

**North East Surrey Crematorium Board****4 December 2018****NORTH EAST SURREY CREMATORIUM BOARD****4 December 2018 at 10.00 am**

**MEMBERS:** Councillor Michael Ryder (Chair), and Councillors Rosemary Birchall and Vincent Galligan

**ABSENT** Councillor(s) Marsie Skeete, Pauline Cowper, David Simpson, Terry Walsh, Tony Belton, Graeme Henderson and Jean Crossby

**19. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Graeme Henderson and Councillor Terry Walsh, Councillor Skeet. Also absent were Councillor Belton and Councillor Crossby. Apologies for lateness was received from Councillor Cowper.

**20. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**21. MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 11 September 2018 were agreed as a correct record and signed by the Chair.

**22. REPORT OF THE TREASURER**

Mark Davies, the Treasurer to the Board presented the report and highlighted proposals on Fees and Charges, the Management Agreement Annual Budget, the Board's Annual Budget and the Distribution of Surplus and to provide an update on the work of the External Auditors in relation to the Annual Governance and Accountability Return for the Year Ended 31st March 2018.

He drew Members attention to the proposed increase of 3.3% for the standard cremation fee.

Councillor Rosemary Birchall highlighted the issue of overall cost of funerals and queried if we should be increasing the cremation charge. The Officer advised this is in line with inflation and is still less expensive than fees charged by other surrounding authorities. The Surveyor further advised Members that in the latest report on overall funeral costs these can be in the region of £4,000 and that the majority of that total fee is charged by the undertakers with the actual cremation fee making up a relatively small proportion.

In debate Members confirmed they would like to keep the reduced fee for early morning cremations and discussed that the usual inflation increase should be added to the current costs. Councillor Rosemary Birchall asked if the price before 10am could be kept the same

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and the officer responded that it was proposed that this would remain at 50% of the standard cremation fee.

In respect of the Management Agreement Annual Budget the Board was required to approve the annual budget. The Treasurer highlighted the revised budget is based on the assumption of 1950 cremations per annum increased from the original estimate of 1850. The overall Management Agreement budget for both 2018/19 and 2019/20 was increased largely due to cost of sales which was a direct consequence of the increase number of cremations and higher energy costs. The final point of note was the increase in the quarterly management fees to Enable from £875 to £1,000 per quarter. Councillor Vincent Galligan asked why this increase was 11% and asked what is included in that increase. The Officer responded accordingly and confirmed that in cash terms the increase was fairly modest.

In respect of appendix C the overall budget for the Board, the Treasurer pointed out the overall increase and confirmed that the largest increase is due to the increase cost of the Management Agreement as previously discussed. He also highlighted that an increase in income of more than 10% is expected due to the increase in the estimated number of cremations plus additional income from mercury abatement income. The Treasurer pointed out the delay to the ashes lawn programme. He also advised Members that balances are held at a higher level currently so that, should, the opportunity arise to purchase any additional land there would be funds available to do that.

In respect of the Boards Annual Budget and the distribution of the Surplus the Treasurer highlighted that in the past distribution would previously have stopped if there was a year of large expenditure. He advised the Board that in his view it would be prudent to build up a fund to replace the cremators again or to cover large expenditure items over a number of years to avoid having years of no distribution. Councillor Vincent Galligan agreed that this would be very sensible, and he would support this. Councillor Rosemary Birchall asked how long the cremators would last. The Surveyor advised that they should last for 15 - 20 years. He further commented that as an estimate they would cost about £1m to replace at current prices. The last replacement was just 2 years ago so there was considerable life left in the cremators. It was confirmed that surplus balances are held with Wandsworth Council who invest funds on behalf of the Board to generate interest income albeit at low interest rates given current market conditions.

The Treasurer provided an update on the work of the External Auditors and the Annual Governance and Accountability Return for the year ended 31 March 2018. He drew the boards attention to the External Auditors comment that they had picked up one "other matter" as detailed in paragraphs 5 and 6 of the report. This did not affect their overall opinion. The Board were advised that the internal auditor did not test Objective J as they believed the External Auditor would do that as part of the audit of the financial statements. The Treasurer advised that the Internal Audit work will be done later in the year so they can give assurance on this to satisfy the External Auditor in time for the next review.

**RESOLVED:** that the North East Surrey Crematorium Board

1. In relation to Appendix A, the Annual Review of Fees and Charges:
  - a. It be approved that the Fees and Charges will take effect from the 1st January 2019.

4.2 In relation to Appendix B, the Management Agreement Annual Budget:

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- a. The revised Management Agreement Annual budget for 2018/19 be approved; and
- b. The original Management Agreement Annual budget for 2019/20 be approved.

4.3 In relation to Appendix C, the Income and Expenditure Estimates and the Board's Annual Budget:

- a. the revised Income and Expenditure Estimates and the Board's Annual budget for 2018/19 be approved;
- b. the original Income and Expenditure Estimates and the Board's Annual budget for 2019/20; be approved and,
- c. it be approved that payments are to be made within these approved estimates.

