

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held in **Conference Room 4b, County Hall, Durham** on **Wednesday 24 April 2013** at **5.30 pm**

Present:

Councillor M Plews (Chair)

Durham County Council:

Councillors N Foster and G Holland

Spennymoor Town Council:

Town Councillors J Marr (Vice-Chair) and JV Graham

1 Apologies for Absence

There were apologies for absence received from Councillors J Blakey, J Chaplow, D Stoker, L Thomson, M Williams and JL Wood.

2 Minutes

The minutes of the meeting held on 23 January 2013 were confirmed as a correct record and were signed and initialled by the Chair.

3 Declarations of Interest

There were no Declarations of Interest.

4 Review of Terms of Reference

The Clerk to the Central Durham Crematorium Joint Committee, Sharon Spence referred Members to the report within the agenda papers outlining the revised and updated Terms of Reference or Constitution for the Central Durham Crematorium Joint Committee (for copy see file of minutes).

Members were reminded that following audit reviews it was recommended that the Joint Committee undertake a review and update its Terms of Reference (ToR) and that the Joint Committee had previously considered the ToR document. The Joint Committee noted that the two constituent Authorities had commented on and agreed the ToR and the document was now reported back to the Joint Committee for information.

It was added that a minor amendment was proposed to provide clarity as regards the appointment of Members in an election year so that paragraph 3.4 would read:

3.4 In the year 2013 and every fourth year thereafter being a year in which Members of the shall retire each of the two Councils shall appoint Members of the Joint Committee as herein provided at the first convenient meeting of such Councils.

Resolved:

That the revised Terms of Reference / Constitution as presented be agreed.

5 Report of the Superintendent and Registrar

The Superintendent and Registrar, Alan José asked Members to note the performance figures from January 2013 to March 2013 and the comparison to the same period for 2012, highlighting that there was a net increase of 77 cremations, with a total of 730, with 300 from Durham and 430 from outside of the area.

Members were also asked to note that the number of memorials sold had decreased in comparison to the same period the previous year, with sales being approximately £9,066 less. The Superintendent and Registrar noted that while this perhaps could be attributed to the more general economic climate within the country, sales over the first two weeks of April had shown an increase.

The Joint Committee noted that as in previous years, arrangements for the Councillor J Marr had been made to attend the Joint Conference of the Federation of Burial and Cremation Authorities and The Cremation Society of Great Britain being held 1-3 July 2013 at Stratford-upon-Avon.

The Superintendent and Registrar informed the Joint Committee that he had advised both Officers and Members of Durham County Council (DCC) and Spennymoor Town Council (STC) of his resignation from post with effect from 31 May 2013.

The Joint Committee noted that options put forward to the Chair and Vice-Chair of both the Durham and Mountsett Crematorium, Members appreciating that there was a vacancy in terms of the Superintendent and Registrar of the Mountsett Crematorium, were for: joint management arrangements with the Mountsett Crematorium; support via a Service Level Agreement with Durham County Council's Bereavement Services; or direct replacement for the Superintendent and Registrars. Members noted that following discussions with the Chair and Vice-Chairs of both committees, it was proposed that a replacement for the Superintendent and Registrar be sought.

Members noted that a meeting with Funeral Directors, Clergy, Funeral Celebrants and other interested parties was to be held on 20 May 2013 to explain the proposals for the replacing the Superintendent and Registrar and to note a feasibility study that would look at how public areas of the Crematorium could be improved.

The Joint Committee noted that in order to ensure business continuity in the short to medium term, arrangements had been made for a member of staff to be appointed on a temporary 3 month contract, the officer having previously provided cover at the Crematorium in the past. Councillors were also asked to consider proposals for the appointment of a Business Administration Modern Apprentice, which could offer business continuity in the longer term for the Crematorium and reduce the administrative burden on the new Superintendent and Registrar.

Members noted the costs involved and details of the scheme as attached to the agenda papers and were reminded that while the costs were not reflected in the budgets presented at the January meeting, if the Joint Committee agreed the proposals for a Modern Apprentice, then a revised budget would be presented at a later date.

The Superintendent and Registrar referred to the Pre-payment Bond that had been proposed for Durham Crematorium, reminding Members of the information received from the Financial Services Authority (FSA). It was added that further advice had been sought from specialist consultants - Bovill, and that the Council's application for FSA registration had been withdrawn due to the potential wider implications regarding Durham County Councils regulated activities. Full details of Bovill's response, was included in the report. The Head of Finance (Financial Services) advised that the scheme now represented too high a risk and recommended that the Committee cease and further development of the proposals.

