

Agenda



Greater Gwent Cremation Joint Committee

Date: Wednesday, 26 May 2021

Time: 10.00 am

Venue: Via Teams

To: Councillors J Taylor (Chair), Councillor R Jeavons, J Hughes, S Evans, K Williams, J Pratt, J Simmonds, C Meredith and M Moore

Item		Wards Affected
1	<u>Apologies for Absence</u>	
2	<u>Declarations of Interest</u>	
3	<u>Minutes of the Previous Meeting</u>	
4	<u>Draft Accounts Report 2020/21 (Pages 3 - 12)</u>	All Wards
5	<u>Facilities Management</u> To receive an oral update from the Newport Norse representative	
6	<u>Funeral Director's Report</u> To consider any issues raised by local Funeral Directors	
7	<u>Manager's Report (Pages 13 - 14)</u>	

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Report

Greater Gwent Crematorium Joint Committee

Part 1

Date: Wednesday 26th May 2021

Subject Draft Accounts Report 2020/21

Purpose To confirm the out-turn for the Crematorium service / Joint Committee and approve the resulting 'Annual Return' for 2020/21, prior to audit

Author Joanne Hazlewood

Ward General

Summary To provide the Committee with the 'Annual Return' draft accounts for 2020/21 and explanation of the more significant variances from budget

Appendix:

Appendix 1 Annual Return 2020/21

Appendix 2 Summary out-turn analysis and key variance

Proposal Members are asked to receive and approve the draft accounts position, and note that a distribution of £950,000 was made to Councils as agreed, in line with budget expectations.

Action by Head of Finance

Timetable Draft annual return to be approved by Committee by 31 May, prior to Audit.

This report was prepared after consultation with:

- Head of Finance

Signed

Background

At the last Committee meeting held in January, the projected out-turn was £171k in deficit. This was reported based on the downfall in income levels to budget, throughout the year, and the increasing premises related costs, due to essential cremator repairs/maintenance. The Committee agreed to maintain a distribution of £950,000, and to fund any deficit from the Committee's balances, if required.

The draft out-turn position is showing a surplus of £63,028, and the variance to forecast has come about by increasing levels of income in the last quarter of the year, but also the forecast in January was including the year end accrual adjustment that took out March income, paid in April.

Appendix 2 highlights the variance between draft out-turn position and budget, which showed a surplus of £149,249. Overall compared to the previous year, income levels are still lower, despite there being a pandemic. The additional premises costs incurred during the year, can be attributed to £56k to install a new roof. This expenditure was approved by Committee, as part of the overall programme of required works, and has reduced the overall surplus, and therefore the Committee's balances. The underspend in supplies and services, is due to there being no purchase of stone burial memorials within the financial year.

Risks

The accounts are prepared in accordance with required codes of practice and notes relating to risks are included where appropriate

Links to Council Policies and Priorities

The overall aim of the recommendation is to ensure that reserve levels can continue to support the delivery of the Cremation service, and protect the financial health of the service.

Options Available and considered

The out-turn position shows that after making a distribution of £950,000 the surplus will increase balances by £63,028, to a total of £1,437,303 going forward into 21/22. The overall distribution to Councils will have been made in accordance with agreed budget expectations.

The Committee has the following options available:

- a) Agree a distribution of the additional surplus of £63,028
- b) Increase balances held by the Committee by £63,028

Preferred Option and Why

The preferred option is to increase the balances held by the Committee, to enable the ongoing programme of essential works, previously agreed by Committee.

Comments of Chief Financial Officer

It is pleasing to note the improved position resulting from increased income in the last quarter of the financial year which will mean that no drawdown from reserves are required to fund the distribution of surpluses to Councils at budgeted levels.

A relatively small increase in reserves levels will be achieved from the position as shown and given the already good level of reserves, the Committee could agree to distribute this as an additional distribution though the amounts per Authority would be very small. On balance therefore, it would also be reasonable to retain this and increase reserve levels and the Committee could review this again by way of a 'higher than budgeted' distribution in 2021/22, taking account of the financial position / forecasts when that is being considered as well as further understanding of the improvements / maintenance of the crematorium.

Comments of Monitoring Officer

There are no legal issues arising from this report

Comments of Head of People and Business Change

There are no HR or People and Business Change related matters arising from this report.

Comments of Cabinet Member

It is pleasing to note the surplus position at year end

Local Issues

n/a

Scrutiny Committees

n/a

Equalities Impact Assessment and the Equalities Act 2010

n/a

Children and Families (Wales) Measure

n/a

Wellbeing of Future Generations (Wales) Act 2015

In the main, this is not applicable as the accounts are a backwards looking document, reporting on facts as at 31st March 2021. In saying this, the Committee are mindful of the Act when considering financial issues and the reserves and provisions in the Crematorium accounts and how these contribute to the achievement of the Act, in particular securing financial resilience and managing risks.

