

DURHAM COUNTY COUNCIL

At a Meeting of **Mountsett Crematorium Joint Committee** held in Whickham Room, Civic Suite, Gateshead Council on **Monday 30 January 2017 at 10.00 am**

Present:

Councillor O Temple (Chairman)

Members of the Committee:

Durham County Council

Councillors A Batey, C Hampson, I Jewell, O Milburn, T Nearney and M Plews

Gateshead Council:

Councillors K Dodds (Vice-Chairman), Dave Bradford, M Charlton, D Davidson, L Green, J Lee and M Ord

1 Welcome to newly appointed Joint Committee Member

The Chairman welcomed Councillor D Bradford (Gateshead Council) to the meeting.

2 Apologies for Absence

There were no apologies for absence.

3 Minutes of the Meeting held on 28 September 2016

The minutes of the meeting held on 28 September 2016 were confirmed as a correct record and signed by the Chairman.

4 Declarations of Interest, if any

There were no declarations of interest.

5 Treasurer to the Joint Committee:

The Clerk advised that Mr John Hewitt had recently been appointed as Corporate Director, Resources and with such was appointed as Treasurer to the Joint Committee.

Resolved:

That the update regarding the appointment of the Treasurer to the Joint Committee be noted.

6 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 there were 445 cremations undertaken during 1 September 2016 to 31 December 2016, compared to 455 in the comparable period last year, a decrease of 10 year on year. Regarding the sale of memorial plaques it was reported that the number and value of memorials sold year on year had increased by 6 (£1,239).

Moving on to discuss operational matters the Bereavement Services Manager advised that further to agreement of the Joint Committee at its last meeting, the vacant Business Admin Apprentice position had now been filled and the new member of staff was settling in well.

It was highlighted that the use of the crematorium chapel had started to increase for services only before moving on to another location for burial etc. This had impacted upon the number of cremations which were able to be undertaken and had resulted in a loss of income of approximately £3,850. The current charge for a chapel only service was £100, in comparison to £650 for a cremation. It was therefore proposed that the Joint Committee agree to impose a two tier pricing structure for chapel only services. During the periods of 10.00 a.m. to 2.30 p.m. it was proposed that the charge be increased from £100 to £600. It was further proposed to increase the charge for chapel only service prior to 10.00 a.m. or after 2.30 p.m. to £200 next year.

Further updates were provided with regard to the Green Flag application for 2017; and the recycling of metals scheme, which had generated £4,336 for Macmillan Cancer Support. The cheque was presented by the Chairman of the Joint Committee on 22 November 2016.

The Bereavement Services Manager then went on to provide an update in respect of works to be undertaken to install replacement cremators and mercury abatement equipment. As reported at the previous meeting A.T.I were successful in tendering for the replacement cremators. Work had been ongoing with the Durham County Council's design team and the cremator manufacturer in order to design equipment to fit in with the proposed extension. During consultations the Coal Authority had submitted some recommendations regarding the foundations used and this had been taken on board by the design team. Further details along with revised costings would be presented to the joint under Item 11.

A date for works to commence had now been agreed as 27 February 2017, with A.T.I expected to install cremators by September 2017. Completion of the scheme was expected by December 2017.

With regard to the proposals for a two tier chapel fee structure, Councillor Temple advised that Central Durham Crematorium Joint Committee had recently adopted the same pricing structure..

It was noted that customers were choosing to hold non-religious services at Mountsett Crematorium and it was also often chosen because it was a lot cheaper than a church

service. Councillor Nearney queried whether this was comparative to other crematoria in the region. The Bereavement Services Manager advised that benchmarking had been carried out. The Head of Finance (Financial Services) referred members to page 40 of the Fees and Charges report which highlighted those authorities who also imposed a differential charging structure offering highly discounted rates for less popular slots.

Councillor Dodds added that the figures contained in the table relating to Gateshead Crematoria were a little misleading. Gateshead Crematorium due to its setting, was less likely to attract people for services only and this had been reflected in the price.

Councillor Jewell asked whether there were any anticipated issues regarding service interruption whilst works were ongoing to install new cremators. In response the Bereavement Services Manager advised that the crematorium would operate over a 4 day working week with construction work taking place over Saturday-Monday for approximately six weeks. This approach was adopted during the improvement works at Central Durham Crematorium and had minimised disruption to services.

Resolved:

- (i) That the current performance of the crematorium be noted.
- (ii) That the current situation with regards to the business admin apprentice position be noted.
- (iii) That the increase in fees for Chapel only services be noted.
- (iv) That the application for the Green Flag Award be noted.
- (v) That the recent presentation of the ICCM metal recycling scheme cheque be noted.
- (vi) That progress in relation to the cremator replacement project be noted.

7 Financial Monitoring Report - Position at 31/12/16, with Projected Outturn at 31/03/17:

The Joint Committee considered a joint report of the Corporate Director, Regeneration and Local Services and Corporate Director Resources and Treasurer to the Joint Committee which set out details of income and expenditure in the period 1 April 2016 to 31 December 2016, together with an updated forecast of the outturn position for 2016/17, highlighting 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 2016 and an updated forecast position at 31 March 2017, taking into account the updated financial outturn forecasts (for copy see file of Minutes).

The Head of Finance (Financial Services) advised that the projected outturn showed a surplus (before transfers to reserves and distribution of surpluses to the partner authorities) of £467,935 against a budgeted surplus of £445,873, (£22,062) more than the budgeted position. Details of the significant variances were included within the report.