The Head of Finance - Financial Services, Paul Darby explained to the Joint Committee that there was good progress to date as regards the green energy proposals for the Crematorium, including the initial stages of a feasibility study as regards the use of waste heat from the remaining cremators that were not currently recycling that energy. Members were informed of several options and noted those that would not be practical or provide a return upon capital investment. The Joint Committee noted that the option to use waste heat to provide electricity for use and income generation via a feed-in tariff was the only really feasible route; however, further information would be needed in order to present Members with a full breakdown of the costs and potential income generation. The Superintendent and Registrar added that potential grants to help fund any capital works were also being investigated.

The Superintendent and Registrar informed Members of an incident that occurred at another local Crematorium with the result being that a coffin was cremated in error. Members were reassured that the processes in place at Durham were robust, however, in light of this incident it was proposed to have an additional Coffin Footplate and to add a check of this footplate with records to provide additional assurance.

Members asked the cost of this extra process and the Superintendent and Registrar noted that the cost would be for Funeral Directors to bear, but was a minor cost, approximately £1 per footplate. It was added that some Funeral Directors already provide such a footplate and that the extra check was in addition to the other procedures in place as regards coffins received at the Crematorium.

Resolved:

- (i) That the update report in relation to current performance of the Crematorium be noted.
- (ii) That the update report in relation with regard to the sale of memorials be noted.
- (iii) That the arrangements with regards the Joint Conference of the Federation of Cremation and Burial Authorities and The Cremation Society of Great Britain be noted.
- (iv) That the date of the meeting with Funeral Directors, Clergy and interested parties be noted.
- (v) That the current situation with regards to the staffing operations be noted and the temporary 3 month contract at the Crematorium be approved.
- (vi) That the post of Superintendent and Registrar for Durham Crematorium be advertised.
- (vii) That the creation of a Business Administration Apprentice post be approved.
- (viii) That the Council's application for FSA registration as regards a Pre-Payment Bond for Durham Crematorium be withdrawn and that the scheme was not put in place.
- (ix) That the progress with regards to the Green Energy Proposals be noted and that a further feasibility report be presented to a future meeting of the Joint Committee.
- (x) That with effect from 3 June 2013, the Committee adopt a policy of insisting that all coffins have a Breast Name Plate and a Foot Name Plate.

6 Reserves Policy

The Head of Finance - Financial Services reminded Members that there had been a request from the Accountant, Spennymoor Town Council as regards formalising the existing practices as regards the reserves held by the Joint Committee into a formal policy document.

Members were informed that the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Authority Accounting Panel (LAAP) guidance set out recommendations on Reserves and Balances, making recommendations to the determination and to the adequacy of Local Authority Reserves. Councillors noted that this had been used as a basis on which to develop the Reserves Policy for the Central Durham Crematorium

The Joint Committee were informed that reserves were held for 3 main purposes: as a working balance to help cushion the impact of uneven cash flow and avoid unnecessary temporary borrowing; as a contingency to cushion the impact of unexpected events or emergencies; and as a means to build up funds – earmarked reserves to meet predicted future liabilities.

Members learned that it was proposed that the a General Reserve balance of at least 30% of the annual income budget would be kept and that any surplus over this level would be transferred into the Major Capital Works Reserves as previously agreed by the Joint Committee during the year end closedown.

The Head of Finance - Financial Services noted that the Major Capital Works Reserve would continue to be built up such that there would be sufficient reserves to enable cremator replacement at the requisite time, and added that once the Major Capital Works Reserve reached £1 Million, the Joint Committee would undertake a further review.

Councillors felt that the issue of extending the Chapel at the Crematorium was important and should be looked at further in the future, funding permitting. The Superintendent and Registrar reminded Members that a previous feasibility study had set out a scheme for extension; however that scheme proved to be unaffordable at that time. Members were asked to note that several issues, such as the location of the Book of Remembrance, main door height and public toilets were being looked at, and further information would be brought back to the Joint Committee accordingly.

The Head of Finance - Financial Services noted that the Major Capital Works Reserve could be used as a source of funding for these works, but that this would need to be balanced against the cremator replacement costs in future years. Once the feasibility study had been completed and costed, financing options and impact on the budget / reserves policy could be more fully considered.

