	455	445	-10

- In summary there were 445 cremations undertaken during 1 September 2016 to 31 December 2016, compared to 455 in the comparable period last year, a decrease of 10 year on year. The profile of where families came from can be seen below.

Gateshead	136
Durham	252
Outside Area	57
Total	445

Memorials

- The table below outlines the number and value of the memorials sold in the period 1 September to 31 December 2016 compared to the same period the previous year.

	(Sep - Dec) 2015/16		(Sep - Dec) 2016/17	
	Number	£	Number	£
Large Plaques	4	1,642	2	840
Small Plaques	0	0	8	2,041
Total	4	1,642	10	2,881

5. In overall terms the number and value of memorials sold of 10 / £2,881, compares to 4 / £1,642 in the same period last year, an increase of 6 / £1,239 year on year.

Operational Matters

Staffing

6. Members agreed to fill the vacant business admin apprentice position at the June 2016 meeting.
7. This position has now been filled and the new member of staff has settled in well and has picked up the majority of the role.

Crematorium Chapel Only Services

8. The use of the crematorium chapel has started to increase with regards to funeral directors wanting to use the chapel to hold services only before moving onto another location for burial etc. This has an impact on the number of cremations we are able to accommodate on certain days and also on the income lost when allowing chapel only services. The charge for a chapel only service is currently £100, compared to £650 for a cremation.
9. Members are asked to note the change in usage of the chapel and consider implementing a two tier pricing structure for chapel only services. The most requested service slots at the crematorium are between 10.00am and 2.30pm and it is proposed to increase the charge during these periods for chapel only services from £100 to £600 next year. It is also proposed to increase the charge for chapel only services prior to 10.00am or after 2.30pm from £100 to £200 next year and these changes have been built in to the 2017/18 Fees and Charges report in recognition of the lost income associated with holding these services.

Green Flag Application

10. Members may recall from the September 2016 meeting that the Mountsett Crematorium was successful in retaining its Green Flag award for the fifth year running.
11. An application will be submitted for the 2017 Award 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

12. The Crematorium received a cheque from the recycling of metals from the Institute of Cemetery and Crematorium Management to the sum of £4,336 for Macmillan Cancer Support.
13. Arrangements were made for the cheque to be presented to Macmillan Cancer Support by the Committee Chair on 22 November 2016. (See Appendix 2).

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

14. Members may recall from the June 2016 meeting that A.T.I. were successful in tendering for the replacement cremators.
15. Durham County Council's design team have been working with the cremator manufacturer in order to design the equipment to fit in with the proposed extension. The design works have now been completed and updated costings prepared, with details presented for Members in a later report.
16. It is envisaged that the project could commence on site as early as February 2017. A.T.I. are due to install the cremators by September 2017 and completion of the scheme is planned for December 2017.

Recommendations and Reasons

17. 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 business admin position.
 - Note the increase in Chapel only services.
 - Note the application for the Green Flag Award.
 - Note the recent presentation of the ICCM metal recycling scheme cheque.
 - Note the progress with regards to the cremator replacement.

Contact: Graham Harrison, 03000 265606

Appendix 1: Implications

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 repo

Appendix 2: Cheque presentation



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Mountsett Crematorium Joint Committee

30 January 2017

Financial Monitoring Report – Position at 31/12/16, with Projected Outturn at 31/03/17



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee.

Purpose of the Report

1. This report sets out details of income and expenditure in the period 1 April 2016 to 31 December 2016, together with an updated forecast of the outturn position for 2016/17, 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 2016 and an updated forecast position at 31 March 2017, taking into account the updated financial outturn forecasts.

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 Regeneration and Local Services' Management Team on a monthly basis. The County Council's Corporate Management Team also considers monthly budgetary control reports, with quarterly reports being considered by Cabinet / Overview and Scrutiny Committee. The outturn projections for the Mountsett Crematorium are included within this report.
5. The figures contained within this report have been extracted from the General Ledger and have been scrutinised and supplemented with information supplied by the Bereavement Services Manager. The following table highlights the provisional outturn financial performance of the Mountsett Crematorium:

