

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in **Chapel - Mountsett Crematorium, Dipton** on **Thursday 27 September 2018** at **9.30 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

Councillors A Batey, J Carr, J Charlton, C Hampson and O Milburn

Gateshead Council:

Councillors C Buckley, K Dodds, D Bradford (Vice-Chairman), J Lee and M Ord

1 Apologies for Absence, if any

Apologies for absence were received from Councillor A Bainbridge (Durham County Council and Councillors L Green and S Green (Gateshead Council).

2 Minutes of the Meeting held on 28 June 2018

The minutes of the meeting held on 28 June 2018 were confirmed as a correct record and signed by the Chairman.

3 Declarations of Interest

There were no declarations of interest.

4 External Auditor Annual Review of the Return for the Year Ended 31 March 2018

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which presented the External Auditors (Mazars LLP) Annual review of the Joint Committees Return for the year ended 31 March 2018.

The Head of Finance and Transactional Services advised that it was the first year that Mazars had been used for the external and from an officers point of view had proved to be a straight forward and smooth process to go through.

Resolved:

That the Joint Committee approve the Joint Committees Annual Return for the year ended 31 March 2018 including the External Report 2017/18 Certificate.

5 Quarterly Performance and Operational Report

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

The Bereavement Services Manager reported that 314 cremations had been undertaken during the quarter compared to 350 in the comparable period last year, a decrease of 36 year on year. The reduction in June could be attributed to the servicing of the two new cremators and the reduction in available cremation slots.

Regarding the sale of memorials it was noted that there had been a reduction in the number of memorials sold however this was as a result of a tender exercise being undertaken with regards to the plaque supplier and now the appointment had been made, applications were again being processed.

Moving on, the Bereavement Services Manager provided updates in respect of the green flag application and the Crematorium's success in retaining its Green Flag Award for the seventh year running. He further provided updates in respect of staffing, wi-fi connectivity and the website development. In addition, it was reported that a cheque for £5000 had been received from the recycling of metals scheme and a cheque for this sum had been presented to the Marie Curie charity by the Chair and Vice-Chair.

Further information was reported by the Bereavement Services Manager with regard to Audit recommendations and action taken relating to the Book of Remembrance Supplier and Document Retention.

Members also noted an update in respect of the replacement of cremators and Installation of Mercury abatement equipment and that further testing on the emissions would be undertaken next month to ensure compliance with legislation.

In conclusion the Bereavement Services Manager provided an update on the Service Asset Management Plan (SAMP) and the updates which had been made to provide further direction and highlight investment requirements for the Joint Committee.

Councillor K Dodds asked whether the issue of document retention and supplier or provider of scanning would be subject of a procurement exercise or whether there may be capacity within either Gateshead or Durham councils to undertake the work. The Bereavement Services Manager advised that the existing County Council supplier 'Box-It' may be able to assist however further information would be reported at a future meeting.

Councillor Charlton added that she had recently been at a crematorium out of the county and had noticed that they had a very useful screen installed along the walkway to the entrance of the crematorium to shield those attending from bad weather.

She therefore queried whether this could be looked at for Mountsett. The Bereavement Services Manager advised that this could be looked into and information would be reported back to the next meeting.

Moving on, Councillor Batey asked whether some clarification could be given as to the recycling of metals scheme and donations made as she had received a query as to why the money was not donated to the Chairman's Charity. Councillor Temple advised that the Crematorium was not a wholly owned DCC site as it was jointly owned by Gateshead Council and with such had an independent existence. In addition monies generated through the recycling of metals scheme had to be donated to bereavement related charities.

K Coulson-Patel, Solicitor advised that should the residents group who had enquired about the scheme require it, written confirmation could be provided.

Councillor Temple at this point added that he would like it to be placed on record the thanks and congratulation to the Staff at the Crematorium in achieving a Green Flag Award for the 7th year running, noting that the team did a fabulous jobs of maintaining the grounds to a very high standard.

Resolved:

That the the Mountsett Joint Committee:

- Note the current performance of the crematorium.
- Note the continued success with regards to the Green Flag Award.
- Note the appointment of the Business Administration Apprentice.
- Note the updated position with regards to the recycling of metals scheme.
- Note the updated position with regards to Wi-Fi connectivity.
- Note the progress with regards to the website development.
- Note the updated position with regards to the procurement of a supplier for entries in the Book of Remembrance.
- Note the updated position with regards to the procurement exercise relating to document retention.
- Note the current position with regards to the cremator replacement.
Note and approve the content of the Service Asset Management Plan attached at Appendix 3, which would be factored into budget planning in 2019/20 and beyond.

6 Financial Monitoring Report 2018/19: Position at 31/08/18 with Projected Outturn to 31/03/19

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2018 to 31 August 2018, together with the forecast outturn position for 2018/19, highlighting areas of over /underspend against the revenue budgets at a service expenditure analysis level (for copy see file of Minutes).

The report further went on to detail the funds and reserves of the Joint Committee at 1 April 2018 and forecast outturn position at 31 March 2019, taking into account the provisional financial outturn.

The Head of Finance and Transactional Services advised that the projected outturn was showing a surplus (Before transfers to reserves and distribution of surpluses to partner authorities) of £431,303 against a budgeted surplus of £304,314 (£126,989) more than the budgeted position. Details of the reasons for those significant variances were contained within the report, however he went on to highlight that there had been an over-achievement in the income budget of (£70,720) due to the number of cremations undertaken during the year and that this had in turn increased the amount of contribution to earmarked reserves.

