



30 March 2011

Dear Sir/Madam

A meeting of the Bramcote Crematorium Joint Committee will be held on Thursday 7 April 2011 at the Bramcote Crematorium commencing at 6:30pm.

Yours faithfully

Chief Executive

To: Members of the Bramcote Crematorium Joint Committee  
Other members of the Council (for information)

### A G E N D A

1. APOLOGIES FOR ABSENCE/ATTENDANCE OF SUBSTITUTES

2. MINUTES

PAGES 1 – 2

The joint committee is asked to confirm as a correct record the minutes of the meeting held on 13 January 2011.

3. DECLARATIONS OF INTEREST

- i) Personal
- ii) Prejudicial

4. ANNUAL GOVERNANCE STATEMENT

PAGES 3 – 7

To consider the draft 2010/11 Annual Governance Statement and approve its inclusion as part of the 2010/11 accounts.

5. CHANGES TO ACCOUNTS AND AUDIT REGULATIONS PAGES 8 – 10

To inform members of proposed changes to the Accounts and Audit Regulations.

6. CAPITAL INVESTMENT PROGRAMME UPDATE PAGE 11

To provide an update on the capital investment programme for the crematorium.

7. PERFORMANCE MANAGEMENT 2010/2011 PAGES 12 – 14

To advise the joint on the performance levels for the crematorium for 2010/2011.

8. EXCLUSION OF PUBLIC AND PRESS

**The joint committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act.**

9. OUTCOME OF THE TENDERING PROCESS FOR THE NEW WAITING ROOM, NEW FLOWER VIEWING AREA AND NEW BOOK ROOM PAGES 15 – 17

# BRAMCOTE CREMATORIUM JOINT COMMITTEE

13 JANUARY 2011

Broxtowe Borough Council:

Councillors M Radulovic MBE, Chair  
R I Jackson

Erewash Borough Council:

Councillors C G Corbett  
J Hulls  
G B Smith

An apology for absence was received from Councillor S Heptinstall MBE.

1. MINUTES

The minutes of the meeting held on 29 September 2010 were confirmed and signed.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. SUGGESTIONS FOR SCRUTINY

Members considered specific areas for scrutiny.

**RESOLVED that the following potential items for scrutiny be submitted to the Overview and Scrutiny Committee for consideration within their work programme:**

1. **To scrutinise and develop plans for the further integration of Broxtowe and Erewash bereavement services at Bramcote Crematorium**
2. **To review the appropriateness of the present chapel names, and to propose alternatives for the joint committee to consider**
3. **To review the use of, and future for, Pamela Cottage**
4. **To consider the impact of emerging environmental legislation**

4. CAPITAL INVESTMENT PROGRAMME UPDATE

The joint committee noted an update on the capital investment programme for the crematorium. Tenders for the new main chapel waiting room, enlarged room for the Book of Remembrance and new flower viewing area were being invited at the end of January, with works expected to commence in Easter 2011. Members requested to be kept informed of progress. The internet

broadcasting of services had experienced a series of delays and was now undergoing testing.

5. REVENUE ESTIMATES 2010/11 AND 2011/12

The joint committee considered the proposed revenue budget for the financial year 2011/12, together with the revised estimate for the current year.

**RESOLVED that:**

1. **The revised estimate for 2010/11 and the base estimate for 2011/12 as submitted at appendix 2 be approved.**
2. **An amount of £1,000 be provided to cover inflation during 2011/12.**
3. **An amount of £15,000 be provided to cover revenue developments as outlined in appendix 3 of the report.**
4. **The fees and charges as detailed in appendix 4 be implemented.**
5. **An amount of £200,000 be distributed to each of the constituent authorities in 2011/12.**

6. MEDIUM TERM FINANCIAL STRATEGY TO 2013/14

Members considered the medium term financial strategy through to 2013/14 and made no comments.

**RESOLVED that the medium term financial strategy for Bramcote Crematorium be approved.**

7. BRAMCOTE CREMATORIUM CHRISTMAS SERVICE OF REMEMBRANCE

The joint committee noted the customer feedback on the Christmas Service of Remembrance held on Sunday 5 December 2010. Members passed on their thanks to all those involved in making the service a success. The next service was scheduled for 17 April 2011.

It was noted that there would be no open day scheduled for 2011 due to planned building works.

8. PERFORMANCE MANAGEMENT 2010/2011

Members noted the performance levels for the period 1 April 2010 to 30 November 2010.

## Report of the Treasurer

**ANNUAL GOVERNANCE STATEMENT**1. Purpose of the report

To consider the draft 2010/11 Annual Governance Statement and approve its inclusion as part of the 2010/11 accounts. This is in accordance with the service objective of providing efficient arrangements for funeral directors and clergy which meet the needs of their service users at a reasonable cost.

