

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held **remotely via Microsoft Teams** on **Thursday 1 October 2020** at **9.30 am**

Present:

Town Councillor N Foster (Chair)

Durham County Council:

Councillors D Bell, J Blakey, D Brown, J Chaplow (Vice-Chair), K Corrigan, P Jopling, B Kellett, R Ormerod (substitute for A Hopgood), S Quinn and J Stephenson

Spennymoor Town Council:

Town Councillors D Ranyard (substitute for C Sproat)

1 Apologies for Absence

Apologies for absence were received from Councillors A Hopgood, H Liddle, A Simpson and Town Councillors C Sproat and B McAloon.

2 Substitute Members

Councillor R Ormerod substituted for Councillor A Hopgood and Town Councillor D Ranyard substituted for Town Councillor C Sproat.

3 Minutes

The Chair noted the in respect of Item 8 of the minutes, agreement of fee increase, that it was not brought into effect at the time state in light of the current situation. He added it was an item for discussion as set out within the agenda papers.

Councillor R Ormerod noted what appeared to be a typographical error in respect of the resolution (ii) for Item 5, noting the requirement of a verb in order for the resolution to make sense. The Bereavement Services Manager and Registrar, Graham Harrison explained the resolution related to relief cremator operators and updated Members in terms of the current position, advertisements having been made internally and with the posts now filled.

The Clerk to Spennymoor Town Council, Katherine Hierons noted Town Councillor B McAloon was incorrectly referred to as a County Councillor within the apologies recorded within the minutes.

The Head of Finance and Transactional Services, Paul Darby noted, in reference to the relief cremator operator positions, the report brought by the Bereavement Services Manager and Registrar to the Joint Committee in January had highlighted the vacancies and Members had been alerted to that fact and that the positions would be advertised internally within the County Council and Spennymoor Town Council. He added that in terms of the resolution it was for the Joint Committee "to note". He added that the update provided noted the positions had been filled, which proved to be important in respect of COVID-19.

Subject to the amendments noted, the minutes of the meeting held on 29 January 2020 were confirmed as a correct record and would be 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 2020

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change 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 2020 (for copy see file of minutes).

The Head of Finance and Transactional Services 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 and the Annual Return had been completed and signed off.

The Clerk to Spennymoor Town Council noted on behalf of the Town Council the positive report and thanked the County Council Officers for their excellent work in achieving an unqualified return.

Resolved:

That the Joint Committee approve the Joint Committees Annual Governance and Accountability Return for the financial year ended 31 March 2020 including the External Report 2019/20 Certificate (attached at Appendix 2).

6 Performance and Operational Report

The Bereavement Services Manager and Registrar 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 increased slightly in comparison to the same period the previous year, albeit with sales being £3,007 less than the comparable period last year.

The Joint Committee were reminded that the Technical Assistant post had been created and advertised, with four applicants having been shortlisted. It was noted that the successful applicant, the former business administration apprentice, took up the role on 3 August 2020. Members were informed that as a result of the extra pressure as a result of the COVID-19 pandemic, additional staff from other areas within the County Council were brought in to help cope with demand. The Bereavement Services Manager and Registrar noted the arrangements made in terms of providing training while maintaining operational cover, and the shift patterns used to meet the increased demand.

In respect of the Recycling of Metals Scheme, Members were asked to recall a surplus nationally in 2019 and that there was to have been a second round of allocations. The Bereavement Services Manager and Registrar explained a cheque in the sum of £10,000 was handed to the Friends of Durham Woodland Cemetery, albeit without the usual involvement of the Chair and Vice-Chair due to COVID-19 restrictions, and a copy of a letter of thanks from the Friends of Durham Woodland Cemetery was attached to the report.

Councillors were reminded that the Crematorium was to have taken part in the Durham "Heritage Open Days" programme and noted those events had been cancelled as a result of COVID-19.

The Bereavement Services Manager and Registrar asked Members to recall that the Joint Committee had agreed at the January 2020 meeting to increase the cremation fee on 1 April 2020 from £700 to £720.

