

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held in **County Hall, Durham** on **Friday 27 September 2019** at **2.00 pm**

Present:

Councillor J Chaplow (Chair)

Durham County Council:

Councillors D Bell, J Blakey, D Brown, A Hopgood, P Jopling, B Kellett and A Simpson

Spennymoor Town Council:

Town Councillors C Sproat

1 Apologies for Absence

Apologies for absence were received from Councillors K Corrigan, H Liddle, S Quinn, N Foster and B McAloon.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the Annual General Meeting held on 26 June 2019 were confirmed as a correct record and were signed and initialled by the Chair.

4 Declarations of Interest

There were no Declarations of Interest submitted.

5 External Audit Annual Review of the Return for the year ended 31 March 2019

The Joint Committee considered a Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director Resources / Treasurer to the Joint Committee relating to the External Auditors (Mazars LLP) issues Arising Report for the year ended 31 March 2019 (for copy see file of minutes).

The Head of Finance and Transactional Services, Paul Darby 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. He added the Auditors had made one observation as regards recording of some figures separately and this would be taken on board moving forward.

The Chair noted the positive report and thanked the Officers for their excellent work.

Resolved:

That the Joint Committee approve the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2019 including the External Report 2018/19 Certificate (attached at Appendix 2).

6 Quarterly Performance and Operational Report

The Bereavement Services Manager and Registrar, Graham Harrison asked Members to note the performance figures from 1 June 2019 to 31 August 2019 and the comparison to the same period for 2018, highlighting that there was a net decrease of 26 cremations year on year. It was noted there was a total of 516 for the three-month period with the June to August profile breakdown showing 165 from Durham, 23 from Spennymoor and 328 from outside of the area.

Members were asked to note that the number of memorials sold had increase slightly in comparison to the same period the previous year, with sales being £2,031 greater than the comparable period last year.

Councillors noted that for the eighth year running the Crematorium, in a joint bid with the South Road Cemetery, had achieved the Green Flag Award. It was added this was testimony to the dedication of the staff working at the Crematorium and South Road Cemetery and was in addition to the award of Gold Star Status by the Institute of Cemetery and Crematorium Management.

Members were reminded of the advertising of Relief Crematorium Attendant posts, agreed at the April meeting of the Joint Committee. The Bereavement Services Manager and Registrar noted that three applicants were shortlisted, one attended interview and that candidate had been successful. He added the remaining posts would be advertised again in the coming weeks.

The Bereavement Services Manager and Registrar reminded Members that the Crematorium had taken part in the Durham “Heritage Open Days” programme and noted it had been a very enjoyable event with around 100 attendees over the weekend.

The Bereavement Services Manager and Registrar referred Members to information as regards “water cremation” a new, greener alternative to flame cremation and noted that this was an emerging option, with Water Authorities currently looking at the implications in terms of industry trials that have taken place.

The Bereavement Services Manager and Registrar 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: priority one; priority two; priority three; and longer-term works.

The Chair thanked the Bereavement Services Manager and Registrar and asked for comments and questions.

Councillor A Hopgood asked how ashes were obtained from water cremations and what chemicals were used. The Bereavement Services Manager and Registrar explained that there was no coffin, the body was contained within a shroud and placed in warm water and with an alkali solution which would break down the body naturally. He explained the skeleton would then remain and go through a drying process and cremulator to produce ash. He added five trials had been undertaken in the UK so far, with testing by Water Authorities to confirm whether they would be granted approval. The Head of Finance and Transactional Services noted they were already in use in the USA and were a more environmentally friendly method, with no emissions. He added it may be an option in the future, alongside the existing cremators, with water cremations being a longer process. The Bereavement Services Manager and Registrar noted around four hours for a water cremation, with a flame cremation taking around one hour.

Town Councillor C Sproat asked as regards the cost of a water cremation relative to a flame cremation. The Bereavement Services Manager and Registrar noted the costs of the equipment, with the water cremation equipment being slightly cheaper, although noting the slower rate of the process.

Councillor P Jopling asked if the water would return straight into the water course. The Bereavement Services Manager and Registrar noted while there would be a holding tank, this would be prior to treatment before return to the water system. He added the results from the Water Authorities testing was due to be reported soon.

Councillor D Brown asked if any such new equipment could be included within the existing footprint of the building or if it would require additional extension works. The Bereavement Services Manager and Registrar noted that given the size of the equipment a small extension would be required, with a space within the existing service yard having been identified as a possible location.

Councillor J Blakey asked as regards the issue of attendants handling bodies in the case of a water cremation, with no coffin being used. The Bereavement Services Manager and Registrar noted the body would be contained within a shroud and inserted into the equipment together with the shroud.

