



Central Durham Crematorium Joint Committee

Date **Wednesday 25 January 2017**
Time **2.00 pm**
Venue **Committee Room 1A, County Hall, Durham**

Business

Part A

1. Apologies for Absence
2. Minutes of the meeting held 28 September 2016 (Pages 3 - 8)
3. Declarations of Interest, if any
4. Treasurer to the Joint Committee: (Pages 9 - 10)
Report of the Clerk to the Joint Committee.
5. Quarterly Performance and Operational Report: (Pages 11 - 20)
Report of the Bereavement Services Manager.
6. Financial Monitoring Report - Position at 31/12/16, with Projected Revenue and Capital Outturn at 31/03/17: (Pages 21 - 26)
Joint Report the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
7. Provision of Support Services 2017-2018: (Pages 27 - 40)
Joint Report the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
8. Fees and Charges 2017/18: (Pages 41 - 46)
Joint Report the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
9. 2017/18 Revenue and Capital Budgets: (Pages 47 - 54)
Joint Report the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
10. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.
11. 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)

12. External Audit Arrangements 2016/17 to 2018/19: (Pages 55 - 58)
Joint Report the Corporate Director: Regeneration and Local Services and the Corporate Director: Resources / Treasurer to the Joint Committee.
13. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

Laura Renaudon
Clerk to the Joint Committee

County Hall
Durham
17 January 2017

To: **The Members of the Central Durham Crematorium Joint Committee**

Durham County Council: D Bell, A Bonner, J Chaplow, P Conway, K Corrigan, N Foster, B Kellett, B Moir, M Plews (Chairman), M Simmons, D Stoker and K Thompson

Spennymoor Town Council: JV Graham (Vice-Chairman), GD O'Hehir and D Taylor

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 28 September 2016** at **5.30 pm**

Present:

Councillor JV Graham (Vice-Chair, in the Chair)

Durham County Council:

Councillors D Bell, J Chaplow, P Conway, N Foster, D Stoker and K Thompson

Spennymoor Town Council:

Town Councillors GD O'Hehir and D Taylor

1 Apologies for Absence

Apologies for absence were received from A Bonner, K Corrigan, B Kellett, B Moir, M Plews and M Simmons.

2 Minutes

The Minutes of the Annual General Meeting held on 29 June 2016 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 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 relating to the External Auditors (BDO LLP) issues Arising Report 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, however, there was one minor exception where a table did not add up by £1.

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 Bereavement Services Manager, Graham Harrison asked Members to note the performance figures from 1 June 2016 to 31 August 2016 and the comparison to the same period for 2015, highlighting that there was a net increase of 34 cremations year on year. It was noted there was a total of 539 for the 3 month period with the June to August profile breakdown showing 168 from Durham, 23 from Spennymoor and 348 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, with sales being £50 less than the comparable period last year.

Councillors noted that for the fifth year running the Crematorium, in a joint bid with the South Road Cemetery, had achieved the Green Flag Award. Members noted that the Recycling of Metals Scheme had generated a sum of £350,000 nationally in 2015/16 and that Diabetes UK had been nominated for the next available distribution of funds.

The Joint Committee noted there had been a slight delay to the Phase 4 works relating to the canopies, with these works almost complete and the Crematorium returning to 5 day operation from Monday, 3 October 2016. The Bereavement Services Manager noted Members would be able to see the completed works during a brief tour after the meeting.

The Bereavement Services Manager referred Members to the Service Asset Management Plan (SAMP) appended to the report which set out a number of proposed works, set out by priority: urgent essential; priority 2; priority 3; and longer term works. Members noted some of the works included replacement of the lectern in the chapel with one with an adjustable height and a coffee machine for the waiting room.

Councillor P Conway asked as regards the difference in amounts when looking at Niche sales, with this year having one sale at £222, and the previous having one sale at £1,150. The Bereavement Services Manager noted that the higher figure had also included an inscription and an additional interment.

The Neighbourhood Protection Manager, Neighbourhood Services, Ian Hoult commended the work of the Officers involved with the improvement works, including the Bereavement Services Manager and Direct Services staff. The Neighbourhood Protection Manager asked Members to reflect on the series of improvement works beginning with the replacement of the cremators and including: car park improvements; new book of remembrance building, increasing the size of the chapel; and most recently the new canopies.

It was added that it had been a long journey and that, with the help of the Joint Committee and all the Officers involved, an excellent, quality facility was now in place providing a valued service to our Funeral Directors, Clergy and customers.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the continued success with the Green Flag Award be noted.
- (iii) That updated position with regards the Recycling of Metals Scheme be noted.
- (iv) That the progress with regards the Phase 4 Improvement Works be noted.
- (v) That the Service Asset Management Plan be approved and factored into budget planning in 2017/18 and beyond.

6 Financial Monitoring Report - Position at 31/08/16, with Projected Revenue and Capital Outturn at 31/03/17

The Principal Accountant referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 August 2016 and with projected outturn to 31 March 2017 (for copy see file of minutes).

The Joint Committee noted that there was a projected revenue outturn surplus of £171,805 more than the budgeted position, with the reasons for the major variances set out in detail within the report. It was added that one of the main reasons was a saving as a result of the successful appeal against the rateable value of the Crematorium, which had been brought to Members attention at the last meeting. The Principal Accountant added that the other reason, and which accounted for the majority of the projected surplus was an increased income due to a projected increase in the number of cremations. It was added that upon looking at the Authority's other facility at Mountsett and speaking to other Local Authorities as regards their experiences, the increase in cremations was in line with other facilities across our region.