4.4 In relation to Appendix D, the Distribution of Balances to Constituent Authorities:

- The distribution of £500,000 of its surplus balances in 2018/19 and the proposed distribution be approved.

4.5 In relation to Appendix E, the Conclusion of the External Audit for Year Ended 31st March 2018:

- The audited Annual Governance and Accountability Return for the year ended 31st March 2018 be approved; and accepted; and
- The comments of the external auditors be noted.

**23. EXCLUSION OF THE PRESS AND PUBLIC**

See below-

**24. REPORT OF THE SURVEYOR**

Clive Andrews, the Surveyor introduced the report, which provided an update on activities covering the quarter to December 2018 relating to the management agreement between North East Surrey Crematorium Board and Wandsworth Council and the responsibilities carried out by Enable Leisure and Culture. Members attention was drawn to the following points:

Business Level activity has increased by 13% and it is predicted that the number of cremations will be increased to over 2000 cremations for the year.

Performance Monitoring of Enable Leisure and Culture for quarter 1 year 4 (Nov 2018) was discussed. The Surveyor discussed the exempt report, and highlighted the need to resurface the pathways in the Garden of Remembrance over next couple of years. It was confirmed that the heat exchanger is now in place and being used to heat the crematorium, and buildings whilst the cremators are in operation and this is beneficial environmentally.

Councillor Vincent Galligan asked about burden sharing agreement and the Surveyor covered this in the action plan.

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Councillor Rosemary Birchall asked about efficiency rating of 78% and asked how that performance is compared to others. The Surveyor responded that this will improve the more the cremators are used and that once a certain temperature is reached they are very cost effective. So, if for example there are between 9 and 12 cremations during each day then the machines run more efficiently and the gas needs and costs reduce. This is due to the heat being built up and left on rather than the machines being turned on and off and left to get cold and then turned back on again.

In respect of action plan- Item 2 Tradeable Mercury Abatement burden Sharing Agreements the Board were advised that this will be discussed further in the new year. The Surveyor advised discussions are ongoing with a new proposed partner and if this comes to fruition this would be for tradeable mercury abatement cremations for the year 2019 and the calculations for this would be confirmed for payment to NESCB from January 2020. In respect of Item 3 regarding the ashes lawn it is hoped that the costing will be ready for the March meeting and the Surveyor advised he would like to send dates for Board Members to meet on site to look at the two options, in February, for a decision to be made in March 2019. The board members agreed they would like to go ahead with a site visit in February.

In respect of capital works It was highlighted to the board the provision of air conditioning in the crematorium chapel to help resolve the excessive temperatures in the summer months. Also highlighted was that the main drive lighting is to be improved. Councillor Vincent Galligan agreed this is needed for Health and Safety reasons and Members concurred with this.

In respect of the 2018 Carol Service. Councillor Rosemary Birchall asked why it will be conducted by a humanist minister. Barbara Ward (Bereavement Services Manager from Enable) advised that it is a multi-faith service and that the role of the minister is rotated between different faiths for each service.

Councillor Rosemary Birchall highlighted that for a Christmas Carol Service which is a Christian festival in her view it should be conducted by a Christian minister. The Bereavement Services Manager advised that rather than this being a Christian service it is an opportunity for remembrance of loved ones of all faiths.

Councillor Vincent Galligan asked if any of the previous attendees had raised this as an issue, and it was confirmed that no issues had been raised.

The Chair asked this be taken into consideration when planning future events.

#### **EXCLUSION OF THE PRESS AND PUBLIC**

Councillor Michael Ryder motioned that: That the public be excluded from the meeting for the remaining item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 Schedule 12A of the Local Government Act 1972.

This was seconded by Councillor Birchall

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**RESOLVED:** That 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 Schedule 12A of the Local Government Act 1972.

*All Members of the Public and Enable Staff left the room.*

Jo Shearer (Leisure and Culture Manager from London Borough of Wandsworth) outlined the Wandsworth report, which had already been published to Members about the new procurement of the contract and a copy of the public committee report was included in the agenda.

It was confirmed that the current contract runs to September 2019 and this has been extended by 6 months to March 2020 for the tender process to be completed. Following Wandsworth Council’s decision a presentation will be given to board in June 2019 so that the Board can make a decision on how they wish to proceed, and that an interim update would be provided in March 2019 if there is any new information available at that time.

**RESOLVED:** That this report as an overview of the Surveyors findings for the management of the crematorium in the past 3 months (October - December 2018) be noted.

**25. ANY URGENT ITEMS BROUGHT FORWARD AT THE DISCRETION OF THE CHAIR**

There was no urgent business.

**26. DATE OF NEXT MEETING AND PROPOSED MEETING DATES FOR 2019**

The next meeting of the Board will take place on Tuesday 12 March 2019 at 10am at London Borough of Sutton Civic Centre.

**RESOLVED** That: The following dates be agreed for the meetings in 2019

12 March 2019,

11 June 2019,

10 September 2019,

3 December 2019.

The meeting ended at 11.38 am

Chair: .....

Date: .....

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