He added that due to the outbreak of the COVID-19 pandemic, a decision had been taken to freeze the price at £700, in line with similar actions taken by other Local Authorities. Members noted this resulted in a reduced revenue of £26,660 compared to the forecast. It was explained that other Local Authorities were now reverting to their planned 2020/21 fees and, accordingly, the options for the Joint Committee would be to continue at the £700 level or to implement the £720 fee from 1 November 2020. It was explained there had been a similar situation across Local Authorities in terms of a freeze in respect of charges for webcasts of services, and options were to remain free or to increase to the previously planned fee of £48 from 1 November 2020.

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 J Blakey wished her thanks to all the staff at the Crematorium be noted, both those permanent and those that had been redeployed to help with the increased demand. The Chair asked that the thanks on behalf of the Joint Committee be passed on to all staff. He added that he noted comments from members of the public had been very positive in terms of the Crematorium during such a difficult period.

Town Councillor D Ranyard echoed the comments made and especially thanked those redeployed staff doing a great job. He asked as regards proposed works to be carried out at the Crematorium, including two-way passing at the entrance to the site and what progress had been made, as the works had previously been set out as a priority within the SAMP, which had noted a completion date of March 2020. The Bereavement Services Manager and Registrar noted that as a result of the COVID-19 pandemic it was felt unreasonable at the time and the works were rescheduled, to be completed at a future date.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the updated position with regards to the Technical Assistant post be noted.
- (iii) That the updated position with regards to the recycling of metals scheme be noted.

- (iv) That the options available for the cremation fee be noted and that Option 2, reinstatement of the full 2020/21 fee from 1 November 2020 be approved.
- (v) That the options available for the provision of webcasts be noted and that Option 2, recommencement of the fees from 1 November 2020 be approved.
- (vi) That content of the Service Asset Management Plan attached at Appendix 3, which will be factored into budget planning for 2021/22 and beyond be approved.

7 Financial Monitoring Report - Position at 31/08/20, with Projected Revenue and Capital Outturn at 31/03/21

The Joint Committee considered a joint report of the Corporate Director of Neighbourhoods and Climate Change and the Corporate Director of Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2020 to 31 August 2020, together with the forecast outturn position for 2020/21, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report also detailed the funds and reserves of the Joint Committee at 1 April 2020 and forecast outturn position at 31 March 2021, taking into account the provisional financial outturn (for copy see file of Minutes).

The Head of Finance and Transactional Services explained that, factoring in overspends, the additional cremations as referred to by the Bereavement Services Manager and Registrar meant that the updated projected outturn showed a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £1,036,345 against a budgeted surplus of £761,132, £275,213 more than the budgeted position. Details of the significant variances were detailed in the report. It was noted that the major variances were set out at paragraph 11 onwards, by subjective analysis area. It was added that paragraph 14 set out the reasons for some capital works having been deferred, as set out within the SAMP.

The Head of Finance and Transactional Services went on to advise that in terms of the retained reserves at 31 March 2021, they were forecast to be £1,607,046 along with a General Reserve of £517,770, giving a forecast total reserves and balances position of £2,124,816 at the year end.

It was noted this represented a very strong position going forward, with a health level of reserves.

The Chair thanked the Head of Finance and Transactional Services, noted the positive position and asked Members for their comments and questions.

Councillor P Jopling noted the performance information within the previous report and asked as regards the delay in relining of the cremators, whether that would have an impact in terms of performance. The Bereavement Services Manager and Registrar noted that it would not impact upon the performance of the cremators, and the Head of Finance and Transactional Services added that within the life cycle of the equipment it would be expected that the cremators would be relined, however, inspections were carried out annually and if the works were not required then they would be looked at as required.