Members noted the position in terms of the Capital Programme with the remaining Phase 3 and 4 Redevelopment Works, and the projection for this to be as budgeted at £566,040.

Members noted a projected total reserve of approximately £1.34 Million at the year-end, giving a strong financial position. The Principal Accountant 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 given the strong financial position, and the relatively low financial impact of the Service Asset Management Plan, Members may wish to look at options in terms of the distribution of surplus to Durham County Council and Spennymoor Town Council. The Principal Accountant suggested that as the figures were projections at this point, Members may wish to wait until the year end before looking at such options as regards distribution of surplus.

Resolved:

That the April to August 2016 Financial Monitoring Report and associated provision revenue and capital outturn positions at 31 March 2017, including the projected year end position with regards to the reserves and balances of the Joint Committee, be noted.

7 Risk Register Update 2016/17

The Principal Accountant asked Members to note the Risk Register Update 2016/17 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 was a low level risk in terms of the slight delay in the canopy works and this was set out within the report. It was noted that there had been no changes to the Operational Net Risk Scores and all risks were considered to be at a tolerable level.

Councillor D Stoker asked as regards the recent issues in terms of woodland burials. The Bereavement Services Manager noted that was a separate entity and did not relate to the Crematorium or Joint Committee.

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 April 2017.

8 Annual Review of the System of Internal Audit

The Audit and Fraud Manager, Resources, Stephen Carter stated that it was a requirement for the body that reviews the accounts to also have a review of the effectiveness of Internal Audit (for copy see file of minutes).

Members noted that part of the role of Durham County Council's Audit Committee was to scrutinise the performance and effectiveness of Internal Audit and had received a report at its meeting in July. It was explained that this provided assurance to the Joint Committee that the work carried out by Internal Audit was in line with best practice and the latest audit standards. It was explained that as part of the standards there was a requirement for an external review every 5 years and this had been undertaken by Newcastle City Council and was appended to the Committee Report.

Resolved:

That the information demonstrating 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 Audit and Fraud Manager referred Members to the report setting out proposals for the continued delivery of Internal Audit and Risk Management Services for the Central Durham Crematorium Joint Committee by Durham County Council's Internal Audit service (for copy see file of minutes).

Members noted the proposed number of days providing audit services through until 2019/20, and the breakdown as set out in the proposed SLA attached at Appendix 2 to the report.

The Joint Committee was reminded that the previous report had set out the effectiveness of the service and therefore the recommendation was to enter into an SLA in respect of Audit and Risk Services.

Resolved:

- (i) That the Service Level Agreement for the provision of Internal Audit and Risk Management Services with Durham County Council covering the next 3 financial years be approved.
- (ii) That the Annual Audit Plan and fee as set out within Schedule 2 of the Service Level Agreement be approved.

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**Central Durham Crematorium
Joint Committee**

25 January 2017

**Treasurer to the Joint
Committee**



Report of the Clerk to the Joint Committee

Purpose of the Report

- 1 The purpose of this report is to inform Members of the Central Durham Crematorium Joint Committee of revised arrangements with regards to the position of Treasurer to the Joint Committee.

Background

- 2 Members will recall that at the meeting of the Joint Committee held 29 June 2016 the Clerk to the Joint Committee had explained that the Treasurer to the Joint Committee and Corporate Director, Resources for Durham County Council, Don McLure retired in May 2016. Accordingly, it had been noted that in the period prior to the appointment of a new Corporate Director, Resources, the Interim Corporate Director, Resources, Paul Darby, would act as Treasurer to the Joint Committee. Following a recruitment process a new Corporate Director, Resources was appointed, John Hewitt, and he took up the post in October 2016.

Treasurer to the Joint Committee

3. It is therefore proposed that the new Corporate Director, Resources, now appointed, will take on the role of Treasurer to the Joint Committee.
4. Day to day support to the Joint Committee will continue to be facilitated through the various teams working at Durham County Council.

Recommendations

5. It is recommended that:

Members note the appointment of Durham County Council's new Corporate Director, Resources, and confirm that the Corporate Director, Resources will now take on the role as Treasurer to the Joint Committee.

Contact: Laura Renaudon, Clerk to the Joint Committee
Tel: 03000 269 886 **Email:** laura.renaudon@durham.gov.uk

Appendix 1: Implications

Finance

There are no Financial implications associated with this report

Staffing

As identified in the report.

Risk

There are no risk implications associated with this report.

Equality and Diversity / Public Sector Equality Duty

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

Accommodation

The development project will improve customer and staff accommodation.

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

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

Procurement

There are no procurement issues associated with this report.

Disability Issues

There are no disability issues associated with this report.

Legal Implications

There are no legal implications associated with this report.

**Central Durham Crematorium
Joint Committee**

25 January 2017

**Treasurer to the Joint
Committee**



Report of the Clerk to the Joint Committee

Purpose of the Report

- To provide Members of the Central Durham Crematorium Joint Committee with the quarterly 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 to 31 December 2016 inclusive, with comparative data in the same period last year:

	2015/16	2016/17	Change
September	145 + 2*	146 + 1*	+1 - 1*
October	207 + 0*	171 + 3*	- 36 + 3*
November	181 + 1*	207 + 3*	+ 26 + 2*
December	191 + 1*	204 + 0*	+ 13 - 1*
TOTAL	724 + 4*	728 + 7*	+ 4 + 3*

* = Non-Viable Foetus (NVF) ** = Stillborns (STs) *** = Body parts

- The full profile of where families came from can be seen in Appendix 2. In summary 247 came from Durham, 42 came from Spennymoor and 339 from outside of the area. There have been 7 NVF cremations undertaken for the period covered by this report compared to 4 in the comparable period last year, which is an increase of 3 NVF and a slight increase of 4 Cremations.