Resolved:

That the April to August 2018 revenue spend financial monitoring report and associated provisional outturn position at 31 March 2019, including the projected year end position with regards to the reserves and balances of the Joint Committee be noted.

7 Risk Register 2018/19 - Update

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which provided details of the half-yearly risk review in September 2018 (for copy see file of Minutes).

Councillor Bradford asked whether any of the recent issues which had been experienced with cremator equipment had any impact upon risks. The Head of Finance and Transactional Services advised that the Bereavement Services Manager had a robust approach to risk and health and safety and it was noted that the risks associated with the new cremators had been accounted for.

Resolved:

That the content of the report and updated position be noted.

8 Internal Audit Charter

The Joint Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which sought agreement on the revised Internal Audit Charter to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plan for 2018/19 (for copy see file of Minutes).

Resolved:

That the content of the report be noted and that the Internal Audit Charter be approved by the Joint Committee.

9 Annual Review of the System of Internal Audit

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director of Resources and Treasurer to the Joint Committee which provided details of a review of the effectiveness of the Durham County Council Internal Audit Service, which was carried out by the County Council's Audit Committee in June 2018 (for copy see of Minutes).

Resolved:

That the Joint Committee notes the report and the efficiency and effectiveness of the Durham County Council Internal Audit Service.

10 Budget Strategy Report

The Joint Committee considered a joint report of the Corporate Director of Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which outlined a range of issues that were to be considered as part of the medium term budget strategy and set out proposals to increase the surplus distribution to both partners authorities from 2019/20 (for copy see file of Minutes).

The Head of Finance and Transactional Services advised that since 2009 there had been significant investment in the Mountsett Crematorium totalling £1,951,297, including major improvements works. Future improvement works had been identified and were included in the 4 year Service Asset Management Plan alongside budgets for the completion of each. It was noted that budgets would need to be increased slightly year on year to fund the proposed investments and this would need to be factored into the medium term budget forecast.

In addition, the Head of Finance and Transactional Services further noted that as the two cremators at the crematorium had just been replaced and mercury abatement installed, it was expected that these would have a life expectancy of 20 years and therefore the next cremator replacement programme was not scheduled until 2038. It was therefore considered prudent for the Joint Committee to build up the Cremator Reserve over the next ten years to cover this cost.

Moving on to discuss earmarked reserves, the Head of Finance and Transactional Services advised that at 31 March 2019 the projected reserves and balances totalled £631,864 (£300,000 of which had already been set aside for the cremator replacement programme).

The report went on to highlight the current fees and charges set by the Joint Committee and members noted that cremation fees at Mountsett remained the lowest in comparison with all other neighbouring facilities in the region.

The Head of Finance and Commercial Services therefore suggested that the joint committee may wish to review and increase the surplus distribution to both constituent authorities, bearing in mind all the factors outlined within the report.

Councillor Dodds added that whilst he agreed with the recommendation of the report he did suggest that further information may be required from the Bereavement Services Manager to determine whether any other issues could be seen to impact upon the budget for example, legislation changes regarding emissions following Brexit or changes to cremation methods which may require the purchase of new equipment.

The Head of Finance and Transactional Services advised that the crematorium maintained a healthy repairs and maintenance reserve to cover unforeseen costs. However, it was also important to note that the budget was set prudently and based on the average number of cremations undertaken, resulted in an over achievement of income. With regard to queries raised relating to changes to law and cremations methods the Head of Finance and Transactional Services suggested that the Joint Committee could review its distributable surplus at that time.

The Bereavement Services Manager further pointed out that current new methods of cremation being used in other countries were not licenced in the UK at this time, however the costs of such equipment were in the region of £400,000.

Councillor Batey in referring to paragraph 13 of the report queried why there was only a £10 increase in cremation charges in 2018/19 and should this not be increased further to fall more in line with regional comparators. She further queried whether it was anticipated that further extension works would be required to the crematorium in the future and could this lead to some unforeseen building costs.

Further discussion took place regarding works identified within the SAMP and it was noted that major maintenance and repairs such as the roof replacement, was included within the 4 year plan.

Councillor Bradford asked whether it was considered feasible to build up the cremator replacement reserve over 15 years rather than doing so over a shorter period of time. The Head of Finance and Transactional Services advised that this could be reviewed and the budget could be modelled accordingly. He further suggested that when the budget was considered in January information could be provided showing a breakdown of how the reserves could be built up over a number of years.

Councillor Charlton asked whether any information could be provided from other crematoriums on their charging policies and numbers of cremations undertaken. Councillor Temple advised Gateshead and Durham crematoriums were the only realistic comparators. The Head of Finance and Commercial Services advised that Durham Crematorium charges were the same however the numbers there were 800/900 higher than Mountsett.

M Morley, Gateshead Council advised that the numbers of cremations were not affected by price as many families want the service to be held within their locale.

Resolved:

- That the content of the report be noted
- That the joint committee approve the proposed increase in the fees and charges and surplus redistribution , as identified in the report; and
- That the Joint Committee agree to review the budget strategy and surplus redistribution in three years' time in preparation for the 2022/23 budget setting year.