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 the updated position with regards the relief Crematorium Attendants be noted.
- (iv) That the Crematorium's involvement in the Durham Heritage Open Days programme be noted.
- (v) That the potential to introduce water cremations in the future be noted.
- (vi) That content of the Service Asset Management Plan attached at Appendix 3, which will be factored into budget planning for 2020/21 and beyond be approved.

7 Financial Monitoring Report - Position at 31/08/19, with Projected Revenue and Capital Outturn at 31/03/20

The Head of Finance and Transactional Services referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 August 2019 and with projected outturn to 31 March 2020 (for copy see file of minutes).

The Joint Committee noted that there was a projected revenue outturn surplus of £55,713 more than the budgeted position, with the reasons for the major variances set out in detail within the report.

It was added that this would be transferred to the Major Capital Works reserve for future use in terms of issues identified within the SAMP and for the eventual replacement of the cremators. It was added the contribution to earmarked reserves was less than originally budgeted, with the main reason being a number of capital schemes having been carried forward from the previous year.

Members noted a projected total reserve of approximately £1.8 Million at the year-end, giving a strong financial position.

Resolved:

That the April to August 2019 Financial Monitoring Report and associated provision revenue and capital outturn positions at 31 March 2020, including the projected year end position with regards to the reserves and balances of the Joint Committee, be noted.

8 Risk Register Update 2019/20

The Head of Finance and Transactional Services asked Members to note the Risk Register Update 2019/20 report, the Joint Committee considering updates on a six-monthly basis. Members recalled that the report set out service risk register and the health and safety risk register, with risks being regularly reviewed by the Durham County Council Risk Management Team in conjunction with the Bereavement Services Manager.

It was explained that there had been no changes in risks, with no new risks having been identified.

The Head of Finance and Transactional Services noted older records were now held securely off-site and new records were being recorded electronically to mitigate against a potential data breach and he added that approximately 70 percent of transactions were now completed via BACS, to help mitigate against potential loss of income.

Resolved:

That the updated position in relation to the Risk Register be noted.

Councillor A Simpson entered the meeting at 2.20pm

9 Internal Audit Charter

The Audit Manager, Internal Audit, Risk and Fraud, Stephen Carter referred Members to a revised Internal Audit Charter to be applied to reviews undertaken as part of the Internal Audit plan for 2019/20 (for copy see file of minutes).

Members noted that Public Sector Internal Audit Standards (PSIAS) came into effect from April 2013 and were revised in April 2017 to be in line with the Institute of Internal Auditors global International Professional Practices Framework. The Audit Manager noted there had been no recent changes to the PSIAS and therefore the Internal Audit Charter had no major revisions.

It was explained that the Charter defined the Internal Audit Service's purpose, authority and responsibility, as well as its relationship to the Joint Committee.

Resolved:

That the Central Durham Crematorium Joint Committee approve the revised Internal Audit Charter as set out at Appendix 2 to the report.

10 Annual Review of the System of Internal Audit

The Audit Manager 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 June. 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 Public Sector Internal Audit Standards (PSIAS).

The Chair thanked the Officers for their continued hard work and noted the assurance given to the Joint Committee.

Resolved:

That the information demonstrating the efficiency and effectiveness of the Durham County Council Internal Audit Service be noted.

11 **Provision of Internal Audit and Risk Management Services 2020-2023**

The Audit 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 2022/23, 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.

Councillor A Hopgood noted the figures as regards fees appeared to be going down year on year and asked if this was correct. The Audit Manager noted there was an additional fee in terms of risk management as set out within the appendices. The Head of Finance and Transactional Services added that for ease of comparison the figures including the risk management fee should have read:

"2020/21 Internal Audit and Risk Management Fee - £6,500

2021/22 Internal Audit and Risk Management Fee - £6,670

2022/23 Internal Audit and Risk Management Fee - £6,840

The 2019/20 Internal Audit and Risk Management Fee is £6,250"

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.

12 **Budget Strategy Paper**

The Head of Finance and Transactional Services reminded the Joint Committee that Members had considered a budget strategy paper in September 2017 which had looked at a possible increase in the distribution of surplus to the partner Authorities from 2018/19.

He added that the purpose of the report as set out in the agenda pack was in a similar vein, to gather the views of Members in advance of the January 2020 meeting that would look at budget proposals.

The Head of Finance and Transactional Services noted the issues that may arise in the next few years and options available. He referred Members to the section of the report that set out the capital investment at the Crematorium totalling approximately £3.7 million and the planned works for the next few years, as outlined within the SAMP. Members noted that current estimates for the replacement of the cremators was around £1million, though the working life of the equipment was such they would likely not need replacing until around 2030. Councillors recalled that the previous works had been funded partly by reserves and partly by borrowing, and that payments in terms of the borrowing would end in 2020/21, giving an approximate £214,000 surplus from that point.