Memorials

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

	[Sep - Dec] 2015/16		[Sept - Dec] 2016/17	
	Number	£	Number	£
Vase Blocks	9	3,673	6	3,316
Large Plaques	29	9,855	18	9,266
Small Plaques	3	612	7	1,812
Niche	1	1,477	3	3,900
Renewal	51	6,647	24	2,878
Total	93	22,264	58	21,172

5. In overall terms the number and value of memorials sold 58 / £21,172 shows a decrease of 35 memorials sold and a decrease of £1,092 in terms of revenue generated compared to the same period last year.
6. We have been approached by a local funeral director with regards to a design he has drawn up surrounding a new memorial safe product, which is a hand crafted product made from 316 stainless steel and granite in which ashes can be interred.
7. The funeral director has asked if the product is something that the Crematorium would be interested in selling, however, we already have a rolling tender with a local supplier who supplies ashes units.
8. A brochure has been produced by the funeral director and will be available for Members to view at the meeting. It is proposed that Members discuss the alternative options and decide whether to deviate away from the current tender or remain with the current supplier.

Operational Matters

Staffing

9. During the recent staff appraisals process the previous admin apprentice, now a full time Technical Assistant, has indicated that she is willing to enrol on the Institute of Cemetery and Crematorium Management Diploma Course. The course provides us with an opportunity to build skills within the team and provide greater resilience during busy periods. The cost of the diploma course is £90 per year to enrol as an Associate Member of the Institute and £2,380 in order to achieve an I.C.C.M. certificate within two years. These costs have been factored into the 2016/17 financial outturn report and also the 2017/18 budget.

Crematorium Chapel Only Services

10. 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.

11. 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 into the 2017/18 Fees and Charges report in recognition of the lost income associated with holding these services.

Green Flag Award

12. Members may recall from the September 2016 meeting that the Central Durham Crematorium was successful in retaining its Green Flag award for the fifth year running.
13. 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

14. 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 Diabetes UK.
15. Arrangements were made for the cheque to be presented to Diabetes UK by the Committee Chair and Vice Chair. (See appendix 3).

Christmas Tree

16. For the sixth year running it was agreed that St. Cuthbert's Hospice could provide a Christmas tree and baubles with a facility for visitors to write a personal message and place it on the Christmas tree with a bauble. This proved to be very popular again with visitors this past Christmas with a number of messages being placed on the tree with a substantial amount of money being donated to St. Cuthbert's Hospice.



17. St. Cuthbert's Hospice has requested that they be allowed to continue to provide a Christmas tree again in 2017. The Hospice supplies the tree and decorations at no cost to the Central Durham Crematorium Joint Committee.
18. No other requests have been received from any organisation to place a Christmas tree at the Crematorium.

Recommendations:

19. It is recommended that Members of the Central Durham Joint Committee:-
 - (i) Note the current performance of the crematorium.
 - (ii) Discuss and decide if we wish to use the new memorial safe product.
 - (iii) Agree to enrol a member of staff on the Institute of Cemetery and Cremation Diploma course.
 - (iv) Note the increase in Chapel only services.
 - (v) Note the application for the Green Flag Award 2017.
 - (vi) Note the distribution of recycling income received to the respective charity.
 - (vii) Agree to the provision of a Christmas Tree by St Cuthbert's Hospice in 2017.

Contact: Graham Harrison, Bereavement Services Manager
Tel: 03000 265 606 E-mail: graham.harrison@durham.gov.uk

Appendix 1: Implications

Finance

As identified in the report with regards to the position of the Income and the crematorium improvement works.

Staffing

As identified in the report.

Risk

There are no risk implications associated with this report.

Equality and Diversity / Public Sector Equality Duty

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

Accommodation

The development project will improve customer and staff accommodation.

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

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

Procurement

There are no procurement issues associated with this report.

Disability Issues

There are no disability issues associated with this report.

Legal Implications

There are no legal implications associated with this report.

Appendix 2: Breakdown of Figures

Settlement	Sep	Oct	Nov	Dec
DURHAM	45	52	75	75
BARNARD CASTLE	1			
BILLINGHAM	1			
BIRTLEY	1		2	
BISHOP AUCKLAND	5	6	8	7
BISHOP MIDDLEHAM				1
BLACKHALL	1	3	3	4
CHESTER LE STREET	7	5	15	15
CHESHIRE	1			
CHILTON	1	1	3	1
OUNDON			1	1
CROOK	6	2	5	5
DARLINGTON				2
EAST RAINTON	1			1
EASINGTON	3	3	5	5
ESH WINNING	1	1		
FENCEHOUSES		1	1	
FERRYHILL	5	5	5	5
FISHBURN		3	1	2
FROSTERLEY		1		
GATESHEAD		1	1	
GREAT LUMLEY	1			
HARTLEPOOL		2	3	3
HASWELL	1	1	2	2
HETTON LE HOLE		3	3	3
HEXHAM		1		
HORDEN	1	3	8	5
HOUGHTON	3		3	4
HUNWICK			2	
LANCHESTER	1	1	1	1
LANGLEY PARK		1		
MORPETH			1	
MURTON	4	6	3	2
NETTLESWORTH	1			
NEWCASTLE	3		1	1
NEWTON AYCLIFFE	3	1	3	1
NORTHUMBERLAND				1
OUSTON		1		
PELTON			2	
PETERLEE	4	8	7	6
SACRISTON	4	4	2	2

