

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Beaumont Room 1/78, County Hall, Durham on **Friday 5 October 2012 at 10.00 am**

Present:

Councillor O Temple (Chair)

Members of the Committee:

Durham County Council

Councillors A Bainbridge, J Hunter, O Johnson and J Nicholson

Gateshead Council:

Councillors M Ord, P Ronan and D Davidson

Apologies:

Durham County Council

Councillors J Docherty and J Wilson

Gateshead Council

Councillors K Dodds and P Mole

1 Minutes of the Meeting held on 15 June 2012

The minutes of the meeting held on 15 June 2012 were approved as a correct record and signed by the Chairman.

Matters Arising

Item 8 – Revision of committee's Terms of Reference. Councillor Temple commented that this issue was being taken forward and it was intended that the revised terms of reference be presented to the next meeting of the joint committee in January 2013.

2 Declarations of Interest, if any.

There were no declarations of interest submitted.

3 Adoption of New Code of Conduct for Councillors

The joint committee received a report of the Clerk which recommended the adoption of the new code of conduct for councillors (for copy see file of minutes).

The Clerk advised that following the introduction of the Localism Act 2011, changes had been made to the councillors code of conduct to include statutory requirements on disclosable pecuniary interests. On the 25th July 2012, Durham County Council adopted a new code of conduct incorporating these changes.

It was now therefore necessary for the joint committee to adopt the same and complete the relevant documentation for disclosure of interests.

Resolved:

- (i) That the new Code of Conduct for Councillors be adopted.
- (ii) That all members of the Joint Committee complete and return to the Clerk a copy of the Notification of pecuniary and Other Interests form.

4 Small Bodies Annual Return - External Auditors Report and Response

The Joint Committee considered a report of the Corporate Director, Neighbourhood Services, Corporate Director Resources and Treasurer to the Joint Committee which presented for approval the External Auditors (BDO LLP) Annual Return Certificate and Issues Arising Report for the year ended 31 March 2012. In addition the report further detailed responses to the findings and recommendations identified within the Issues Arising Report (for copy see file of Minutes).

The Head of Finance (Financial Services) advised that the Audit had not highlighted any material weaknesses around the Joint Committees system of internal control. It had, however, identified two minor issues around the initialling of formal minutes and the updating of financial regulations and standing orders within the County Council.

He referred to those recommendations and advised that they had been made in order to strengthen the internal control arrangements of the Joint Committee as follows:-

- *R1:Minutes:*
'The body should ensure with immediate effect that if a loose leaf minute book is maintained, the loose leaf pages are consecutively numbered and initialled by the person signing the minutes'

The Clerk to the Joint Committee will, following each future meeting arrange for the presiding Chair to initial each page of the minutes. The minutes will then be placed into the ongoing minute book, consecutively numbered and bound.

- *R2: Financial Regulations:*
'The body's Financial Regulations require updating in order to reference the Accounts and Audit Regulations 2011, if the body has not yet updated the Standing Orders and Financial Regulations, they must do so as soon as possible, or in any event before the end of the current financial year'

The Joint Committee have adopted the Standing Orders and Financial Regulations of the lead authority Durham County Council. The required updates will be considered through the relevant Lead Authority channels.

In conclusion the Head of Finance (Financial Services) advised the actions identified demonstrated the commitment of the Joint Committee in ensuring that all systems of internal control were as robust as possible.

Resolved: that

- (i) the External Audit certificate and recommendations included in the Issues Arising Report for the year ended 31 March 2012.

- (ii) that the response and action plan to the External Audit issues Arising report be noted.
- (iii) that the external audit certified annual return be approved.

5 Financial Monitoring Report 2012/13: Spend to 31/08/12 and Projected Outturn to 31/03/13

The Joint Committee considered a report of the Corporate Director, Neighbourhood Services, Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2012 to 31 August 2012, together with the provisional outturn position for 2012/13, and highlighted areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report further set out details of the funds and reserves of the Joint Committee at 1 April 2012 and forecast outturn position at 31 March 2013, taking into account the provisional financial outturn.

The Head of Finance (Financial Services) reported that the projected outturn was showing a surplus (before transfers to reserves and distribution of surplus to the partner authorities) of £238,126 against a budgeted surplus of £270,448, (£32,322) less than the budgeted position. An explanation of those significant variances which contributed to the position was reported.

Details were then provided in respect of earmarked reserves and it was reported that contributions from the revenue surplus towards the reserves was forecast to be £32,322. This reduction was relative to the repairs reserve and as a result of the urgent repairs progressed in 2012/13. The contribution to the Cremator Reserve remained in line with budget.

The retained reserves of the Mountsett Crematorium Joint Committee at 31 March 2013 were forecast to be £519,019, representing a £73,236 (16%) increase over the opening position at 1 April 2012.