Subjective Analysis	Base Budget 2016/17 £	Year to Date Actual April – December £	Probable Outturn 2016/17 £	Variance Over/ (Under) £
Employees	141,717	88,620	134,786	(6,931)
Premises	166,790	200,383	208,351	41,561
Transport	600	436	600	0
Supplies & Services	89,820	33,053	91,854	2,034
Agency & Contracted	7,100	7,768	8,319	1,219
Central Support Costs	26,100	26,100	26,100	0
Gross Expenditure	432,127	356,360	470,010	37,883
Income	(878,000)	(706,020)	(937,945)	(59,945)
Net Income	(445,873)	(349,660)	(467,935)	(22,062)
Transfer to (from) Reserves				
- Repairs Reserve	15,000	0	(49,246)	(64,246)
- Cremator Reserve	265,983	0	352,291	86,308
- General Reserve	0	0	0	0
Distributable Surplus	(164,890)	0	(164,890)	0
65% Durham County Council	107,178	80,384	107,178	0
35% Gateshead Council	57,712	43,284	57,712	0
Mountsett Crematorium Earmarked Reserves	Balance @ 1 April 2016 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2017 £
Repairs Reserve	73,616	15,000	(64,246)	24,370
Cremator Reserve	927,542	352,291	(21,330)	1,258,503
General Reserve	242,070	21,330	0	263,400
Total	1,243,228	388,621	(85,576)	1,546,273

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 £467,935 against a budgeted surplus of £445,873, (£22,062) more than the budgeted position. The following section outlines the reasons for any significant variances by subjective analysis areas:

6.1 **Employees**

The outturn shows an underspend of **(£6,931)** in relation to employee costs. The reasons for this are identified below:

- An underspend of **(£5,931)** is projected for the period when the Business Admin Apprentice post was vacant.
- The staff training budget of **(£1,000)** will not be utilised.

6.2 **Premises**

The outturn shows an overspend of **£41,561** in relation to premises costs. The reasons for this are identified below:

- The Cremator repairs budget is projected to overspend by **£7,019** due to necessary Cremator repairs in year.
- A successful appeal against the rateable value of the Crematorium last year has resulted in a revised Business Rate charge in 2016/17 of £20,377 compared to the budget of £45,000, a saving of **(£24,623)**.
- Costs relating to the car park extension have resulted in an approved overspend of **£64,246**. These works were approved by the Joint Committee in 2015/16 but were slipped into 2016/17 and have been funded by the repairs reserve.
- Utility charges are projected to underspend by **(£5,081)** mainly due to falling gas prices.

6.3 **Supplies and Services**

The outturn shows an overspend of **£2,034** in relation to supplies and services. The reasons for this are highlighted below:

- General and sundry items are expected to be underspent by **(£3,561)**.
- It is anticipated that the Book of Remembrance calligraphy costs will be overspent by **£1,182**.
- Due to the projected increase in cremations medical referee expenditure is projected to overspend by **£1,403**.
- The environmental surcharges payable for tradable mercury abated cremations from the CAMEO scheme is predicted to overspend by **£3,010**, again due to the increase in cremation numbers.

6.4 **Income**

An increase in income of **(£59,945)** from the 2016/17 budget is included within the outturn. The reasons for this are identified below:

- The updated outturn projection has taken into consideration a forecast additional 85 more cremations compared to budget, totalling an increased income to budget of **(£55,250)**. The outturn allows for a total of 1,385 cremations against a budget estimate of 1,300 during the 2016/17 financial year.
- Miscellaneous income is projected to be higher than budget by **(£2,680)**.
- Book of Remembrance and Memorial Plaque income is forecast to be **(£2,015)** higher than budget.

6.5 ***Earmarked Reserves***

Contributions to the earmarked reserves are forecast as **(£22,062)** more than originally budgeted, primarily due to the increase in cremation income during the year.

In line with the MCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **(£21,330)** is required in year. This results in a net transfer to the Cremator Replacement Reserve of **£330,961**.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2016 are forecast to be **£1,282,873**, along with a General Reserve of **£263,400**, giving a forecast total reserves and balances position of **£1,546,273** at the year end.

Recommendations and reasons

7. It is recommended that:-

- Members note the April to December 2016 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2017, including the projected year end position with regards to the reserves and balances of the Joint Committee.

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

Appendix 1: Implications

Finance

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

Staffing

There are no staffing implications associated with this report.

Risk

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

30 January 2017



Provision of Support Services 2017/18



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee

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 2017 to March 2018.

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 five years. As part of the budget setting for 2017/18, 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 2017 to 31 March 2018 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 Financial & HR 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 2017/18 is £21,200 (a 3.0% increase on the recharges levied in 2016/17). The applicable fee takes into consideration inflationary pressures such as the staff pay award and pension increases following the triennial review.
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 Joint Committees 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 2017/18.