SEAHAM	7	11	6	10
SEDFIELD	1	5	1	1
SHILDON	1	1		2
SHOTTON	3	2	2	4
SOUTH HETTON	1		2	1
SOUTHERN ENGLAND	1	2		
SPENNYMOOR	10	9	10	13
STANHOPE	1		1	
STANLEY	1			1
STATION TOWN			1	
STOCKTON		1		
SUNDERLAND			2	1
SUNNYBROW		1	1	1
SOUTH SHIELDS		1		
THORNLEY		2		1
TOW LAW		1	1	1
TRIMDON	5	7	1	3
WASHINGTON	3	1		
WEST CORNFORTH	2	1	4	4
WHEATLEY HILL	3	1	1	
WILLINGTON	1	7	3	4
WINGATE		2	3	1
WOLSINGHAM			1	1
WYNYARD	1		1	
TOTAL	146	171	207	204

Appendix 3 Re-cycling of metals cheque presentation



Mr G Harrison
Central Durham Crematorium JC
Durham Crematorium
South Road
DURHAM
DH1 3TQ

23/11/2016



Wells Lawrence House
126 Back Church Lane
London
E1 1FH

Tel 0345 123 2399*
Fax 020 7424 1001

Email info@diabetes.org.uk
Website www.diabetes.org.uk

Dear Mr Harrison,

We just wanted to say a huge thank you for raising £4,336 for Diabetes UK, which we received from the ICCM Recycling of Metals Scheme on behalf of Durham Crematorium.

Please accept this letter as the official receipt of your donation.

The money you've raised is so important because right now, there are 4 million people in the UK with diabetes. In Northern and Yorkshire alone it is estimated that over 528,000 people are living with diabetes.

We are the leading UK charity that cares for, connects with and campaigns alongside people with and at risk of diabetes. But we can't do that without people like you.

The money you've raised means people with diabetes can keep getting the information, advice and support they need, we can keep campaigning for better care, and our scientists can keep finding new ways to treat diabetes, prevent it and one day cure it.

We promise to put your money to the best possible use. If you would like to find out more about our work, or other great fundraising ideas, we would love to hear from you. You can contact your local fundraisers Emily and Louise at northyorks@diabetes.org.uk or call 01925 644565.

Thank you for helping to change the lives of people with diabetes.

Yours sincerely,

Kirsty Willis
On behalf of Community Fundraising



Patron: Her Majesty The Queen

Diabetes UK is the operating name of the **British Diabetic Association**.
Company limited by guarantee. Registered in England no. 339181.
Registered office: Wells Lawrence House, 126 Back Church Lane, London E1 1FH.
A charity registered in England and Wales (215199) and in Scotland (SC039136).
*Calls may be recorded for quality and training purposes.

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**Central Durham Crematorium
Joint Committee**

25 January 2017

**Financial Monitoring Report –
Position at 31/12/16, with
Projected Revenue and Capital
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 revenue and capital outturn position for 2016/17, highlighting areas of over / underspends against the approved 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 updated forecast outturn position at 31 March 2017, taking into account the updated forecast financial outturn.

Background

3. Scrutinising the financial performance of the Central Durham 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 Central Durham 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 Central Durham 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 revenue outturn financial performance of the Central Durham Crematorium:

Subjective Analysis	Base Budget 2016/17 £	Year to Date Actual April – December £	Forecast Outturn 2016/17 £	Variance Over/ (Under) £
Employees	237,764	153,655	244,754	6,990
Premises	266,690	176,261	228,944	(37,746)
Transport	2,700	1,145	2,700	0
Supplies & Services	97,300	72,920	103,008	5,708
Agency & Contracted	10,100	5,625	9,414	(686)
Capital Charges	213,738	0	213,738	0
Central Support Costs	36,150	36,150	36,150	0
Gross Expenditure	864,442	445,756	838,708	(25,734)
Income	(1,550,750)	(1,156,234)	(1,670,385)	(119,635)
Net Income	(686,308)	(710,478)	(831,677)	(145,369)
Transfer to / (from) Reserves				
- Masterplan Memorial Garden	5,000	0	5,000	0
- Major Capital Works	248,058	0	393,427	145,369
- Cremator Reline Reserve	25,000	0	25,000	0
- Small Plant	2,000	0	2,000	0
Distributable Surplus	(406,250)	0	(406,250)	0
80% Durham County Council	325,000	162,500	325,000	0
20% Spennymoor Town Council	81,250	60,938	81,250	0

Central Durham Crematorium Earmarked Reserves	Balance @ 1 April 2016 £	Transfers to Reserve £	Transfers From Reserve £	Balance @ 31 March 2017 £
General Reserve	(432,705)	(438,770)	406,250	(465,225)
Masterplan Memorial Garden	(46,250)	(5,000)	0	(51,250)
Major Capital Works	(857,846)	(393,427)	473,127	(778,147)
Cremator Reline Reserve	(110,000)	(25,000)	78,500	(56,500)
Small Plant	(8,000)	(2,000)	0	(10,000)
Total	(1,454,801)	(864,197)	957,877	(1,361,122)

Explanation of Significant Variances between Original Budget and Forecast Outturn

6. As can be seen from the table above, the projected revenue outturn is showing a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £831,677 against a budgeted surplus of £686,308, £145,369 more than the budgeted position.
7. The following section outlines the reasons for any significant variances by subjective analysis area:

7.1 *Employees*

The outturn shows an over spend of **£6,990**, in relation to employee costs. The reasons for this are identified below:

- Unbudgeted employer pension contributions backdated to 2004 relating to a medical practitioner will result in an overspend of **£14,800**.
- Delays in filling the Trainee Crematorium Operative post will result in an underspend of **(£7,210)**.
- The training budget is projected to be underspent by **(£600)**.