2. Background

The Annual Governance Statement forms part of Bramcote Crematorium Joint Committee's accounts and the proposed annual governance statement for 2010/11 is attached as an appendix. The format and information to be included accord with guidance given in the Code of Practice on Local Authority Accounting in the UK. It is considered good practice that the annual governance statement be considered separately from the statement of accounts.

Given the joint committee's responsibilities for corporate governance, and that it will be considering the accounts outturn for 2010/11 at its meeting on 16 June 2011, it is considered appropriate to review the Annual Governance Statement at this meeting and make any recommendations before it is included within the 2010/11 accounts.

The Annual Governance Statement has been prepared after consultation with the Chief Executive of Broxtowe Borough Council, the Treasurer, the Head of Built Environment and Chief Audit and Control Officer at Broxtowe Borough Council and the Crematorium Manager. It will need to be signed by the Chief Executive and the Chair of the Joint Committee.

**Recommendation**

**The joint committee is asked to RESOLVE that the draft annual governance statement be approved as part of the 2010/11 accounts.**

Background papers

Nil

## DRAFT ANNUAL GOVERNANCE STATEMENT

### **Scope of Responsibility**

The Bramcote Crematorium Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. It also has a responsibility under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness.

In discharging this responsibility the joint committee is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

Broxtowe Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code can be found on its website at [www.broxtowe.gov.uk](http://www.broxtowe.gov.uk) or can be obtained from Broxtowe Borough Council, Council Offices, Foster Avenue, Beeston, Nottingham NG9 1AB. This statement explains how the joint committee has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and the Accounts and Audit (England) Regulations 2011 in relation to the publication of a statement on internal control.

### **The Purpose of the Governance Framework**

The governance framework comprises the systems and processes and culture and values, by which the Bramcote Crematorium is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the crematorium to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Bramcote Crematorium's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Bramcote Crematorium for the year ended 31 March 2011 and up to the date of approval of the accounts.

## **The Governance Framework**

The governance framework supports the Bramcote Crematorium in establishing, implementing and monitoring policies and objectives. The key elements of the governance framework are:

- Policy and decision making is facilitated through equal, all party membership of the committee with membership being drawn from the cabinet/executive of the constituent authorities, assisted by representation from a number of independent people. The joint committee introduced a new performance management framework during 2004/05 and this has continued to operate throughout 2010/11.
- A new constitution became effective from 1 September 2006. Broxtowe Legal Officers are providing legal advice and assistance.
- Risk management is conducted in accordance with the risk management policy and strategy statement of Broxtowe Borough Council. These were last updated and approved in April 2010. Strategic and day-to-day risks are considered by the Council's Strategic and Operational Risk Management Groups respectively. The medium term financial strategy, considered at the meeting on 13 January 2011, includes a risk assessment of the main items of income and expenditure.
- Financial management is undertaken by the Treasurer of the joint committee in accordance with the standing orders and financial regulations of Broxtowe Borough Council and through reviews conducted by the Internal Audit Division of Broxtowe Borough Council. Additional financial monitoring reports are submitted to meetings of the joint committee as part of the performance management framework.
- Performance monitoring is undertaken through the comparison of cremation numbers with other crematoria. Further, more extensive performance information has been introduced through the new performance management framework and submitted to meetings of the joint committee throughout the year.

## **Review of Effectiveness**

The joint committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers from both Broxtowe and Erewash Borough Councils, who have responsibility for the development and maintenance of the governance environment, Broxtowe Borough Council's Chief Audit and Control Officer's annual report and by comments made by the external auditors.

A review was conducted and a report was presented to the joint committee in October 2004 on the overall control environment. This established the basis for the current performance management framework.

In addition, further work has been undertaken in response to external audit recommendations and through questions being asked of the Treasurer, the Crematorium Manager, the Chief Executive, the Chief Audit and Control Officer and the Head of Built Environment at Broxtowe Borough Council in a review of the system of internal control.

The two constituent authorities are equally represented on the joint committee by executive members from the respective authorities. An effective scrutiny function is in operation whereby each authority's scrutiny committees scrutinise the work of the joint committee.

An internal audit was last concluded at Bramcote Crematorium in September 2009 to evaluate the effectiveness of procedures and test the key operational and managerial controls. The audit also sought to confirm that there were adequate internal controls in place to provide assurance that operations were properly accounted for in line with Standing Orders and Financial Regulations.

The Chief Audit and Control Officer reported that Bramcote Crematorium had an appropriate framework for the day-to-day administration of operations and that the controls within the system provided substantial assurance that risks material to the achievement of the system's objectives were adequately managed. No significant issues or errors, fraud or irregularities were identified by the internal audit.