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

APPENDIX 1 – Implications

Finance

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

Staffing

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

Risk

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

Equality and Diversity/ Public Sector Impact Duty

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Consultation

None. However, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comment / raise any detailed queries on the contents of this report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

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

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APPENDIX 2



Service Level Agreement

for the provision of Support Services to

**MOUNTSETT CREMATORIUM JOINT
COMMITTEE**

AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES

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

1. PROVISION OF SERVICES

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

2. DURATION

- 2.1. This agreement will be effective 1st April 2017 and will continue until 31st March 2018 (“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 2017/18 notwithstanding the contents of Schedule 2, the Support Services provision will be the subject of regular review and agreement by both parties as part of the Joint Committee's normal budget timetable. Final confirmation of the Support Services provision must be agreed no later than the 31st January in each year.
- 4.1.2. Both parties intend that the annual Support Services fee provision will be set at such a level as to cover the costs incurred by the Council in delivering the Central Support Functions.
- 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 Joint Committees Annual Return, Annual Governance Statement, Revenue Budget and all other Financial Reports.

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

5. MANAGEMENT OF THE SERVICE

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

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

5.2. The Head of Finance (Financial Services) will report to the Corporate Director of Regeneration and Local 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:

John Hewitt, Corporate Director: Resources
Durham County Council,
County Hall, Durham
e.mail:john.hewitt@durham.gov.uk
Telephone 03000 261943

- 5.5. The Principal Accountant: Direct Services (under delegated responsibility) will meet with the Bereavement Services Manager each financial year to consider the support service fee for the following financial year. Such meetings will be scheduled in line with the Joint Committee's annual budget timetable (final confirmation of the support service fee provision must be agreed no later than the 31st January in each year) and be attended by such other persons as either party may wish.

- 5.6. The Bereavement Services Manager is responsible for ensuring:-

- Responses to reports are received within timescales specified
- Information is provided to substantiate the implementation of any recommendations when requested
- Co-operation with Support Services staff when required
- Timely contact with the Head of Finance (Financial Services) / Principal Accountant: Direct Services
- Compliance with relevant Codes of Conduct and Durham County Council Policies and Procedures.

6. INFORMATION AND CONFIDENTIALITY

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

7. DATA PROTECTION AND FREEDOM OF INFORMATION

7.1. Each party will:-

7.1.1. Comply with the Data Protection Act 1998

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

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

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

8. TERMINATION

8.1. Either party may terminate the agreement before the 1 April 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

Schedule 1

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 Joint Committees 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 Bereavement Services Manager and other officers and nominated members of the Mountsett Crematorium Joint Committee on all Financial, and other Support Service function matters.

BUDGET SCHEDULE

Support Service Area	2017/18
Management	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	4,800
Financial Services	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	10,750
Payroll Services	
Employee payroll processing	150
Human Resources	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	1,800
Administration (including Committee support)	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	3,700
Total	21,200

BASIS OF CHARGE

- Charges in respect of the period 1 April 2017 to 31 March 2018 will be recharged to the Joint Committee using the existing methodology.
- This SLA charge is in addition to the fixed term Audit SLA totalling £6,250 previously approved by members on 28th September 2016 for the period 2017/18 to 2019/20.

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

30 January 2017

Fees and Charges 2017/18



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources & Treasurer to the Joint Committee

Purpose of the Report

1. This report sets out details of the proposed fees and charges for Mountsett Crematorium for 2017/18.

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.
4. Members will recall that the cremation fees and charges were increased by £20 (3.3%) in 2016/17.

Fees and Charges 2017/18

5. The inflationary and cost pressures facing the crematorium along with the views of the Bereavement Services Manager with regards to the local market and customer impact from any proposed increase, benchmarking data on the charges levied in other neighbouring facilities, plus the decision to replace the current cremators are key factors in considering any increases in charges for 2017/18.
6. Taking the above into consideration, particularly the crematorium replacement works that will be undertaken in 2017 it is proposed that there is no increase to the current fees and charges for 2017/18.
7. Members may recall that Mountsett Crematorium Joint Committee did not increase their fees and charges in 2015/16 when the major redevelopment works were being carried out at Central Durham Crematorium. In lieu of the decision to move ahead with the

Mountsett cremator replacement project in 2017 and taking into account the desire to maintain harmonised charges across County Durham the Central Durham Crematorium Joint Committee are also proposing to hold the current cremation fees and charges for 2017/18.