7.2 *Premises*

The outturn shows a forecast underspend of **(£37,746)** in relation to premises costs. The reasons for this are identified below:

- A successful appeal against the rateable value of the Crematorium last year, after the budget had been agreed has resulted in a revised Business Rate charge in 2016/17 of £60,783 compared to the budget of £89,000, a saving of **(£28,217)**.
- Gas expenditure is forecast to under spend by **(£4,684)** due to falling gas prices.
- Cremator servicing and repairs is projected to underspend by **(£1,395)**.
- Cremator hearth reline budget of **(£3,450)** is not to be utilised this year as this will be completed within the main Cremator reline.

7.3 *Supplies and Services*

The outturn shows a forecast over spend of **£5,708** in relation to supplies and services costs. The reasons for this are identified below:

- Due to the increase in the Book of Remembrance and Memorial sales, the associated costs will also be overspent by **£2,822**.

- Due to the projected increase in cremations (highlighted later within the income section of the report), medical referee expenditure is projected to overspend by **£2,327**.
- Other general office costs including printing and stationary are expected to overspend by **£559**.

7.4 *Agency and Contracted*

The outturn shows a forecast underspend of **(£686)** in relation to agency and contracted services costs. This relates to savings on Refuse Collection charges, which will be **(£686)** lower than budget.

7.5 *Income*

An increase in income of **(£119,635)** from the 2016/17 budget is included within the updated outturn forecasts. The reasons for this are identified below:

- The sale of large plaques, vase blocks, columbaria units and seats etc. is forecast to be greater than budgeted, generating additional income of **(£6,882)**;
- The outturn includes a forecast additional 209 cremations compared to the budget, totalling an increased income to budget of **(£91,650)**. The outturn allows for a total of 2,409 cremations against a budgeted 2,200 during 2016/17.
- Miscellaneous sales and Book of Remembrance entries are anticipated to be higher than budget resulting in additional income of **(£7,519)**.
- The annual cremation abatement payment from CAMEO is forecast to be **(£13,584)** greater than the budgeted amount. The budget was based upon the tradeable mercury abated cremations (tmacs) rate of £10.00, however it is now forecast to be paid at a tmac rate of £15.00.

8. *Capital Programme*

The following table highlights the provisional capital outturn of the Central Durham Crematorium:

Phase 3 & 4 Redevelopment Works	Base Budget 2016/17 £	Year to Date Actual April - Aug £	Probable Outturn 2016/17 £	Variance Over/ (Under) £
Replacement of copper roofing and canopies	279,890	277,041	279,890	0
Tarmac roads and car park bays	38,850	0	38,850	0
Carry out Re-lining of cremators x 3	110,300	39,250	78,500	(31,800)
Replacement of coffin charger	40,000	0	40,000	0
Replacement of ride on grass cutter	15,000	14,639	14,639	(361)
Carry out creation of staff car parking area	82,000	8,213	67,228	(14,772)
Total	566,040	339,143	519,107	(46,933)

The cost of the Redevelopment Works is being financed from the Major Capital Works and Cremator Reline Earmarked Reserves. One of the cremators is now planned to be relined in 2017/18, resulting in an underspend of (£31,800) which will be carried forward into the 2017/18 capital budget. The creation of the staff car parking area is expected to underspend by (£14,772).

9. *Earmarked Reserves*

Contributions to the earmarked reserves are forecast as **(£145,369)** more than originally budgeted, primarily due to additional unbudgeted income arising from the additional cremations forecast compared to budget in 2016/17 and the reduction in Business Rates.

In line with the CDCJC Reserve Policy to maintain a General Reserve of 30% of the income budget, a transfer to the General Reserve of **£32,520** is required. This results in a net transfer from the Major Capital Works Reserve of **(£79,700)**.

The retained reserves of the CDCJC at 31 March 2016 are forecast to be **£895,897** along with a General Reserve of **£465,225**, giving a forecast total reserves and balances position of **£1,361,122** at the year end.

Recommendations and Reasons

10. It is recommended that:

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

Contact: Paul Darby, Head of Financial and HR Services
Tel: 03000 261 930 **E-mail:** paul.darby@durham.gov.uk
Contact: Ed Thompson, Principal Accountant
Tel: 03000 263 481 **E-mail:** ed.thompson@durham.gov.uk

Appendix 1: Implications

Finance

Full details of the year to date and projected outturn financial performance of the Durham 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 the 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 Spennymoor Town 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 CDCJC.

Procurement

None

Disability Discrimination Act

None

Legal Implications

The outturn proposals contained within this report have been prepared in accordance with standard accounting policies and procedures.

