

DURHAM COUNTY COUNCIL

CENTRAL DURHAM CREMATORIUM JOINT COMMITTEE

At a Meeting of **Central Durham Crematorium Joint Committee** held in **Committee Room 1A, County Hall, Durham** on **Wednesday 27 January 2016** at **2.00 pm**

Present:

Councillor JV Graham (Chairman)

Durham County Council:

Councillors D Bell, J Chaplow, P Conway, K Corrigan, N Foster, B Kellett, M Plews (Vice-Chairman) and M Simmons

1 Apologies for Absence

Apologies for absence were received from Councillors A Bonner, D Stoker and K Thompson and Town Councillors P Lawton and GD O'Hehir.

2 Minutes

The Minutes of the Meeting held on 23 September 2015 were confirmed as a correct record and were signed and initialled by the Chairman. The Chairman noted that in respect of Item 4 of the Minutes, he had noted and signed the finalised External Auditors' Issues Arising Report once received, in accordance with the resolution.

3 Declarations of Interest

There were no Declarations of Interest submitted.

4 Quarterly Performance and Operational Report

The Bereavement Services Manager, Graham Harrison asked Members to note the performance figures from 1 September 2015 to 31 December 2015 and the comparison to the same period for 2014, highlighting that there was a net decrease of 13 cremations year on year. It was noted there was a total of 724 for the three month period with the September to December profile breakdown showing 214 from Durham, 31 from Spennymoor and 479 from outside of the area.

Members were asked to note that the number of memorials sold had increased in comparison to the same period the previous year, and sales had generated £1,738 more than the comparable period last year.

The Joint Committee were reminded of the issue of a member of Crematorium staff on long-term sick leave and asked to note that the member of staff had returned to work. It was added that in order to be able to provide appropriate cover a Service Level Agreement (SLA) had been prepared, for Members' consideration.

Members noted that a member of staff from the Crematorium had been appointed as a Bereavement Services Officer for Durham County Council and accordingly, this had created a vacant Crematorium Operative post at the Crematorium. Members noted that an advertisement would be placed to recruit to the post, to be advertised internally within the County Council and Spennymoor Town Council initially.

The Bereavement Services Manager noted the Crematorium had received the Green Flag Award in 2015, awarded four years in a row and a submission would be made for the 2016 award accordingly.

Councillors were updated in respect of the recycling of metals scheme and noted the presentation by the Chairman and Vice-Chairman to Antenatal Results and Choices of a cheque in the sum of £4,321. Members noted information as regards the next round of funds, and that the next nominee from the list of organisations would be contacted in due course.

The Joint Committee noted that for the fifth year running it had been agreed for St. Cuthbert's Hospice to be allowed to place a Christmas tree at the Crematorium in 2015 to allow people to write a personal message and place it on the tree with a bauble, leaving a charity donation. It was noted that St. Cuthbert's Hospice had raised £200.07 and had also asked permission to have a similar tree placed at the Crematorium in 2016, with no other organisations having approached the Crematorium in this regard.

Members were asked to recall that at the September meeting of the Joint Committee, it had been agreed to progress with works to replace canopies. It was explained that that delays in procurement and the poor weather meant that the works would now commence 28 March 2016 and were scheduled to be completed by 8 August 2016.

Resolved:

- (i) That the current performance of the Crematorium be noted.
- (ii) That the Service Level Agreement with Durham County Council's Facilities Management Team for the cleaning services be agreed.
- (iii) That the application for the Green Flag Award 2016 be noted.
- (iv) That the updated position with regards to the recycling of metals scheme be noted.
- (v) That the provision of a Christmas tree in 2016 by St. Cuthbert's Hospice be agreed.
- (vi) That the progress of Phase 3 canopy replacement works be noted, with work due to commence 28 March 2016.

5 Financial Monitoring Report - Position at 31/12/15, with Projected Revenue and Capital Outturn at 31/03/16

The Principal Accountant, Ed Thompson referred Members to Financial Monitoring Report, as set out in the usual format, for the period to 31 December 2015 and with projected outturn to 31 March 2016 (for copy see file of minutes).

The Joint Committee noted that expenditure was broadly in line with the budget, though as mentioned in the previous report the number of cremations and sales of memorials represented an increase in income. It was added that the rebate from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO) scheme had been £30,000 less than budgeted, it was explained that this was due to reduced Tradable Mercury Abated Cremations (tmacs) rate having reduced from the 2013 rate of £36.39 to a 2014 rate of £15.66. It was explained that as more crematoria were installing abatement equipment, the tmac rate would decrease as less pay into the CAMEO scheme. Accordingly, it was noted that, in terms of prudent budget setting, a tmac rate of £10.00 would be used.

The Principal Accountant explained that as the works regarding canopies had been delayed, this would carry over into the next financial year and that the projected total reserve of approximately £1.28 Million at the year-end, gave a strong financial position.

Resolved:

- (i) That the April to December 2015 Revenue Spend Financial Monitoring Report and associated Provision Outturn position at 31 March 2015 be noted.
- (ii) That the projected year end Earmarked and General Reserve balances as at 31 March 2016.