Cremation Charges

8. The projected number of cremations in 2016/17 is 1,385 which is the 89 more than the number of cremations delivered in 2015/16 and 85 higher than the budgeted position of 1,300. For 2017/18 budget setting purposes it has been assumed there will be 1,300 cremations next year.
9. The current 2016/17 fees and charges for the other neighbouring crematoria across the region, including the average total charge levied, is attached at Appendix 3, which indicates an average cremation fee of £716 (inclusive of medical referees fees and environmental surcharge). Holding the current charges will mean that the total cremation fees levied for the Mountsett Crematorium in 2017/18 (inclusive of medical referee fees) remains at £650. Modest increases in the last few years, plus the freeze in charges in 2015/16 have resulted in the Mountsett and Central Durham Crematoria charges now being the lowest in comparison with our neighbouring facilities.
10. In terms of the charging policy for child cremations, it is proposed to retain the NIL fee. Members will see from Appendix 3 that neighbouring crematoria charges range from £0 to £270.
11. It is proposed to increase the charge for use of the Crematorium chapel only from £100 to £600 between 10.00am and 2.30pm and from £100 to £200 prior to 10.00am or after 2.30pm for the reasons outlined earlier in the Bereavement Manager's report.
12. All other fees and charges at the Crematorium are proposed to remain the same levels as 2016/17.
13. 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.

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 2017, which seeks to maintain the cremation at existing levels.
 - The proposed fees and charges are incorporated into the 2017/18 budget.

Background Papers

2016/17 Budget and Financial Monitoring Reports
2017/18 Budget Working Papers

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

Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for Mountsett Crematorium is included at Appendix 2. These proposals have been factored into budget proposals for 2017/18.

Staffing

There are no staffing implications associated with this report.

Risk

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

Equality and Diversity/Public Sector Equality Duty

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

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

None

Consultation

None. However, officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

SCHEDULE OF PROPOSED MOUNTSETT CREMATORIUM CHARGES 2017-18

	2016/2017 Charges incl VAT (where appropriate)	Proposed Charges 2017/2018 incl VAT (where appropriate)	VAT Status	Increase / (Decrease)	
	£	£		£	%
Non-viable Foetus	£9	£9	O	£0	0.00%
Child	£0 up to 1 mth	£0 up to 1 mth	O	£0	0.00%
Child	£0 up to 16 yrs	£0 up to 16 yrs	O	£0	0.00%
Adult	£630 over 16 yrs	£630 over 16 yrs	O	£0	0.00%
<u>Surcharges</u>					
Non Resident (Adult)	£0	£0	O	£0	0.00%
Environmental surcharge	£0	£0	O	£0	0.00%
Saturdays - Additional	50%	50%	O	Not Applicable	Not Applicable
Certificate of Cremation	Included	Included	O	Not Applicable	Not Applicable
Medical Referees Fees	£20	£20	O	£0	0.00%
Body Parts	£9	£9	O	£0	0.00%
2 line entry Book of Remembrance	£53	£53	S	£0	0.00%
Seat for Lease of 10 years	£1,042	£1,042	E/S	£0.00	0.00%
Columbaria Unit for Lease of 20 years	£1,240	£1,240	E/S	£0.00	0.00%
Small Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£186	£186	E/S	£0.00	0.00%
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£312	£312	E/S	£0.00	0.00%
Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£540	£540	E/S	£0.00	0.00%
Inside New Garden Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£342	£342	E/S	£0.00	0.00%
Inside New Garden Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£594	£594	E/S	£0.00	0.00%
Organist	£35	£35	E/S	£0.00	0.00%
Urn	£6	£6	E/S	£0.00	0.00%
Scatter Tubes	£12	£12	E/S	£0.00	0.00%
Small Scatter Tubes	£5	£5	E/S	£0.00	0.00%
Use of Chapel:					
Between 10.00am and 2.30pm	£100	£600	E/S	£500.00	500.00%
Before 10.00am or after 2.30pm	£100	£200	E/S	£100.00	100.00%

Period charged: 2016/17 2016/17 2016/17 2016/17 2016/17 2016/17 2016/17 2016/17 2016/17 2016/17

Mountsett		Coundon	Darlington	Gateshead	Middlesbrough	Hartlepool	South Tyneside	Sunderland	Newcastle	North Tyneside	Durham
£		£	£	£	£	£	£	£	£	£	£

Cremation Fees

£630 15yrs or Over	Adult	£728 over 16 yrs	£678 15yrs or over	£634 over 18yrs	£610 15yrs or over	£686 over 16 yrs	£637 15yrs or over	£634 15yrs or over	£690	£672.00 over 18 yrs	£630 over 16 yrs
£0	Environmental surcharge	Included	£52	£45	£60	Included	£68	included	£60	Included	Included
£20	Medical Referees Fees	Included	£20	£37	Included	Included	£37	£23	£44	£27.50	£20
£650	Sub total	£728	£750	£716	£670	£686	£742	£657	£794	£700	£650