**Central Durham Crematorium
Joint Committee**

25 January 2017

**Provision of Support Services
2017-2018**



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 present for approval a proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham 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 Central Durham 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 forthcoming years Support Services requirement.
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
 - 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 and 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 £31,550 (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 and Capital Budgets
- 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:	Paul Darby, Head of Financial and HR Services		
Tel:	03000 261 930	E-mail:	paul.darby@durham.gov.uk
Contact:	Ed Thompson, Principal Accountant		
Tel:	03000 263 481	E-mail:	ed.thompson@durham.gov.uk

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 Spennymoor Town 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 CDCJC.

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

**CENTRAL DURHAM CREMATORIUM JOINT
COMMITTEE**

AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES

THIS AGREEMENT is made the [25th] of [January] **two thousand and seventeen**
BETWEEN DURHAM COUNTY COUNCIL (“the Council”) and **CENTRAL DURHAM**
CREMATORIUM JOINT COMMITTEE (“the Partnership”)

1. PROVISION OF SERVICES

- 1.1. The Central Durham 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 April 2017 and will continue until 31 March 2018 (“the Term”)

3. THE COUNCIL’S OBLIGATIONS

3.1. Services

- 3.1.1. The scope of the Support Services available to the Central Durham 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 Central Durham 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 31 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 has been used to set the fees 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 Joint Committees Annual Return, Annual Governance Statement, Revenue and Capital Budgets 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 Central Durham 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 setting timetable (final confirmation of the support service fee provision must be agreed no later than the 15 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
CENTRAL DURHAM 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 Central Durham 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 and Capital Budgets for approval by the Central Durham 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 and Capital Budget Monitoring including the provision of sound financial advice.
6. Preparation of Monthly Payroll, Bank, Debtor and Creditor Reconciliations.
7. Timely processing and payment of all Central Durham Crematorium Joint Committee purchase order and direct invoices in line with BVPI 8 Regulations and Durham County Council payment terms via the SAGE system.
8. Financial Appraisals and budget monitoring of Service Asset Management Plan works.
9. Production of the Joint Committees Annual Return for the Central Durham Crematorium Joint Committee and liaison with External Audit.

Payroll Services

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

Human Resources

11. Provision of Health and Safety Advice and guidance in compliance with the relevant Health and Safety guidelines and legislation.
12. Management and co-ordination of arrangements regarding employee relations and interaction with trade union officials.

13. Delivery and facilitation of the staff training, recruitment and selection processes.

Administration

14. Distribution of Joint Committee Papers (including electronic distribution).

15. Provision of Committee and Secretarial Services including the remit of the 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, other officers and nominated members of the Central Durham Crematorium Joint Committee on all Financial, and other Support Service function matters.

BUDGET SCHEDULE

Support Service Area	
Management	
Attendance at Joint Committee Meetings	
Report Review and overall Management	
	6,200
Financial Services	
Budget Preparation including fees and charges setting	
Budget Monitoring including monthly reconciliations	
Review of the Effectiveness of Internal Audit	
Production of the Annual Return (including liaison with External Audit)	
Financial Appraisals	
	17,750
Payroll Services	
Employee payroll processing	350
Human Resources	
Health and Safety support and guidance	
Employee relations and interaction with trade unions	
Training and development facilitation	
	2,450
Administration	
Distribution of Committee Papers	
Committee and Secretarial Services	
Minute maintenance and indexing	
	4,800
Total	31,550

BASIS OF CHARGE

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

In overall terms the Support Service charge represents 2% of the gross turnover of the Joint Committee.

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**Central Durham Crematorium
Joint Committee**

25 January 2017

Fees and Charges 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 sets out details of the proposed fees and charges for the Central Durham 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. Members will recall that the cremation fees and charges were increased by £20 (3.3%) in 2016/17.

Fees and Charges 2017/18

4. The inflationary and cost pressures facing the crematorium, along with the views of the Bereavement Services Manager with regards to the local market, customer impact from any proposed increase and benchmarking data on the charges levied in other neighbouring facilities are key factors in considering any increases for 2017/18.
5. A major redevelopment at Mountsett Crematorium is scheduled to be undertaken in 2017, with the installation of 2 new cremators plus 2 sets of mercury abatement equipment in a purpose built extension. Taking into account the potential disruption that this may cause, Mountsett Crematorium are proposing to hold the fees and charges at their current levels for 2017/18. This decision will be welcomed by local funeral directors and customers.
6. 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 proposal by the Mountsett Crematorium, and taking into account the desire to maintain harmonised charges across County Durham, it is proposed to follow suit and hold charges at the Central Durham Crematorium.

7. **Cremation Charges** The projected number of cremations in 2016/17 is 2,341 which will be 94 higher than the 2,247 cremations delivered in 2015/16, and 141 more than the budgeted position of 2,200. For 2017/18 budget setting purposes it has been assumed there will be 2,200 cremations next year. This is a prudent forecast.
8. The current 2016/17 fees and charges for crematoria across the region, including the average charges levied is attached at Appendix 3, which indicates an average cremation fee of £716 (inclusive of medical referees fees and environmental surcharge where appropriate). Holding the current charges will mean that the total cremation fees levied for the Central Durham Crematorium in 2017/18 (inclusive of medical referee fees) remains at £650. Modest increases in the last few years have resulted in the Central Durham and Mountsett Crematoria charges now being the lowest in comparison with all other neighbouring facilities in the region.
9. The holding of charges in 2017/18 will provide an opportunity for an above average increase in 2018/19, where consideration will also be given to increasing the level of surplus redistribution for the partner authorities, in recognition of the significant investments made in recent years and strong financial position the Central Durham Crematorium.
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 at the same levels as 2016/17.
13. A full schedule of the proposed fees and charges for the Central Durham Crematorium is shown in Appendix 2, with benchmarking comparison data shown in Appendix 3 for Members' information.