Resolved:

- (i) That the Reserves Policy to set aside sufficient sums in Earmarked Reserves as is considered prudent for the anticipated known areas of future expenditure, maintaining a Major Capital Works Reserve balance of circa £1 Million to cover future liabilities in respect of cremator replacement be agreed.
- (ii) That Reserves Policy to maintain a General Reserve of at least 30% of the Joint Committee's Income Budget be agreed.
- (iii) That the transfer of the surplus (over the 30% of income budget requirement) General Reserves balance to Major Capital Works Reserve at the 2012/13 year end as part of the preparation of the Annual Return and Statement of Accounts be agreed.

7 Financial Monitoring Report - Provisional Outturn as at 31 March 2013

The Head of Finance – Financial Services referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 1 April 2012 to 31 March 2013 (for copy see file of minutes).

The Joint Committee noted that the provisional outturn position showed a surplus income, due primarily to an increased number of cremations in comparison to the prudent budget as agreed. It was highlighted that the additional £139,406 surplus would be transferred to the Earmarked Reserves as previous agreed by the Joint Committee. Members noted the explanation of the variances as set out within the report and the strong position of the Joint Committee's finances.

Councillor G Holland asked if the Crematorium was approaching capacity in relation to the number of cremations being carried out. The Superintendent and Registrar explained that the Crematorium always had a good amount of bookings; however, while there was physical capacity to operate further as noted in planning for pandemic operations, the length of each service may then not meet families' expectations. Members noted the popularity of the Crematorium, citing the low cost of cremations at Durham and the excellent reputation that had been built up over many years.

Resolved:

That the April 2012 to March 2013 Revenue Spend Financial Monitoring Report and associated Provision Outturn position at 31 March 2013 be noted.

8 Annual Internal Audit Report 2012/13

The Chair introduced Stephen Carter, Audit Manager, DCC who was in attendance to speak to Members as regards the Annual Internal Audit Report 2012/13 (for copy see file of minutes).

The Audit Manager thanked Members for the opportunity to present the report on behalf of the Avril Wallage, Head of Internal Audit, DCC and reminded the Joint Committee of the service provided by Internal Audit as part of the Service Level Agreement (SLA) in place. Councillors noted that the Annual Internal Audit Report fulfilled the CIPFA Code of Practice requirements to provide "a written report to those charged with governance timed to support the Statement of Internal Control", which was now incorporated within the Annual Governance Statement.

Members were informed that the report looked at the Joint Committee's systems of governance, risk management and internal control and that from the work undertaken the Head of Internal Audit was able to provide a "substantial" overall assurance opinion of the adequacy and effectiveness of internal control operating across the Joint Committee in 2012/13.

The Chair thanked the Audit Manager, and the Joint Committee thanked the Officers involved in respect of their hard work in achieving the “substantial” overall assurance opinion.

Resolved:

- (i) That the content of the Annual Internal Audit Report and the overall “substantial” opinion on the adequacy and effectiveness of the Joint Committee’s control environment for 2012/13 be noted.
- (ii) That the proposal for the provision of Audit and Risk Services to be provided in 2013/14 be approved.

9 Response to the 2012/13 Internal Audit Report

The Head of Finance – Financial Services reminded Members that whilst the crematorium had received a substantial assurance rating from the Internal Audit Service, it was good practice to have a response to the Internal Audit Report and reiterated that the “substantial” assurance opinion reflected the excellent work of all involved in relation to internal controls and gave assurance that could be fed into the Annual Governance Statement.

Members noted one minor weakness that had been identified within the report, and that this issue had now been incorporated into the action plan:

“Recommendation 01

Regular Stock checks should be carried out to ensure the Stock book continues to accurately reflect stock held. Stock should be initialled or signed to demonstrate such stock checks are being undertaken”.

The Joint Committee noted that stock operations had been disrupted during the earlier months of the year as a result of the Cremator Replacement programme and that a full stock review was undertaken as at 31 March 2013, in line with year-end closedown procedures.

It was added that quarterly stock checks will be undertaken along with reconciliations to the Stock books to address the audit recommendation during 2013/14 onwards.

Resolved:

That the Internal Control requirements and action plan contents (both implemented and required) with regards to addressing the Internal Audit recommendations be noted.

10 Superintendent and Registrar

The Chair took the opportunity to formally thank the Superintendent and Registrar for his hard work, professionalism and support to the Joint Committee over the years. The Joint Committee all agreed, noting the strong working relationships that the Superintendent and Registrar had built up with Clergy and Funeral Directors and the excellent reputation of the Crematorium under his stewardship.

The Superintendent and Registrar thanked the Members for their kind words and added that while it was sad to move on, he had formed many good relationships during his time at the Crematorium and was sure that the arrangement that had been put in place to recruit a new Superintendent and Registrar would ensure the Crematorium continues to go from strength to strength.