

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Whickham Room, Civic Suite - Gateshead Council on **Friday 27 January 2012 at 10.00 am**

Present:

Councillor O Temple (Chair)

Members of the Committee:

Durham County Council

Councillors O Temple.

Gateshead Council:

Councillors K Dodds (Vice-Chair), M Ord, P Ronan, D Davidson, P Mole and M Wallace

Apologies:

Durham County Council

Councillors A Bainbridge, J Docherty, M Hodgson, J Hunter, O Johnson, J Nicholson, B Stephens and J Wilson

1 Minutes of the Meeting held on 30th September 2011.

The minutes of the meeting held on 30th September 2011 were confirmed as a correct record and signed by the Chairman.

2 Declarations of Interest, if any.

There were no declarations of interest submitted.

3 Quarterly Report of the Superintendant & Registrar

The Superintendent and Registrar presented the report which provided Members with a quarterly update relating to performance and other operational matters (for copy of report, see file of Minutes).

With regards to performance it was reported that there were 414 cremations undertaken during the period 1 September 2011 to 31 December 2011, compared to 377 in the comparable period last year, an increase of 37.

Further to discussions at the last meeting of the Crematorium Joint Committee an update was provided to Members on the Pre-Payment Cremation Bond. The Head of Finance (Financial Services) advised that the view of DCC Legal department indicated that any such scheme should not progress without full FSA registration. Reference was also made to queries from the Committee at the last meeting with regard to procedures on rescinding

decisions made by the Joint Committee. Sarah Grigor, Solicitor was in attendance to provide advice to the Committee on how these issues need to be addressed.

The Bereavement Services Manager proceeded to report upon the Green Flag Application for 2012. Members were presented with the proposed Management Plan for the site and details provided of where minimal investment would be required in the first year of application. A full copy of the management plan was appended to the report, which detailed the proposed works programme.

In conclusion the Superintendant and Registrar provided an update on the future provision of memorial plaques. It was reported that following the decision taken by the committee at its last meeting, progress had been made and a booklet had been produced to advertise the sale of plaques. At this stage the Superintendant was unable to forecast take up and as such revenues from sales would not be factored in to the 2012/13 income budget. The Superintendant and Registrar advised that a number of queries had been received from the public in relation to procedures for renewal of the plaques at the end of the 10 year lease.

Further discussion then ensued with regard to the Pre-Payment Cremation Bond. The Head of Finance (Financial Services) advised that the proposals had been risk assessed and it had identified that after a period of 12 years from the issue date the bond would then become a financial risk. Members should be aware that the scheme would be closely monitored along with demographics and take up. If the scheme was considered to be at any point financial risk to the Crematorium then the scheme would need to be suspended and a review of the mark up undertaken if the scheme was to continue.

With regard to creating a FSA registration it was also noted that Durham County Council being the registered provider, would ultimately be responsible for any financial loss.

Discussion then took place with regard to memorial plaques and renewal at the end of the 10 year lease. The Head of Finance (Financial Services) advised that the scheme followed similar practice to that carried out by Durham Crematorium who had operated the scheme for 8/9 years on the basis that the lease could be renewed at the end of the 10 year period.

Further debate took place with regard to the charges associated with renewal and the capacity for renewal. Members raised a number of concerns with the current procedure and policy and agreed that it would be beneficial for the committee to receive a report at the next meeting outlining the logistics for renewal, including options for members' consideration on the overall operation of the scheme.

RESOLVED:

- 1) That Members note the content of the report with regards to current performance;
- 2) That Members note the current situation with regard to the Pre-Payment bond; the Committee delegate responsibility for the monitoring of demographics, review of premium mark ups and suspension of bond issues to the Treasurer and Superintendant and Registrar.
- 3) That Members note the current situation with regards to the Green Flag application.

- 4) That a report be considered at the next meeting of the Joint Committee on proposals for a Memorial plaque policy.

4 Risk Register 2011/12 Update.

The Head of Finance (Financial Services) presented the report which updated Members of the Joint Committee on the current position with regards to the Risk Register of the Mountsett Crematorium Joint Committee (for copy of report, see file of Minutes).

The register which was considered and approved by the Joint Committee on 30 September 2011 had been reviewed, reassessed and updated in accordance with the Durham County Council methodology/approach to Risk Management. In line with the previous report, two risk registers have been prepared, separately identifying Service and Operational risks.

It was reported that one new risk had been added to the Service Risk Register; Risk 18: Pre-payment of bond premium is not sufficient to cover future fees. A detailed assessment regarding the financial implications was included within Appendix 2.

All other strategic risks were reported as having low Net Scores and there had been no changes to the scores following the review. These risks were also reported to be at tolerable levels.

With regard to Service Risks only one operational risk has an outstanding action Risk 8: Slips, trips and falls. Training in respect of ladder-duties was scheduled to take place in February 2012, reducing the risk to a tolerable level. All other risks had remained unchanged and were all considered to be at tolerable levels.

In conclusion the Head of Finance (Financial Services) advised that the risk register would be kept up to date and reviewed by the Joint Committee on a half yearly basis.

RESOLVED: that the content of the report be noted and the risk registers be kept up to date and reviewed on a half yearly basis.