#### Significant Governance Issues

The review of the system of internal control and the wider governance arrangements in existence at Bramcote Crematorium has identified that the following improvements are necessary in order to maintain an effective governance environment:

1. Continue to provide interim financial and performance monitoring reports to the joint committee.
2. Monitor any changes to the governance framework arising from possible changes to the arrangements for the administrative affairs and the responsibilities of the joint committee.
3. Review the position with regard to Bramcote Crematorium's relationship with Broxtowe and Erewash Borough Councils within the group accounts for both councils in accordance with Financial Reporting Standard (FRS) 9 on Associates and Joint Ventures and FRS5 – reporting the substance of transactions.
4. Undertake scrutiny arrangements at the two constituent authorities in line with the topics suggested at a previous meeting.
5. Ensure detailed consideration of all legal, financial and operational issues is undertaken as part of the consideration of an integrated bereavement service for Erewash and Broxtowe Borough Councils.

We propose over the coming year to take steps to address the above matters to further enhance the Bramcote Crematorium's governance arrangements. We are

satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....

Signed.....

Chief Executive (Broxtowe B.C.)  
April 2011

Chair of the Joint Committee  
April 2011

## Report of the Treasurer

**CHANGES TO ACCOUNTS AND AUDIT REGULATIONS**1. Purpose of report

To inform members of proposed changes to the Accounts and Audit Regulations. This is in accordance with the cross cutting theme of cost effectiveness.

2. Background

The government has recently announced revisions to and consolidation of matters contained within the Accounts and Audit Regulations 2003. The changes will come into effect on 31 March 2011 and will apply to the preparation, approval and publication of the 2010/11 accounts. The main changes within the new regulations are set out in the appendix.

3. Impact on the Crematorium Joint Committee

As part of the new regulations the crematorium joint committee has the option of being regarded as a smaller or larger relevant body. More detail on the options is given in the appendix.

With either option consideration of the review of internal control and approval of the statement of internal control would continue to be brought to this committee in March/April each year. This statement will no longer be part of the statement of accounts although it will accompany the published accounts.

The Treasurer has felt for some time that the audit of the accounts and the work to produce the full financial statements is out of line with the size of the crematorium's activities generally and is almost duplicated by the work that goes on to audit the financial statements of the two constituent authorities. In principle therefore it is recommended that the crematorium opt for the smaller relevant body status. This should not diminish in any way the information given to members of the committee as to the outturn position.

**Recommendation**

**The joint committee is asked to RESOLVE that the joint committee opt for smaller relevant body status under the Accounts and Audit (England) Regulations 2011.**

Background papers

Nil

**APPENDIX****Main changes to Accounts and Audit regulations**

1. The threshold of so called “smaller relevant bodies” has been raised from the current £1 million to £6.5 million (in line with Companies Act requirements). Smaller relevant bodies are permitted to prepare simpler published accounts and are subject to less demanding procedural requirements. This change will allow simpler accounts to be prepared for the Bramcote Crematorium Joint Committee if the committee so wish. Alternatively the committee can continue with the current arrangements and prepare a full set of accounts.
2. In order to align more with practices in the private sector where directors/board members are aware of the findings of the audit before they approve the accounts, it is proposed to change the practices applicable to larger relevant bodies such as local authorities (and the crematorium if it wishes to still be regarded in this way). The proposed new procedure is as follows:
  - No later than 30 June following the financial year end the responsible financial officer must certify the presentation of the annual accounts in accordance with the current requirements of regulation 10 (2)
  - The annual accounts must be published with the audit opinion and certificate, and before that must have been approved by members
  - The body must use its best endeavours to secure approval and publication by no later than 30 September
  - The responsible financial officer must certify the presentation of the annual accounts before member approval is given.
3. Current regulations require publication of details of employees earning more than £50,000 per annum within the statement of accounts. Some clarification as to how these regulations are applied is to be given.
4. The statement on internal control is not audited and is not therefore to be strictly part of the published statement of accounts but is to accompany it.

**Options arising from the changes****Option 1 – smaller relevant body**

As a smaller relevant body the committee would not receive the full set of accounts as at present but would be required to approve the annual return before 30 June each year. In practice this annual return would be accompanied by a covering report for the committee setting out the outturn position in more detail as compared with the estimate. If the audited return was different from the submitted return then any changes would be reported back to the committee in due course. This simplified approach would result in a significant reduction in audit fees, although the exact figure is not known.

