

## **DURHAM COUNTY COUNCIL**

At a Meeting of **Mountsett Crematorium Joint Committee** held in Saltwell Room, Civic Suite, Gateshead Council on **Friday 30 January 2015 at 11.00 am**

### **Present:**

**Councillor O Temple (Chairman)**

### **Members of the Committee:**

#### **Durham County Council**

Councillors A Batey, C Hampson and I Jewell

#### **Gateshead Council:**

Councillors K Dodds (Vice-Chairman), M Ord, L Green and J Lee

### **1 Apologies for Absence.**

Apologies for absence were received from Councillors M Charlton, P Ronan (Gateshead Council) and Councillors K Dearden, O Milburn, T Nearney and B Stephens (Durham County Council).

### **2 Minutes of the Meeting held on 3 October 2014.**

The minutes of the meeting held on 3 October 2014 were confirmed as a correct record and signed by the Chairman.

### **3 Declarations of Interest, if any.**

There were no declarations of interest submitted.

### **4 Quarterly Performance and Operational Report:**

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

The Bereavement Services Manager advised that during the period 1 September 2014 to 31 December 2014, 437 cremations had been undertaken, compared to 364 in the comparable period last year. A increase of 73. With regard to the 2014/15 income budget it was noted that given the increased cremation numbers in the first 9 months of this year, the projected outturn indicated an increase of 132 (1,282) cremations compared to budget and therefore an overachievement of income of £83,160.

With regard to the sale of memorials it was noted that there had been year on year increase on the sale of memorial plaques of 5, £2,756. It was further reported that as

discussed at the previous meeting the option of installing a memorial tower had been included in the 2015/16 budget.

Moving on to operational matters it was reported that a trainee Crematorium Attendant had now been appointed and was settling in to the post well. Further details were reported with regard to the requirement for a replacement cleaner for an additional 4 hours per week at a cost of £2,078.

The Joint Committee was informed that, in line with previous years, a application would be submitted to retain the Green Flag status and the Recycling of Metals Scheme had generated a sum of £3,333 for St. Cuthbert's Hospice.

Following on from suggestions made at the previous meeting regarding car parking the Bereavement Services Manager advised that a study had been undertaken on the use of the car park and it had been found that on average the facility reaches over its capacity 4 times per month. It was therefore proposed some works would be undertaken to widen some of the road and create an additional 12 car parking spaces along the exit road from the crematorium car park to ease congestion. This work was scheduled to be completed by the end of March 2015. In addition an area of land next to the existing car park had been identified as a suitable area for further extension, however in order to proceed a design scheme would need to be produced. Initial estimates suggested that an additional 27 car parking bays could be provided in this space and a sum of £7,000 had been quoted in order to progress designs and undertake relevant surveys.

Moving on to the replacement of cremators and installation of mercury abatement plant, the Bereavement Services Manager advised that in order to provide updated options for the Joint Committee to move this project forward by the time the Cremators require replacing in 2020 an updated feasibility study would be required, at an estimated cost of £15,000.

It was reported that given the financial pressures faced within local government it was felt prudent that any feasibility study should consider a full range of options. These options were contained within paragraph 20 of the report for members' consideration.

Councillor Temple at this point asked whether it was necessary to undertake the feasibility study at this point in time; however did thanks officers for putting all four options forward to the joint committee at this stage. In response the Bereavement Services Manager advised that the existing cremators had been in situ for 20 years and as the crematorium was continually facing increased numbers, more repairs and maintenance was being required in order to keep them fully operational. He therefore felt that considering the amount of time it would take for a feasibility study to be carried out, and the time it would take to complete any works, all options should be considered as soon as possible.

Councillor Jewell asked what the risk was of the existing cremators being unrepairable and what contingency was in place if the crematorium was faced with a complete breakdown. In response the Bereavement Services Manager advised that maintenance of the existing cremators had been factored into the budget until 2028, however if major repairs were required discussions would have to take place with finance at that time.

The Head of Finance (Financial Services) commented that it was likely that any feasibility study would be undertaken during 15/16, with consideration of options and procurement and installation taking place most likely during 2016/17.

Councillor Batey commented that given her experience of the time taken to undertake a feasibility study it would be best to start the process as early as possible. She further raised a query regarding option 2 and asked how this would work logistically without affecting business continuity. In response the Bereavement Services Manager advised that the crematorium currently had 3 cremators however only two were operational, therefore it was proposed that the unused cremator would be removed to allow for a temporary reconfiguration of the remaining two cremators whilst the new cremators were installed.

Councillor Dodds asked for further detail regarding new technology for non-cremating equipment and asked whether this was currently licensed within the UK. The Bereavement Services Manager advised that the technology was not currently patented in the UK, however it was expected that this would be an option in the near future. Councillor Dodds commented that this form of cremation could be more cost effective and would therefore be interested to receive further information on the technology in due course.

Councillor Jewell commented that he found option 4 interesting and asked how this would be put in to practice. In response the Bereavement Services Manager advised that discussions would have to take place with partners who had scope to assist with cremations. Councillor Batey queried whether this option would involve an increased cost to families. The Head of Finance (Financial Services) advised that the additional costs of transport would be offset by savings on cremator costs. The option did however come with emotive issues for families.

Councillor Temple asked members whether members felt that all options should be left in or whether any should be removed prior to the feasibility study being undertaken.

Following discussion it was agreed that Option 4 should be removed as it was not felt a suitable outcome for Mountsett Crematorium.

**Resolved:**

- (i) That the current performance of the crematorium and monitoring against the budget be noted.
- (ii) That the appointment of a trainee crematorium attendant be noted.
- (iii) That the additional costs of employing a cleaner over 5 days per week be agreed.
- (iv) That the Green Flag application be noted.
- (v) That the distribution of recycling income to the respective charity be noted.
- (vi) That it be agreed to proceed with design works for extending the car parking provision within the Crematorium.
- (vii) That it be agreed that a feasibility study on the replacement of Cremators and installation of Mercury Abatement Plant with the removal of Option 4 from the proposals.