Councillor D Bell left the meeting at 2.32pm

The Head of Finance and Transactional Services reiterated that the Crematorium business plan was prudent in terms of the numbers of cremations and financial performance and set out that the £214,000 would go back into reserves. It was highlighted that as the financial position was very strong with the level of reserves already being sufficient to fund cremator replacement. He explained that accordingly there were options open to the Joint Committee in terms of: potentially reducing fees and charges; investing in the Crematorium, for example water cremation equipment; or increasing the distribution of surplus to the constituent Local Authorities.

Members noted that the proposed fee for 2020/21 was £720, the lowest in comparison with other neighbouring facilities, even with a £20 increase on the current £700 charge. The Head of Finance and Transactional Services noted that Members of the Joint Committee had been mindful in the past to ensure the affordability of the service. Members were reminded that Mounsett Crematorium Joint Committee had agreed no increase to their fees during the period when Durham Crematorium had undergone its programme of works and that there had been a harmonisation of fees between the two facilities following Local Government Reorganisation. Members were reminded of the planning permission that had been granted for a new crematorium at Castle Eden.

The Head of Finance and Transactional Services noted that the prudent assumption was for 2,200 cremations per year, noting that while it had been consistently above this number, the overachievement of income had allowed for the reserves to build back up quickly.

He referred Members to the table set out at paragraph 23 of the report, a matrix highlighting the potential additional income from a number of cremations each year and with an increase in fee, in £10 increments. It was explained that the recommendation to the Joint Committee was for an increase to £720, around 3 percent, but with a continued assumption of 2,200 cremations per year, giving an increased income of £44,000.

Members were referred to the proposed increased distributable surplus to each partner Authority and asked to consider these, and the increased fees and charges to allow for budget reports to be drafted and to review the budget strategy and surplus redistribution in three years' time in preparation for the 2023/24 budget setting year.

The Head of Finance and Transactional Services noted the recommendation and options as set out within the report and asked Members for feedback in order to be able to draft budget proposals for consideration by the Joint Committee in January.

Town Councillor C Sproat noted the fee at Coundon Crematorium was much greater than the proposed fee for Durham and asked if this was simply as Coundon was privately operated or was related to services they provided, for example the ability to take larger individuals. The Head of Finance and Transactional Services noted the works in 2012 at Durham Crematorium had made it possible for larger individuals to be accommodated. He added that Coundon was privately operated and this would be a factor in their price. Town Councillor C Sproat asked if any facility at Castle Eden would be similarly priced to Coundon. The Bereavement Services Manager and Registrar noted that it was not known, however, it was believed it would be a similar privately-operated facility.

Councillor A Hopgood noted she agreed with the increase in the distribution of surplus, however, asked as regards whether the County Council distribution could be earmarked, noting flooding issues at South Road Cemetery and whether the Joint Committee could allocate as such. The Head of Finance and Transactional Services noted that the surplus would return to the Council's Bereavement Services budget, however, it would not be for the Joint Committee to direct where that would be allocated. The Bereavement Services Manager and Registrar noted within his role he would look at issues that needed to be addressed within the wider service area.

Councillor J Blakey asked as regards "pauper's" funerals, if the County Council had a budget for this and whether numbers were increasing. The Bereavement Services Manager and Registrar noted there was a budget and numbers were increasing.

The Head of Finance and Transactional Services noted that the Bereavement Services Manager and Registrar would note Members' concerns and he asked the Joint Committee to recall the addition of direct cremations, cremations without any ceremony. He added that the information as regards the numbers of those cremations since the scheme came into operation in April 2019 could be included within the next operational report for Members' information.

Town Councillor C Sproat asked as regards the direct cremation fee and the cost of "pauper's" funeral. The Head of Finance and Transactional Services noted the direct fees were £590 for an attended cremation, £450 for an unattended cremation. He added the "pauper's" funerals were from the wider Bereavement Services budget and therefore outside of the remit of the Joint Committee. The Chair noted she recalled there was a Government scheme as regards this, the Bereavement Services Manager and Registrar noted there was a funeral expense payment for those eligible.

The Chair asked if Members agreed with the recommendation as regards a £20 increase in fee, based on the prudent assumption of 2,200 cremations per year.

Resolved:

- (i) That the report be noted.
- (ii) That the Central Durham Crematorium Joint Committee approve the proposed increase in the fees and charges, and the surplus redistribution, as identified within the report.
- (iii) That the Joint Committee review the budget strategy and surplus distribution in three years' time in preparation for the 2023/24 budget setting year.