Recommendations and Reasons

14. It is recommended that:

- (i) 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 charges at existing levels.
- (ii) 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:	Paul Darby, Head of Financial and HR Services	
Tel:	03000 261 930	E-mail: paul.darby@durham.gov.uk
Contact:	Ed Thompson, Principal Accountant	
Tel:	03000 263 481	E-mail: ed.thompson@durham.gov.uk

Appendix 1: Implications

Finance

A detailed schedule of the proposed fees and charges for the Central Durham 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 the Central Durham 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 CDCJC and the enhancements that the Phase 3 works have brought in terms of the service offer, 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 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 Spennymoor Town 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 Central Durham Crematorium Joint Committee.

Procurement

None.

Disability Discrimination Act

None.

Legal Implications

None.

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SCHEDULE OF PROPOSED CENTRAL DURHAM 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	0.00%
Columbaria Unit for Lease of 20 years	£1,240	£1,240	E/S	£0	0.00%
Small Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£186	£186	E/S	£0	0.00%
Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£312	£312	E/S	£0	0.00%
Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£540	£540	E/S	£0	0.00%
Inside New Garden Large Plaques for Lease of 10 years Plus Cost of Plaque at supplier price	£342	£342	E/S	£0	0.00%
Inside New Garden Vase Block for Lease of 10 years Plus Cost of Plaque at supplier price	£594	£594	E/S	£0	0.00%
Organist	£35	£35	E/S	£0	0.00%
Urn	£6	£6	E/S	£0	0.00%
Scatter Tubes	£12	£12	E/S	£0	0.00%
Small Scatter Tubes	£5	£5	E/S	£0	0.00%
Use of Chapel:					
Between 10.00am and 2.30pm	£100	£600	E/S	£500	500.00%
Before 10.00am or after 2.30pm	£100	£200	E/S	£100	100.00%

Proposed
Durham
2017/18

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

Proposed
Mountsett
2017/18
*

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

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 Mountsett Crematorium Joint Committee January 2017

**Central Durham Crematorium
Joint Committee**

25 January 2017

**2017/18 Revenue and Capital
Budgets**



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. The purpose of this report is to set out for Members' consideration proposals with regards to the 2017/18 revenue and capital budgets for the Central Durham 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 updated 2016/17 forecast outturn position and known expenditure pressures in the coming year.

Revenue 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 Central Durham 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 **£16,240** from 2016/17 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 increased by **£55,953** from 2016/17. The main reasons for this increase are as follows:

- The repairs and maintenance budgets have been increased to reflect the Service Asset Management Plan scheduled works. 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 **£73,545**. Provision for the following works are included in the 2017/18:

➤ Relining of Hearths	£3,890
➤ Redecoration Works	£12,000

- Replacement of Lectern to chapel area **£2,500**
- Replacement of windows to office **£6,805**
- Replacement of existing shrub beds **£8,000**
- Replacement of pathways to office area **£23,000**
- Replacement of pathways around remembrance garden **£18,800**
- Purchase of electric mowing machine **£9,000**
- The Business Rates budget has reduced by **(£16,192)** following a reduction in the rateable value as a result of the Business Rates Revaluation.
- There has been a general reduction of **(£1,400)** in utilities, repairs, maintenance and servicing budgets to reflect the 2016/17 projected outturn.

Transport

6. The Transport budget has remained as the 2016/17 level.

Supplies and Services

7. The supplies and services budget has been increased by **£11,350** from 2016/17. The main changes are as follows:

- The Supplies and Services budgets have increased in consideration of the Service Asset Management Plan scheduled works. The result of the inclusion of the 2017/18 requirements is an increase in the base budget of **£8,400**. Provision for the following works are included in the 2017/18:
 - Purchase of weed ripping machine **£4,000**
 - Purchase of coffee machine **£4,400**
- The Book of Remembrance calligraphy budget has increased in line with the 2016/17 outturn by **£1,000**.
- In line with the 2016/17 outturn, the Customer CD's, DVD's and Web Casting budget has been increased by **£1,500**.
- Other supplies and services budgets including sundry operational purchases, subscriptions and clothing have been increased by **£450**.

Agency and Contracted

8. The Agency and Contracted Services budget has reduced by **(£1,300)** from 2016/17 mainly due to the reduction in the external audit fee.

Capital Financing Costs

9. Loan repayments relating to the Replacement Cremator and associated re-development works remain at **£213,738** in line with the 10 year fixed schedule to repay the £2.4m loan taken out by DCC on behalf of the Joint Committee during 2011/12.

Support Service Costs

10. The 2017/18 budget factors in the proposed increase of **£1,650** in the SLA for the provision of Support Service as detailed in a previous report.

Income

11. The income budget has been increased by **(£7,750)** The major changes are as follows:
- An element of prudence has again been factored into the income budget proposal for next year. The projected outturn as at 31 December 2016 assumes an increase of 141 cremations against the 2016/17 budgeted number (of 2,200). In preparing the 2017/18 budget the estimated number of cremations has been kept at 2,200. Along with the proposal to freeze the cremation charges the cremation fee income budget remains at the 2016/17 level.
 - The CAMEO scheme has been brought in line with the 2016/17 outturn resulting in an increase of **(£4,000)**.
 - Miscellaneous income budgets have been increased by **(£3,750)** in consideration of the 2016/17 projected outturn.
12. Should cremation numbers be maintained in line with those projected for the current year or indeed return to levels experienced in previous years then there would be an additional surplus generated again next year.