One complication with this approach arises from the fact that at present the crematorium's accounts have to be split 50:50 between Broxtowe and Erewash councils and subsequently incorporated into the local authorities own accounts (which are of course still to be maintained in full as a larger body). This may cause some complications and lead to effectively the accounts almost being prepared in both ways. Officers are looking into ways, in consultation with the external auditors, in which the incorporation into the accounts of the two constituent authorities can be simplified to get around this problem.

Option 2 – larger relevant body

Apart from the changes mentioned at section 2 above as to, for example, the dates and manner in which the statement of accounts is approved, this option would not represent any material change from what is happening at present.

**Report of the Director of Environment**

**CAPITAL INVESTMENT PROGRAMME UPDATE**

1. Purpose of the report

To provide an update on the capital investment programme for the Crematorium. This is part of providing professional, compassionate and sensitive bereavement services.

2. Detail

Members will recall the original capital investment report brought to the 7 April 2009 meeting of the Bramcote Crematorium Joint Committee.

The car park extension works were completed in August 2009, a comprehensive signing scheme was completed in November 2009, a replacement standby generator was also commissioned in November 2009, new external lighting was completed in December 2009, associated landscaping works were completed in February 2010 and a new roadway adjacent to the main chapel exit was completed in June 2010.

The £400,000 programme to install mercury abatement equipment was completed in October 2010 and has recently successfully passed all of its emissions tests. The completion of this has led on to some essential remedial work to the crematory, and control room areas. This work has started and will be concluded soon.

Tenders have just been returned for further capital works (a new waiting and flower viewing area for the main chapel; and the creation of an enlarged room for the Book of Remembrance). This is the subject of a separate report on this agenda.

Internet broadcasting is now in its test phase and a verbal update will be provided at this meeting.

**Recommendation**

**The joint committee is asked to NOTE the report.**

Background papers

Nil

## Report of the Crematorium Manager

**PERFORMANCE MANAGEMENT 2010/2011**1. Purpose of report

To advise the joint committee on the performance levels for the crematorium for 2010/11 in accordance with the service objective of providing efficient arrangements for funeral directors and clergy, which meet the needs of their service users at a reasonable cost.

2. Detail

At a meeting of 17 October 2004, the joint committee approved a new performance management framework, which enabled performance for the current year to be assessed against the budget.

The attached appendix sets out the performance for the period 1 April 2010 to 28 February 2011 as compared with the budget for the corresponding period.

**Recommendation**

**The joint committee is asked to NOTE the performance levels for the period 1 April 2010 to 28 February 2011**

Background papers

Working papers

## BRAMCOTE CREMATORIUM – BUDGET / PERFORMANCE MONITORING REPORT 2010/11

Budget / Indicator	Revised Estimate 2010/11	Estimate to February 2011	Actual to February 2011	Variance against estimate	Latest Projection 2010/11	Comments
<u>Key Expenditure Budgets:</u>						
Salaries	320,850	302,450	318,537	16,087	335,000	Actual Job Evaluation costs were £11,000 higher than anticipated.
Repairs and Maintenance	40,700	38,400	26,876	(11,524)	37,000	General repairs to the cremators are lower than expected when compared to previous years.
Fuel and Light	88,500	81,150	62,401	(18,749)	74,200	Electricity invoices for December and March 2009/10 still remain outstanding together with April and June invoices for 2010/11. In addition gas invoices are lower than expected.
Rates and Water	71,800	71,450	71,800	350	71,800	
Book of Remembrance	8,000	6,700	6,947	247	8,000	
Medical Referee Fees	46,800	42,600	41,314	(1,286)	46,800	
Revenue Developments	399,700	378,800	381,558	2,758	402,400	
<u>Performance Indicators:</u>						
- Cremation Fee Income	(1,133,600)	(952,200)	(941,368)	10,832	(1,177,200)	
- Income from Sales	(1,300)	(1,200)	(1,023)	177	(1,300)	
- Book of Remembrance	(19,000)	(17,100)	(19,103)	(2,003)	(20,000)	
Memorials						
- Income from Sales	(18,000)	(16,200)	(16,983)	(783)	(20,000)	

## BRAMCOTE CREMATORIUM – BUDGET / PERFORMANCE MONITORING REPORT 2010/11

Budget / Indicator	Original Estimate 2010/11	Estimate to February 2011	Actual to February 2011	Variance against estimate	Latest Projection 2010/11	Comments
<u>Performance Indicators:</u>						
Percentage of undisputed invoices paid within 30 days.	96%	96%	95%	1%	95%	
Percentage of cremation fees received by the end of the month following that in which income was raised.	96%	96%	95%	1%	95%	
Number of complaints.			0			
Number of compliments			12			
<u>Usage Information</u>						
Cremation numbers	2,600	2,350	2,466	116	2,700	
Book of remembrance – number of entries			245			
Memorials – number of sales			90			