Resolved: that the April to August 2012 revenue spend financial monitoring report, associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2013 be noted.

6 Risk Register 2012/13 - Update

The Joint Committee received a report of the Corporate Director, Neighbourhood Services and Corporate Director, Resources and Treasurer to the Joint Committee which provided an update on the current position with regards to the Risk Register of the Mountsett Crematorium Joint Committee.

A risk assessment report had been presented to members at the January meeting which included a comprehensive risk register that identified all known risks of a Service and Operational nature, with all risks scored using the Durham County Council methodology approach to Risk Management. It was subsequently agreed at that meeting to regularly monitor and report on both strategic and operational risks.

In line with the previous report, two risk registers had been prepared and reviewed identifying Service and Operational risks. It was reported that net risk ratings have been agreed by consensus and actions to mitigate and / or tackle issues arising from the individual risks have been agreed for the forthcoming year.

It was noted that due to the long term absence of the Crematorium Manager at Mountsett this had impacted upon service delivery and increased workload for staff, the net impact and likelihood of risks 4 and 10 have been increased temporarily. Risk 4 "Sickness absence of staff" had increased from Minor / Unlikely to Minor / Probable. Risk 10 "Loss of knowledge and ability to cover existing workload through staff loss" has increased from Minor / Unlikely to Moderate/Probable. Actions are in place to mitigate these risks and once complete should reduce the net risk scores. The amended risk assessments are included in appendix 2.

With regards to operational risks it was noted that there had been only one operational risk which had an outstanding action Risk 8 "Slips, trips and falls", however since the last meeting training for ladder duties had been completed which reduced this risk to a tolerable level.

The Head of Finance (Financial Services) advised that one emerging risk which had been reported at the previous meeting relating to Death Registration responsibilities under the reform of Health and Social Care, would be risk assessed nearer the implementation date of August 2013.

Resolved: that

- (i) the content of the report and updated position be noted.
- (ii) the risk registers shall be kept up to date and reviewed by the Joint Committee on a half yearly basis.

7 Any resolution relating to the exclusion of the public during the discussion of exempt information.

That under section 100 (A)4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that involved the likely disclosure of exempt information as defined in paragraph 1 of Schedule 12A to the said Act.

8 Quarterly Report of the Bereavement Services Manager including Service Asset Management Plan

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

With regards to performance it was reported that there were 332 cremations undertaken during 1 June 2012 to 31 August 2012, compared to 303 in the comparable period last year, an increase of 29 (9%). In addition during the period June – August 2012 in total 4 memorial plaques were purchased at a total cost of £1312.00. Comparative data was not available as this was the first year that plaques were available for sale.

The report further detailed operational matters, with particular reference to staffing, pre-payment cremation bond and the FSA application, recent green flag success and recycling of metals.

The report further went on to provide an update on the replacement of cremators and installation of mercury abatement plant. Details of the feasibility study will be presented in full to the committee at a future meeting.

Moving on the Bereavement Services Manager advised that as discussed at the previous meeting the Service Asset Management Plan had now been finalised and was appended to the report. The report had been split into three main elements:-

- Urgent, Essential and Highly Desirable Works;
- Desirable Works; and
- Longer Term Works

Costing for each of those works were included within the report and details of the procurement processes explained.

Discussion then ensued regarding the procurement process and Councillor Ronan added that she felt it was sensible to use in-house services where the value of works fell below Contracts Legislation 2006. Councillor Johnson reiterated those comments and added that he felt that in-house delivery of works would benefit the scheme in terms of timescales.

The Head of Finance (Financial Services) added his thanks to the Bereavement Services Manager for the work which had gone in to writing and developing the SAMP.

Jeff Moffitt, Waste, Recycling and Contracts Manager (Gateshead Council) endorsed those comments and added thanks on behalf of Gateshead Council.

Resolved: that

- the content of this report with regards to current performance of the crematorium be noted.
- the current situation with regards to the sale of Memorial Plaques be noted.
- the current situation with regards to the Superintendant and Registrar be noted.
- the current situation with regards to the Pre-Payment bond and progress working with DCC legal team be noted.
- the success with regards to the Green Flag award be noted.
- the thank you letter received from Willow Burn Hospice be noted
- a Feasibility Study be undertaken to look at all options with regard to the cremator replacement.
- the content of the Service Asset Management Plan be noted.
- to use Earmarked Reserves to fund the urgent essential works and to opt for in house delivery for future works where possible. Where the value of works exceeds the value as outlined within the report, a competitive tender exercise will be undertaken in line with the Contracts Legislation 2006.
- to use some of the Earmarked Reserves to fund the Desirable works.
- Agree to make adequate provisions to ensure that longer term works can be sourced using earmarked reserves.