6 Annual Review of the System of Internal Audit

The Principal Accountant noted 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. It was explained that this, and the work of External Auditors, provided assurance to the Joint Committee that the work carried out by Internal Audit was in line with best practice and the latest audit standards.

The Principal Accountant explained that Appendix 3 to the report set out the main outcomes from the review and the resultant improvement plan. Members were reminded that the review feeds into the Annual Governance Statement and Small Bodies Return.

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 2015/16 be noted.

7 Provision of Support Services 2016-2017

The Principal Accountant referred Members to the report setting out the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Central Durham Crematorium Joint Committee for 2016/17 (for copy see file of minutes).

Councillors were reminded that the SLA had been in place for a few years, following previous External Audit recommendations, and set out the support services provided to the Joint Committee by Durham County Council including:

- Management Services
- Financial Services
- Administration Services
- Payroll Services
- Human Resources Services.

It was noted that the breakdown of services provided and costs were set out within the report, and that the SLA was reviewed and updated annually, with the slight increase in cost of 1.5% to take into account inflationary pressures.

Resolved:

That the Service Level Agreement for the provision of Support Services to the Joint Committee for the year 2016/17 be approved.

8 Fees and Charges 2016/17

The Principal Accountant referred Members to Fees and Charges 2016/17 report (for copy see file of minutes).

Members recalled that last year it had been agreed by the Joint Committee to hold the fees at a standstill position, to take into account the improvement works that were being carried out to the Chapel area during the summer months. It was now proposed to raise fees by 3.3% for 2016/17, the cost of an adult cremation to be £650. It was noted that the average cost for neighbouring facilities in 2015/16 was £681. It was added that it was proposed that the fee for child cremations remained as a nil charge, however there would be a slight increase of £3 in respect of the fee for the Book of Remembrance, to reflect increased calligraphy costs.

For information it was noted the cost of the organist would increase by £10 to £35, however this was paid directly to the individual and did not form part of the Crematorium budget.

Councillors noted that the proposed fees and charges would be also mirrored at the Council's other Crematorium at Mountsett and that Mountsett would be undertaking a similar exercise to that taken by Durham in respect of cremator replacement and improvement works.

Resolved:

- (i) That the proposed fees and charges as set out at Appendix 2 to the report be approved and be effective from 1 April 2016, including the increase to charges by £20 (3.3%) pre cremation from £630 to £650.
- (ii) That the approved fees and charges be incorporated into the 2016/17 Budget.

9 2016/17 Revenue and Capital Budgets

The Joint Committee considered a report of the Corporate Director Neighbourhood Services and Corporate Director Resources / Treasurer to the Joint Committee which set out for Members' consideration proposals with regards to the 2016/17 Revenue and Capital Budgets for the Central Durham Crematorium (for copy see file of minutes).

The Principal Accountant advised that the changes in comparison to the 2015/16 budget were set out within the report and noted that the updated positions in relation to the SLA and Fee and Charges as agreed at the previous items were incorporated. Members were reminded of the canopy works that had been carried forward into the 2016/17 budget and it was explained that the income projection was prudent and that reserves would be allowed to build back up to levels in readiness for the next cycle of cremator replacement.

The Joint Committee were reminded that the distribution of surplus to the constituent Authorities remained the same in 2016/17 and that there had been a movement of funds into the general reserve to maintain a level of 30% of the gross income budget in line with the reserves policy agreed by the Joint Committee.

The Principal Accountant concluded by noting that the projected level of reserves as at 31 March 2017 was £999,656, giving a strong financial position for the Joint Committee going forward.

Resolved:

- (i) That the Joint Committee note and approve the revenue and capital budget proposals contained within the report.
- (ii) That the forecast level of reserves and balances at 31 March 2017 be noted.

10 External Audit Arrangements 2015/16

The Principal Accountant referred Members to the report as regards External Audit Arrangements for 2015/16 (for copy see file of minutes).

Councillors were reminded that in April 2015, the Joint Committee had considered a report noting the changes in legislation in respect of the provisions of the Local Audit and Accountability Act 2014. As Members recalled, it had been agreed to discontinue the production of a full Statement of Accounts, however, there would be a Small Bodies Return and a Balance Sheet produced on an annual basis.

The Joint Committee were informed that the contract with BDO LLP in respect of Limited Assurance Audit ended in September 2015 and accordingly Members noted that it was proposed to continue with the existing external auditor for continuity in 2015/16 and to then undertake a tendering exercise for a new auditor for the 3 year period covering the 2016/17, 2017/18 and 2018/19 external audits. Members noted that timescales as regards a procurement exercise for 2015/16 would be challenging and that the process for 2016/17 would provide an opportunity to test the market in terms of value for money.

Resolved:

- (i) That the Joint Committee engage BDO LLP to continue with the existing audit arrangements for the 2015/16 financial year.
- (ii) That a tendering exercise is undertaken to market test the rates being charged and appoint a new auditor for a 3 year period covering the 2016/17, 2017/18 and 2018/19 external audit.