Capital Budget Proposals 2017/18

13. The proposed 2017/18 capital budget is shown in the table below:

Phase 3 Redevelopment Works	Cost £
Carry out Re-lining of cremators x 1	31,800
Total	31,800

Surplus Redistribution

14. The 2017/18 budget proposes the same distribution of surplus as in 2016/17, split as follows:
- Durham County Council - £325,000
 - Spennymoor Town Council - £81,250.
15. The distribution of surpluses to the two constituent authorities will be reviewed in 2017/18, with the potential to increase these from 2018/19 onwards, in recognition of the investments made in the facilities over recent years and the financial strength of the Central Durham Crematorium.

Earmarked Reserves

16. The transfer to the Masterplan Memorial Garden Reserve next year is budgeted in line with the 2016/17 level at £5,000.
17. The transfer to the Small Plant Reserve next year is budgeted in line with the 2016/17 level at £2,000.
18. The transfer to the Cremator Reline Reserve next year is budgeted at £25,000.
19. The £180,915 surplus created after consideration of all the above factors is budgeted to transfer to the Major Capital Works reserve. In line with the CDCJC Reserve Policy however, a transfer to the General Reserve of £2,325 is required in order to maintain a general reserve of 30% of the Joint Committees income budget. This results in budgeted net transfer to the Major Capital Works reserve of (£178,590) during 2017/18. The projected balance for the Major Capital Works reserve at the end of 2017/18 is £956,737, as shown in Appendix 2.
20. The estimated earmarked reserves and balances of the Central Durham Crematorium Joint Committee at 31 March 2018, taking into account the 2016/17 Quarter 3 budgetary control report and the proposed transfers to/from earmarked reserves in the 2017/18 budget is as follows:
 - General reserve of £467,550 an increase of £2,325 (0.5%) from 2016/17
 - Retained reserves of £1,065,687 an increase of £169,790 (19.0%) from 2016/17
21. The estimated total reserves as shown in Appendix 2 at 31 March 2018 are **£1,533,237**.
22. Members should note that the 2017/18 revenue budget proposal incorporates £92,395 of one off expenditure requirements which will provide further scope in the 2018/19 budget setting round.

Recommendations and Reasons

23. It is recommended that:
 - (i) Members of the Joint Committee note and approve the revenue and capital budget proposals contained within the report (as set out at Appendix 2)
 - (ii) Members note the forecast level of reserves and balances at 31 March 2018 (also set out at Appendix 2).

Background Papers

- 2016/17 Budget and Financial Monitoring Reports
- 2017/18 Budget Working Papers
- 2017/18 Fees and Charges report.

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Appendix 1 - Implications

Finance

The proposed budget for the Central Durham 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 8 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 takes into consideration one off expenditure requirements for 2017/18. Knowledge of these pressures and requirements such ensure that risk is minimised.

Pricing sensitivity is essential to maintain the competitiveness and reputation of the Central Durham 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 CDCJC, should ensure risk is minimised with regards to the achievement of the income budgets.

Equality and Diversity/Public Sector Impact Duty

The income proposals set out in this report are based on a harmonised fees and charges policy with the Mountsett 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 Spennymoor Town 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 CDCJC

Procurement

None.

Disability Discrimination Act

None.

Legal Implications

The Central Durham 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.

APPENDIX 2

CENTRAL DURHAM CREMATORIUM 2017/2018 BUDGET				
2015/2016 Actual Outturn (Memo Info)	2016/2017 Base Budget	2016/2017 Projected Outturn (QTR3)		2017/2018 Base Budget
£	£	£		£
			EXPENDITURE	
228,413	237,764	244,754	Employees	254,004
136,029	266,690	228,944	Premises	322,643
1,928	2,700	2,700	Transport	2,700
120,898	97,300	103,008	Supplies and Services	108,650
9,732	10,100	9,414	Agency & Contracted	8,800
213,738	213,738	213,738	Capital Financing Costs	213,738
35,700	36,150	36,150	Support Service Costs	37,800
746,438	864,442	838,708	Gross Expenditure	948,335
(1,506,730)	(1,550,750)	(1,670,385)	INCOME	(1,558,500)
(760,292)	(686,308)	(831,677)	Net Income	(610,165)
			Transfer to (from) Reserves	
5,000	5,000	5,000	- Masterplan Memorial Garden	5,000
287,042	248,058	393,427	- Major Capital Works	180,915
60,000	25,000	25,000	- Cremator Reline Reserve	25,000
2,000	2,000	2,000	- Small Plant	(7,000)
(406,250)	(406,250)	(406,250)	Distributable Surplus	(406,250)
245,000	325,000	325,000	80% Durham County Council	325,000
61,250	81,250	81,250	20% Spennymoor Town Council	81,250

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
£	£	£				£
(432,705)	(465,225)	(465,225)	General Reserve	(408,575)	406,250	(467,550)
(46,250)	(51,250)	(51,250)	Masterplan Memorial Garden	(5,000)	0	(56,250)
(857,846)	(448,181)	(778,147)	Major Capital Works	(180,915)	2,325	(956,737)
(110,000)	(25,000)	(56,500)	Cremator Reline Reserve	(25,000)	31,800	(49,700)
(8,000)	(10,000)	(10,000)	Small Plant	(2,000)	9,000	(3,000)
(1,454,801)	(999,656)	(1,361,122)	TOTAL	(621,490)	449,375	(1,533,237)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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