Average of Benchmarking Group Cremation Fees**£716****Other Charges**

£9	Non-viable Foetus	£0	£0	£0	£7.25	£66	£38	£0	£0	£0	£9
£0 up to 1 month	Infant Child	£0	£0 12 mths	£0	£22.50 12 mths	£66 12 mths	£0 up to 14 yrs	£146	£0 up to 12 yrs	£27.50	£0 up to 1 month
£0 up to 16 yrs	Child	£0	£270 up to 18 yrs	£37	£46 up to 14yrs	£205 up to 16 yrs	£37 up to 14 yrs	£146 under 14 yrs	£0	£27.50	£0 up to 16 yrs
£0	Non Resident (Adult)	£0	£0	£669	£0	£0	£637	£800	Not Available	£672	£0
50%	Saturdays/ Additional	£225	No Cremations on a Saturday	No Cremations on a Saturday	£47	No Cremations on a Saturday	£423	£303	No Cremations on a Saturday	£336	50%
£53	2 line entry Book of Remembrance (inclusive of VAT)	£137	£70	£66	£33.80	£61	£34	£54	£72	£60	£53
£600 £200	Use of Chapel Between 10.00am and 2.30pm Before 10.00am or after 2.30pm	£317.50 all day	£100 all day	£60 all day	£110 all day	£102 all day	£144 all day	£126 all day	£112 all day	£90 all day	£600 £200

* Subject to consideration by the Central Durham Crematorium Joint Committee 25 January 2017

Mountsett Crematorium Joint Committee

30 January 2017

2017/18 Revenue Budget



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee

Purpose of the Report

1. To set out for Members' consideration proposals with regards to the 2017/18 revenue budgets for the Mountsett Crematorium.

Background Information

2. The 2017/18 budget has been developed with the Bereavement Services Manager, taking into account the proposed Fees and Charges set out in the previous report, the 2016/17 forecast outturn position and known expenditure pressures in the coming year.

Budget Proposals 2017/18

3. The proposed 2017/18 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 2016/17 budget are as follows:

Employees

4. The 2017/18 budget has been increased by **£5,427** due to the impact of the pay award, incremental progression and also to reflect the increased pension costs following the triennial review.

Premises

5. The base budget has reduced by **(£21,590)** from 2016/17. The main reasons for this increase are as follows:

- The repairs and maintenance budgets include the Service Asset Management Plan scheduled works in 2017/18. The net result of the removal of the 2016/17 works schedule and the inclusion of the 2017/18 requirements is an increase in the base budget of **£4,210**. Provision for the following works are included in 2017/18 budgets:

➤ Installation of Memorial Tower	£6,000
➤ Redecoration Works	£12,500
➤ Replacement of Lectern	£2,500
➤ Replacement of Carpets to office	£10,000
➤ Re vamp of remaining existing shrub beds	£8,000

➤ Installation of Air Conditioning **£15,000**

- The Business Rates budget has reduced by **(£21,400)** following the reduction in rateable value in 2016/17.
- General Repairs, maintenance and utility budgets have been amended to reflect the 2016/17 projected outturn, which has resulted in an overall reduction of **(£4,400)**.

Supplies and Services

6. The budget has been increased by **£3,050** from 2016/17, details below:-

- The environmental surcharges payable for the tradable mercury abated cremations from the CAMEO scheme increases annually by RPI resulting in a budget increase of **£1,450**.
- Book of Remembrance Calligraphy costs budget has increased in line with the 2016/17 outturn by **£1,000**.
- Other supplies and services budgets including conferences, subscriptions and clothing have been increased by **£600**.

Agency and Contracted

7. The Agency and Contracted Services budget has remained as per the 2016/17 budget with an increase in the grounds maintenance costs being offset by a reduction in the external audit budget.

Support Service Costs

8. The 2017/18 budget factors in the proposed increase of **£1,350** in the SLA for the provision of Support Service as detailed in a previous report.