## **5 Financial Monitoring Report - Spend to 31/12/14 and Projected Outturn to 31/03/15:**

The Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2014 to 31 December 2014, together with the updated projected outturn position for 2014/15, highlighting areas of over / underspend against the revenue budgets at a service expenditure analysis level.

The report further details the funds and reserves of the Joint Committee at 1 April 2014 and forecasted outturn position at 31 March 2015, taking into account the updated projected financial outturn.

The Head of Finance (Financial Services) advised that he was happy to be able to report a strong and stable financial position. Councillor Temple in referring to paragraph 6.3 asked what Masterplan sales referred to. In response the Bereavement Services Manager advised that this referred to the sale of memorial plaques.

### **Resolved:**

That the April to December 2014 revenue spend financial monitoring report and associated provisional outturn position and the forecast Crematorium earmarked reserve balances at 31 March 2015 be noted.

## **6 Annual Review of the System of Internal Audit:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which advised of a review of effectiveness of the Durham County Council's Internal Audit Service, which was carried out by the County Council's Audit Committee in June 2014 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that Appendix 2 of the report set out the findings of the review and Appendix 3 further detailed the action plan based upon those areas which had been identified for improvement. Members were also reminded that the Annual Governance Statement and Statement of Accounts would rely upon those findings of the Internal Audit.

### **Resolved:**

- (i) That the information demonstrating the efficiency and effectiveness of the Durham County Council Internal Audit Service be noted.
- (ii) That the actions to further improve the service during 2014/15 be noted.

## **7 Local Audit and Accountability Act 2014 - Changes to Audit Requirements for Joint Committees:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which

provided detail on the changes to the Statutory Audit requirements for the Joint Committees effective from 1 April 2015 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that from 1 April 2015, Joint Committees would no longer be required to have their accounts separately prepared and audited. Members noted that accordingly it was proposed that for the financial year 2014/15 that the production of a full Statement of Accounts be discontinued.

The Joint Committee noted that it was proposed that the use of External Auditors be continued, to provide assurance, and Officers were awaiting guidance from the National Audit Office in respect of the process for appointing External Auditors under the new provisions. Which was expected in the next few weeks.

Councillor Dodds asked whether the joint committee could face criticism for spending money on an audit when it was no longer a statutory requirement. In response the Head of Finance (Financial Services) advised that there were benefits from having a separate assurance and showing that transparency in accounting. Councillor Jewell commented that in his opinion he thought that criticism could come from both sides and felt more comfortable showing that additional transparency.

Councillor Green asked whether the external auditor looked at all aspects of the Joint Committee's business and it was confirmed that this was the case.

**Resolved:**

- (i) That the changes to Audit Requirements that come into effect from 1 April 2015 be noted.
- (ii) That the discontinuation of the full Statement of Accounts element for the 2014/15 financial year be agreed.
- (iii) That the continued separate audit arrangements following the 2014/15 audit, in order to ensure a continued effective financial and governance framework be agreed, based upon the continued preparation of the Small Bodies Annual Return and reporting of the Balance Sheet information within a supporting outturn report in June each year.
- (iv) That the publication of Audit Appointment guidance in forthcoming weeks be noted and that the appointment of an independent External Auditor in line with that guidance be agreed.

**8 Provision of Support Services 2015/16:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which presented for approval a proposed Service level Agreement (SLA) for Support Service provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2015 to March 2016 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that in line with the previous report the hours in relation to audit work had been reduced to reflect the changes to audit requirements for joint committees.

**Resolved:**

That the Service level Agreement as attached at Appendix 2 for the year 2015/16 be approved.

**9 Fees and Charges 2015/16:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of the proposed fees and charges for Mountsett Crematorium for 2015/16 (for copy see file of minutes).

The Head of Finance (Financial Services) advised that the Central Durham Crematorium had recently reviewed and agreed their fees and charges for 2015/16 advising that during 2015/16 CDCJC were undertaking a major capital scheme and had therefore agreed to impose no increases in charges for 2015/16 due to disruption to business whilst it would remain open. It was therefore proposed that in line with Durham County Council's harmonisation policy that Mountsett Crematorium Joint Committee agree the same level of charges for the period.

Members were referred to Appendix 3 of the report which detailed benchmarking data for the north east region and it was noted that the charges still remained extremely competitive and it was proposed that average increases would continue from 2016/17.

Councillor Temple asked the Gateshead members of the Committee whether they had any specific issues relating to the proposals. Councillor Dodds commented that although there were some differences to those shown in the comparative table he had no great concerns regarding the proposals to implement no increases during 2015/16.

**Resolved:**

That the proposed fees and charges as detailed at Appendix 2 of the report be noted and approved with effect from 1 April 2015. In addition that the proposed fees and charges be incorporated into the 2015/16 budget.

**10 2015/16 Revenue Budget:**

The Joint Committee considered a joint report of the Corporate Director Neighbourhood Services and Corporate Director Resources and Treasurer to the Joint Committee which set out proposals with regards to the 2015/16 revenue budget for the Mountsett Crematorium (for copy see file of minutes).

The Head of Finance (Financial Services) advised that in light of the previous report being approved the proposed 2015/16 budget was set out in appendix 2 of the report. He further noted that the budgeted transfer to surplus had been increased to take in to account the additional surplus generated. It was further noted that the retained and earmarked reserves as at 31 March 2016 stood at £998k.

**Resolved:**

That the budget proposals for 2015/16 be approved and that the forecasted level of reserves and balances at 31 march 2016 be noted.