5 Financial Monitoring Report 2011/12: Spend to 31/12/11 and Projected Outturn to 31/03/12.

The Head of Finance (Financial Services) presented the report which set out details of income and expenditure in the period 1 April 2011 to 31 December 2011, together with the forecast outturn position for 2011/12, highlighting areas of over / underspend against revenue budgets at a service expenditure analysis level (for copy see file of Minutes).

It was reported that the projected outturn was showing (before transfers to reserves and distribution of surpluses to the partner authorities) as surplus of £311,811 at the year end against a budgeted surplus of £245,390 (before transfers to reserves and distribution of surpluses to the partner authorities), £66,421 more than budgeted position.

Explanations of all significant variances were outlined within the report in relation to premises, supplies and services, agency and contracted, income and earmarked reserves.

Members were advised that there was an error within the report contained within the table at paragraph 5. It was noted that the distributable surplus should read as follows:-

65% Durham County Council -	£107,178
35% Gateshead Council -	£ 57,712

In conclusion the Head of Finance (Financial Services) advised Mountsett Crematorium were in a healthy financial position and the report presented a positive outlook for the Crematorium.

RESOLVED: that the content of the report be noted.

6 Provision of Support Services 2012-2013

The Head of Finance (Financial Services) presented the report which sought approval of a Service Level Agreement (SLA) for Support Service provision for April 2012 to March 2013 (for copy of report, see file of Minutes).

The report set out details of the following functions covered by the agreement including; management, financial, administration, payroll, creditor and human resource services. The proposed SLA considered the proportion of time spent by key staff undertaking the requirements of the Joint Committee. The charge proposed for 2012/13 is £18,500 (a £1,300 increase from 2011/12) to reflect the true cost of the service provision. This cost had also been factored into the 12/13 budget. The Service Level Agreement was detailed in full within Appendix 2 of the report.

RESOLVED: that the Service Level Agreement for 2012/13 be approved.

7 Service Asset Management Plan 2012/13 to 2015/16

The Superintendant and Registrar presented the report which provided an update regarding the development of a Service Asset Management Plan 2012/13 to 2015/16 as highlighted within the 2010/11 Annual Internal Audit Report.

An action plan had been developed and a full report and Asset Management Plan would be presented to the Committee at the meeting scheduled to be held on 27 April 2012.

It was reported that the Strategy would be developed to ensure that the service delivers its aims and visions in the best possible way. Further details were then provided as to the development plan progress in respect of Crematoria Grounds and Building, Book of Remembrance Building, Memorial Plaques, machinery, administration and cremator replacement.

Discussion then took place with regard to the Book of Remembrance. It was noted that the current cabinet used for display was not fit for purpose in that it obscured viewing when 2 books were on display at any one time. It was therefore agreed that costing for a bespoke cabinet be obtained, and reported to a future meeting.

RESOLVED:

- 1) That the progress on the Mountsett Crematorium Asset Management plan be noted.

- 2) Consider and agree to obtain costings for work required within the noted Action plan.
- 3) The Committee receive a full report and Asset Management Plan at the next meeting of the Joint Committee scheduled to be held in April 2012.

8 Fees and Charges 2012/13

The Head of Finance (Financial Services) presented the report which set out details of the proposed Fees and Charges for the Mountsett Crematorium for 2012/13 (for copy of report, see file of Minutes).

The proposals for 2012/13 had been developed taking into consideration the views of the Superintendent and Registrar with regards to the local market and customer impact from any proposed increase, together with benchmarking data on the charges levied on other neighbouring facilities.

Revisions to the proposed fees and charges for 2012/13 were reported in relation to Cremation Charges, Book of Remembrance, Pre-Payment Cremation Bond and Memorial Garden Plaques. Full details of charges were outlined within Appendix 2 of the report.

RESOLVED: that the Fees and Charges schedule for 2012/13 be noted and approved.

9 2012/13 Revenue and Capital Budgets

The Head of Finance (Financial Services) presented the report which outlined for consideration proposals with regard to the 2012/13 revenue budget for the Mountsett Crematorium (for copy see file of minutes).

The proposed 2012/13 revenue budget was detailed within Appendix 2 of the report, together with the forecast position with regards to the reserves of the Mountsett Crematorium. Main changes from the 2011/12 budget were also reported in respect of employees, premises, supplies and services, agency and contracted, central support costs, income and earmarked reserves.

It was noted that any capital spend identified during the development of the asset plan would be reflected at a future meeting within the capital budget spend, and details would be provided to the Joint Committee at which point the budget for 2012/13 could be amended

RESOLVED: that the budget proposals contained within the report were noted and approved.

10 Review of the Effectiveness of Internal Audit.

The Head of Finance (Financial Services) presented the report which updated members on the revisions to the review of the effectiveness of the system of internal audit (for copy of report, see file of Minutes).

It was reported that the review in operation during 2011/12 had been updated and was attached to the report at Appendix 2. Members were informed that Mountsett Crematorium was to have an Internal Audit Inspection week commencing 6th February 2012. Further amendments / improvements to the current Audit Service would be reported to the Joint Committee as part of the Annual Audit.

RESOLVED: that the contents of the report be noted, and agree that the Joint Committee are satisfied with the effectiveness of the system of Internal Audit and therefore whether assurance can be placed on the work of this service.