Income

9. The income budget has been increased by **(£3,000)**. 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 projected outturn as at 31 December 2016 assumes an increase of 85 cremations against the 2016/17 budgeted number of cremations (1,300). In preparing the 2017/18 budget the estimated number of cremations has been kept at 1,300. Although the Crematorium will be closed for six Mondays in order that the construction work can be carried out over extended weekend periods, it is our experience with Central Durham Crematorium that by working alongside the funeral directors there will be no adverse effect on the number of cremations which will be accommodated between Tuesday and Friday on the affected weeks. Along with the proposal to freeze the cremation charges the cremation fee income budget remains at the 2016/17 level.
- In consideration of the 2016/17 projected outturn, the Book of Remembrance income budget has increased for 2017/18 by **(£1,000)** and the miscellaneous income budget, including urns and ashes, has increased by **(£2,000)**

10. Should cremation numbers be maintained in line with those estimated in 2016/17 and realised in previous years, and memorial sales become more popular than the forecasts for 2016/17, then a reasonable surplus would again be generated in 2017/18.

Earmarked Reserves

11. The transfer to the Repairs Reserve next year is budgeted in line with the 2016/17 level at **£15,000**.
12. In line with the Reserves Policy, the surplus created after all of the above factors have been taken into account necessitates a transfer from 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 £900. The forecast net increase to the Cremator Reserve is therefore budgeted to be £279,846 in 2017/18.
13. The estimated total earmarked reserves and balances of the Mountsett Crematorium Joint Committee at 31 March 2018, taking into account the 2016/17 Quarter 3 budgetary control report, the 2017/18 budget and the proposed transfers to / from earmarked as follows:
- General reserve of £264,300, an increase of £900 (0.3%) from 2016/17
 - Retained Reserves of £1,577,719 an increase of £294,846 (23.0%) from 2016/17

The estimated total reserves as shown in Appendix 2 at 31 March 2018 are **£1,842,019**.

14. Members should note that the 2017/18 budget proposal incorporates £54,000 of one off expenditure requirements which will provide further scope in the 2018/19 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 2018 (also set out at Appendix 2).

Background Papers

- 2016/2017 Budget and Financial Monitoring Reports
- 2017/2018 Budget Working Papers
- 2017/2018 Fees and Charges report.

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

Appendix 1: Implications

Finance

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

Staffing

The employee budget provides for 6 members of staff.

Risk

The budgets take into account the 2016/17 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 2017/18. 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 standstill in fees and charges next year will ensure that the charges remain competitive in comparison with neighbouring facilities, and this, together with a prudent assumption in terms of the number of cremations undertaken next year, plus the strong reputation of the Mountsett Crematorium Joint Committee, should ensure risk is minimised with regards to the achievement of the income budgets.

Equality and Diversity/Public Sector Equality/ Duty

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

Accommodation

There are no Accommodation implications associated with this report.

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

None

Consultation

None, however officers of Gateshead Council were provided with a copy of the report and given opportunity to comment/ raise any detailed questions on the content of the report in advance of circulation to members of the Mountsett Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

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

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APPENDIX 2

MOUNTSETT CREMATORIUM 2017/2018 BUDGET				
2015/2016 Actual Outturn (Memo Info)	2016/2017 Base Budget	2016/2017 Projected Outturn (QTR3)		2017/2018 Base Budget
£	£	£		£
			EXPENDITURE	
128,286	141,717	134,786	Employees	147,144
151,189	166,790	208,352	Premises	145,200
505	600	600	Transport	600
88,808	89,820	91,854	Supplies and Services	92,870
5,905	7,100	8,319	Agency & Contracted	7,100
25,800	26,100	26,100	Support Service Costs	27,450
400,493	432,127	470,010	Gross Expenditure	420,364
(847,072)	(878,000)	(937,945)	INCOME	(881,000)
(446,579)	(445,873)	(467,935)	Net Income	(460,636)
			Transfer to/from Reserves	
(1,152)	15,000	15,000	- Repairs Reserve	15,000
282,841	265,983	288,045	- Cremator Reserve	280,746
(164,890)	(164,890)	(164,890)	Distributable Surplus	(164,890)
57,712	57,712	57,712	35% Gateshead Council	57,712
107,178	107,178	107,178	65% Durham County	107,178

Actual Balance @ 31/03/16	Budget Earmarked Reserves Balance @ 31/03/17	Revised (QTR3) Forecast Balance @ 31/03/17	Reserve	Transfer to Reserve	Transfer from Reserve	Budget Forecast Balance @ 31/03/18
£	£	£		£	£	£
73,616	24,768	24,370	Repairs Reserve	15,000	0	39,370
927,542	1,111,582	1,258,503	Cremator Reserve	280,746	(900)	1,538,349
242,070	263,400	263,400	General Reserve	900	0	264,300
1,243,228	1,399,750	1,546,273	TOTAL	296,646	(900)	1,842,019

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**Mountsett Crematorium
Joint Committee**



30 January 2017

**Update Report on Cremator
Replacement and Extension**



Joint Report of Ian Thompson – Corporate Director: Regeneration and Local Services; John Hewitt – Corporate Director: Resources and Treasurer to the Joint Committee

1. Purpose of the Report

- 1.1 This report provides Members with a progress update regarding the procurement of the replacement cremators and associated extension works to the crematorium.