Town Councillor D Ranyard asked as regards water resomation and any predicted associated costs. The Head of Finance and Transactional Services noted the Joint Committee had previously received a report which had mentioned resomation as a new process, primarily used in North America. He noted there was no licence for the process currently in the UK and that trials were under way and the Bereavement Services Manager and Registrar would report back to the Joint Committee in terms of the financial and environmental business case in due course. The Bereavement Services Manager and Registrar noted that COVID-19 seemed to have impacted upon the trials and he would continue to provide updates to the Joint Committee.

Resolved:

That the April to December 2019 revenue spend financial monitoring report and associated provisional outturn position 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 2020/21

The Head of Finance and Transactional Services asked Members to note the Risk Register Update 2020/21 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 and Registrar.

It was explained that there had been no new risks identified, with the only extra mitigation relating to managing the additional excess deaths.

Resolved:

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

9 Internal Audit Charter

The Interim Chief Internal Auditor and Corporate Fraud Manager, Stephen Carter referred Members to a revised Internal Audit Charter to be applied to reviews undertaken as part of the Internal Audit plan for 2020/21 (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 Interim Chief Internal Auditor and Corporate Fraud Manager noted there had been no recent changes to the PSIAS and therefore the Internal Audit Charter had no major revisions other than changes to reflect the changes in terms of the new Neighbourhood and Climate Change Directorate and staffing changes within the service.

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 Interim Chief Internal Auditor and Corporate Fraud 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).

Resolved:

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

11 Budget Strategy Report

The Head of Finance and Transactional Services reminded the Joint Committee that Members had considered similar budget strategy reports previously, the purpose being to seek the views of Members on a number of matters, as part of the medium-term financial plan for the Joint Committee.

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 £3.8 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 £1.6 million, though the working life of the equipment was such they would likely not need replacing until around 2032. 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 and the £213,000 loan budget had been removed and factored into the medium-term budget forecasts.

The Head of Finance and Transactional Services reiterated that the Crematorium business plan was prudent in terms of the numbers of cremations and it was highlighted that the financial position was very strong with the level of reserves already being sufficient to fund cremator replacement.

The Head of Finance and Transactional Services noted that the prudent assumption was for 2,200 cremations per year, noting that it was projected for 2,787 cremations in 2020/21, the increase as a result of COVID-19.

Members noted that the proposed fee for 2021/22 was £740, the lowest in comparison with other neighbouring facilities, even with a £20 increase on the current £720 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 referred Members to the table set out at paragraph 25 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 £740, 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.

Councillor J Blakey asked as regards the situation in terms of the emergency electricity generator, and whether the Crematorium could look to offer “direct” cremations, as that may be something to offset any loss of business to a new facility at Castle Eden. The Bereavement Services Manager and Registrar noted work was still ongoing with the electricity situation, delayed as a result of COVID-19. He added that Durham Crematorium did offer direct cremations, and while there had not been a large uptake, there were a number of those cremations taking place. The Head of Finance and Transactional Services noted that, from the previous experience when the facility at Coundon had opened, it took a number of years for a facility to mature and as crematoria were expensive to build, the return on investment would likely mean high fees for any new facility at Castle Eden. The Chair noted that in many cases, Durham would be a choice based upon where previous family members had been cremated and price may not be the only deciding factor.

Councillor R Ormerod noted the regional comparison of fees and charges omitted Redcar and Cleveland and asked if there was a reason. The Head of Finance and Transactional Services noted the usual benchmarks had been included, however, it could be added if felt useful. Councillor R Ormerod noted their fee was relatively expensive and would therefore help highlight the low cost at Durham. The Chair noted it could be added in future.

Councillor P Jopling noted the proposed £20 fee increase was very modest and added that keeping the fee competitive would be to the advantage of the Crematorium, especially in the economic climate resulting from COVID-19. She noted her thanks to all the staff for their hard work and the way in which the situation in terms of additional cremations had been handled.

The Chair asked the Head of Finance and Transactional Services and the Bereavement Services Manager and Registrar to pass on the thanks of the Joint Committee to their staff for their hard work.

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 two years' time in preparation for the 2023/24 budget setting year.