Regarding earmarked reserves, the Head of Finance (Financial Services) advised that contributions to earmarked reserves were forecast to be £22,062) more than originally budgeted, primarily due to the increase in cremation income during the year. It was further noted that in line with the MCJC Reserves Policy, a transfer to the General Reserve of £21,330 was required in year. This resulted in a net transfer to the Cremator Replacement Reserve of £330,961 resulting in an estimated balance at 31 March 2017 of £1.26m.

Moving on the retained reserves, it was reported that at 31 March 2017 these were forecast to be £1.28m along with a General Reserve of £263,400, giving a total forecast total reserves and balances position of £1,546,273 at year end.

Resolved:

That the content of the report be noted.

8 Provision of Support Services 2017/18:

The Joint Committee considered a joint report of the Corporate Director, Regeneration and Local Services and Corporate Director, Resources and Treasurer to the Joint Committee which outlined the proposed Service Level Agreement (SLA) for Support Service provision by Durham County Council to the Mountsett Crematorium Joint Committee for the period April 2017 to March 2018 (for copy see file of Minutes).

As part of the budget setting process for 2017/18, Members were requested to consider support service requirements for the coming year to include the following functions:

- Management Services
- Financial Services
- Administration Services (including Committee support)
- Payroll; and
- Human Resources Services.

The Head of Finance (Financial Services) advised that there were no changes proposed to the level of support to be provided, however a 3% increase on recharges was proposed. The proposed increase took into account inflationary pressures such as the staff pay award and pension increases following the triennial review.

Resolved:

That the Service Level Agreement for the year 2017/18 be approved.

9 Fees and Charges 2017/18:

The Joint Committee considered a joint report of the Corporate Director, Regeneration and Local Services and Corporate Director, Resources and Treasurer to the Joint Committee which set out details of the proposed fees and charges for the Mountsett Crematorium for 2017/18 (for copy see file of Minutes).

The Head of Finance (Financial Services) advised that taking into account the cremator replacement works that would be undertaken during 2017 and the decision taken by Central Durham Crematorium Joint Committee to freeze charges for 2017/18, it was proposed that there was no increase to the current fees and charges for 2017/18. It was noted that the previous decision to introduce a two-tier charge for chapel only services would be included within the charging schedule.

Councillor Charlton raised a query with regard to the charge associated with the cremation of Non-viable Foetus. It was noted that this service was part of an arrangement held with the NHS who paid the charge in the interests of public protection.

Resolved:

That the proposed fees and charges remain unchanged and be effective from 1 April 2017. In addition, that the proposed fees and charges be incorporated into the 2017/18 budget.

10 2017/18 Revenue Budget:

The Joint Committee considered a joint report of the Corporate Director Regeneration and Local Services and Corporate Director, Resources and Treasurer to the Joint Committee which set out proposals with regards to the 2017/18 revenue budgets for the Mountsett Crematorium (for copy see file of Minutes).

The Head of Finance (Financial Services) advised that the proposed budget was attached at Appendix 2. He advised that the ongoing works for the cremator replacement programme would not have any discernible impact on the budget. An element of prudence had been factored into the income budget proposals on this basis.

Councillor Nearney asked whether the budget provision for redecoration included the proposed work to install a facility for covering the cross on the main chapel wall. In response the Bereavement Services Manager advised that this work was progressing within the 2016/17 financial year.

Resolved:

That the budget proposals be noted and approved and that the forecasted level of reserves and balances at 31 March 2018 be noted.

11 Update Report on Cremator Replacement and Extension:

The Joint Committee considered a joint report of the Corporate Director, Regeneration and Local Services and Corporate Director, Resources and Treasurer to the Joint Committee which provided a progress update regarding the procurement of the replacement cremators and associated extension works to the crematorium (for copy see file of Minutes).

Further to agreement and the successful procurement of ATI, all surveys had now been undertaken on site. It was reported that the Coal Authority had identified possible mine workings underground and with such Direct Services had now included a contingency for the potential need for additional ground stabilisation works to be undertaken.

The Bereavement Services Manager advised that revised estimates for the scheme were £519,662 lower than the originally forecast, mainly due to more competitive prices being secured for the new cremators following the procurement exercise. In addition to this, the budget forecasted the Cremator Reserve balance to be £1,538,349 at 31 March 2018, £314,927 higher than the original forecast, which could be utilised to reduce the loan required.

The loan required from Durham County Council had subsequently reduced to £424,746, compared to the original forecast of £1,284,335 due to the above and therefore the repayment of the revised loan amount could now be spread over only 3 years instead of the initial 10 years proposed.

In conclusion he advised that work was expected to commence in February 2017 with ATI expected to be on site around September / October. Completion of the works would take place during November / December 2017.

Resolved:

That the content of the report and the current position with regard to the cremator replacement and extension be noted.

12 Any resolution relating to the exclusion of the public during the discussion of items containing exempt information

Resolved:

That under Section 100 A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the said Act.

13 External Audit Arrangements 2016/17 to 2018/19:

The Joint Committee considered a joint report of the Corporate Director Regeneration and Local Services and Corporate Director, Resources and Treasurer to the Joint Committee which informed Members of the soft market testing exercise for the external audit arrangements for the Mountsett Crematorium Joint Committee for the three financial years 2016/17 to 2018/19 and for Members to appoint a preferred audit firm (for copy see file of Minutes).

Resolved:

That the recommendation as contained within the report be approved.