2. Background Information

- 2.1 In September 2015 the Mountsett Crematorium Joint Committee considered an options appraisal report regarding the replacement of the cremators, which are at the end of the economic life, taking into account the Mercury Abatement Regulations, which come into effect from 1 January 2013. The report set out six possible development options:

- **Option 1a** - installation of 2 new cremators plus 2 sets of mercury abatement equipment (2+2) in a purpose built extension.
- **Option 1b** - installation of 2 new cremators in a purpose built extension with no abatement (2+0).
- **Option 1c** - installation of 2 new cremators with 1 set of abatement equipment in a purpose built extension in the new extension plus another set of abatement equipment in the existing building.
- **Option 2** to install 2 cremators with mercury abatement equipment to current location where existing cremators are in situ and a smaller extension.
- **Option 3** to install 1 cremator with mercury abatement equipment and have scope to transfer any excess cremations to be carried out to a collaborative crematorium.
- **Option 4** to install 1 cremator with mercury abatement within a smaller extension and have scope to transfer any excess cremations to be carried out to a collaborative crematorium. This option also had scope to place an additional cremator within the existing area but without abatement.

- 2.2 Following work carried out by the design team, it was proposed that the options most feasible were Options 1a, 1b & 1c, as this would allow for two cremations to take place at the same time.

- 2.3 Indicative cost projections, shown in the table below, were put forward for each of the three options, which were to be financed by a combination of Earmarked Reserves and loan finance (loan to be taken out by Durham County Council, who would be the lead authority in terms of procuring the works) “paid back” over a 10 year period, whilst protecting (so far as was possible) the income dividend to the partner authorities during the pay-back period.

	Option 1a (2+2)	Option 1b (2+0)	Option 1c (2+1+1)
New cremators based on Quotes	1,198,925	627,462	1,198,925
Building extension, external works, drainage, service yard, mechanical & electrical installation & essential alterations. Internal alterations	657,546	591,043	616,104
Provisional sums of Direct Payments	110,400	110,400	110,400
Design Fees, Project / Site Mgmt	262,577	177,409	257,045
Allowance for cost increase to Q1 2017	159,182	107,551	155,828
Total Feasibility (projected to Q1 2017)	2,388,630	1,613,865	2,338,302
<i>Rebased to Q1 2018 based on BCIS</i>	<i>2,507,757</i>	<i>1,694,353</i>	<i>2,454,919</i>
<i>Rebased to Q1 2020 based on BCIS</i>	<i>2,775,165</i>	<i>1,875,025</i>	<i>2,716,692</i>
<i>Rebased to Q1 2025 based on BCIS</i>	<i>3,705,499</i>	<i>2,503,601</i>	<i>3,627,425</i>

- 2.4 Members of the Joint Committee subsequently approved option 1a, with the cremator replacement planned for 2017/18 to mitigate interest rate rises whilst allowing sufficient time to procure the equipment, design and deliver the finished facility at the earliest opportunity. Members also agreed that a negotiated tender with Durham County Council’s Direct Services be undertaken with regards to the building works.
- 2.5 It was agreed to finance the preferred option from a combination of earmarked reserves and a ten year loan from Durham County Council as follows:

Description	Option 1a	Notes
Capital Expenditure	2,507,757	Rebased to Q1 2018 as above
Contribution from Reserves	(1,223,422)	Forecast as at Sept 2015
Loan Finance	(1,284,335)	10 years @ £154,003 p.a.
Balance	0	

3 Current Position – Progress Update

- 3.1 All surveys have been completed and during the planning process, the Coal Authority have identified possible mine workings underground. Additional surveys have been carried out and Direct Services have now included additional contingencies for the possibility that ground stabilisation (void grouting) could be required by the Coal Authority.
- 3.2 The procurement process for the supply of the cremators and mercury abatement plant was submitted via an Official Journal of the European Union (OJEU) Tendering process, which was completed in April 2016.
- 3.4 Four tenders were returned by the due date and evaluated in detail. The evaluation process involved the following checks:
- That they fully comply with the specification and all items are included;
 - Arithmetic checks of the tenders are carried out;
 - Financial checks of the companies to ensure that they are financially stable;
 - The ability of the equipment to meet the UK specification and standards.
 - Installation of the equipment and the ability to of the company to complete the work to the agreed timescale.
 - Resolution of issues and disputes during installation and ongoing maintenance.
 - Contract performance.
 - Performance of the machinery including comparison of gas and electric usage.
- 3.5 The successful company was ATI Environment UK Ltd (ATI) and contracts are expected to be signed shortly.
- 3.6 The Design Team have now completed the extension plans in conjunction with ATI and Direct Services.

4 Revised Financial Position

- 4.1 The revised costs compared to the original estimate in September 2015 are shown in the table below:

Description	Original Estimate (Sept 15) £	Revised Estimate (Dec 16) £	Variance £
New cremators	1,198,925	689,687	(509,238)
Construction works: Building extension, external works, drainage, service yard, mechanical & electrical installation & essential alterations. Internal alterations	657,546	760,090	102,544
Provisional sums for Direct Payments	110,400	42,000	(68,400)
Design Fees, Project / Site Mgmt	262,577	228,096	(34,481)
Allowance for cost increase to Q1 2017	159,182	0	(159,182)
Contingencies	0	268,222	268,222
Total Feasibility (projected to Q1 2017)	2,388,630	1,988,095	(400,535)
BCIS Inflation Allowance to Q1 2018	119,127	0	(119,127)
Total	2,507,757	1,988,095	(519,662)
Funded By:			
Contribution from Reserves	1,223,422	1,538,349	314,927
Loan Finance	1,284,335	424,746	(859,589)
Contribution from Revenue Budget	0	25,000	25,000
Total	2,507,757	1,988,095	(519,662)

Notes re revised estimate:

- New cremator costs reflect the final tender price from ATI
- Construction works reflect the revised tender price from Direct Services following discussions with ATI and incorporating the revised designs
- Direct payments include site investigation fees, electrical service supply upgrades and signage
- The contingency sum includes a risk cost for the possibility that ground stabilisation (void grouting) could be required by the Coal Authority

- 4.2 The revised estimate for the scheme is £519,662 lower than originally forecast, mainly due to more competitive prices being secured for the new cremators following the procurement exercise.
- 4.3 The 2017/18 budget report forecasts the Cremator Reserve balance to be £1,538,349 at 31 March 2018, compared to the original forecast of £1,223,422 in September 2015, which is £314,927 higher, which can be utilised to reduce the loan required.
- 4.4 The 2017/18 revenue budget includes £25,000 for the addition of air conditioning in the Chapel and renewal of floor coverings, which is now included in the capital development scheme and in the cost estimates above.
- 4.5 The loan required from Durham County Council has subsequently reduced to £424,746, compared to the original forecast of £1,284,335 due to the above factors. The repayment of this revised loan amount can now be spread over only 3 years instead of the initial 10 years for approximately the same level of annual loan charges.

5 Next Steps

5.1 The current project plan / key milestones are set out below.

- February 2017 – Site mobilisation for extension works
- February to March 2017 – Crematorium closed for 6 Mondays to allow for earthworks, concreting and steel erection on weekends
- March to August 2017 – Construction works for extension
- September to October 2017 – Installation of new cremators and decommission of old cremators
- November to December 2017 – Internal building adaptations following removal of old cremators

6 Recommendation

6.1 It is recommended that Members of the Mountsett Crematorium Joint Committee:

- Note the content of this report and the current position with regard to the cremator replacement and extension.

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Appendix 1: Implications

Finance

The financial implications associated with this report are disclosed in full within the body of the report.

Staffing

None.

Equality and Diversity

None.

Accommodation

There are no Accommodation implications associated with this report

Crime and disorder

None.

Sustainability

The Environmental Protection Act 1990 (as amended) regulates emissions from Crematoria, specifically, PG5 / 2 (05) requires operators of crematoria to install Mercury Abatement Equipment by 31 December 2012 – in line with the requirement to use Best Available Techniques Not Entailing Excessive Cost (BATNEEC).

The current cremators are coming to the end of their economic life and will need replacing or in the least relining within the next 2 - 3 years. The opportunity exists to reduce emissions and install a heat recovery system to provide a more sustainable heating solution for the Crematorium, with associated efficiency savings on current costs.

Human rights

None.

Localities and Rurality

None.

Young people

None.

Consultation

Officers of Gateshead Council were consulted on the contents of this report.

Health

None.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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