Crime and Disorder Act 1998

n/a

Consultation

n/a

Background Papers

n/a

Accounting statements 2020-21 for:

Name of body: **GWENT CREMATION COMMITTEE**

	Year ending		Notes and guidance for compilers
	31 March 2020 (£)	31 March 2021 (£)	
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	1,236,346	1,374,275	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	2,052,561	1,948,531	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	317,409	323,414	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	5,000	5,000	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	1,592,223	1,557,089	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,374,275	1,437,303	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
Statement of balances			
8. (+) Debtors	109,956	118,460	Income and expenditure accounts only: Enter the value of debts owed to the body.
9. (+) Total cash and investments	1,261,449	1,321,746	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	140,719	2,903	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	1,374,275	1,437,303	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	2,307,326	2,307,326	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	425,284	372,124	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement (Part 1)

We acknowledge as the members of the Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2021, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref
	Yes	No*		
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit.	6, 23
<p>5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Committee and, where appropriate, have included them on the accounting statements.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Additional disclosure notes*

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1.

2.

3.

* Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement.

Committee approval and certification

The Committee is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Committee, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2021.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference:
RFO signature:	Minute ref:
Name: Meirion Rushworth	Chair of meeting signature:
Date: 26 th May 2021	Name:
	Date: 26 th May 2021

Auditor General for Wales' Audit Certificate and report

I report in respect of my audit of the accounts under section 13 of the Act, whether any matters that come to my attention give cause for concern that relevant legislation and regulatory requirements have not been met. My audit has been conducted in accordance with guidance issued by the Auditor General for Wales.

I certify that I have completed the audit of the Annual Return for the year ended 31 March 2021 of:

GWENT CREMATION COMMITTEE

Auditor General's report

Audit opinion

[Except for the matters reported below]* On the basis of my review, in my opinion no matters have come to my attention giving cause for concern that in any material respect, the information reported in this Annual Return:

- has not been prepared in accordance with proper practices;
- that relevant legislation and regulatory requirements have not been met;
- is not consistent with the Committee's governance arrangements; and
- that the Committee does not have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Other matters arising and recommendations

I draw the Committee's attention to the following matters and recommendations which do not affect my audit opinion but should be addressed by the body. / There are no further matters or recommendations that I wish to draw to the Committee's attention.*

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

Annual internal audit report to:

Name of body: GWENT CREMATION COMMITTEE

The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2021.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NOT COVERED. LAST INTERNAL AUDIT WAS UNDERTAKEN DURING 2016/17.
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
8. Asset and investment registers were complete, accurate, and properly maintained.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SEE ABOVE
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
11. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SEE ABOVE
12. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
13. Insert risk area	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

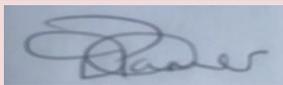
~~[My detailed findings and recommendations which I draw to the attention of the Committee are included in my detailed report to the Committee dated _____.]~~ * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Committee's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2019-20 and 2020-21. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: DONA PALMER

Signature of person who carried out the internal audit:



Date: 10/05/21

Dated: 26th May 2021

APPENDIX 2 – OUT-TURN SUMMARY ANALYSIS

	Approved Estimate 2020/21 £	Forecasted Out turn JANUARY COMMITTEE £	ACTUAL OUT TURN 2020/21 £	Variance Actual v Budget
INCOME	-2,003,438	-1,672,325	-1,948,531	54,907
Employees	327,587	313,322	323,414	-4,173
Premises	342,226	416,418	420,007	77,781
Transport	1,010	400	382	-628
Supplies & Services	180,205	110,070	138,539	-41,666
Capital Financing	53,161	53,161	53,161	0
EXPENDITURE	904,189	893,371	935,503	31,314
(SURPLUS)/DEFICIT	-1,099,249	-778,954	-1,013,028	86,221
Budgeted Distribution	950,000	950,000	950,000	0
Additional (Surplus)/Deficit to Balances	-149,249	171,046	-63,028	86,221

Reserves Balances	
b/f into 2020/21	-1,374,275
surplus in 2020/21	-63,028
c/f into 2021/22	-1,437,303

Manager's Report

Statistics

MEMORIAL SALES

MONTH	VASE BLOCKS	SANCTUM VAULTS	LEASE RENEWALS – vase blocks	LEASE RENEWALS - vaults
JANUARY	5	1	5	0
FEBRUARY	0	1	13	0
MARCH	2	0	5	1
APRIL	0	0	3	0
MAY	1	2	3	4
JUNE	3	1	16	0
JULY	3	2	6	0
AUGUST	4	3	7	0
SEPTEMBER	3	1	8	0
OCTOBER	2	1	4	0
NOVEMBER	0	1	3	3
DECEMBER	2	3	1	0
JANUARY	2	3	12	1
FEBRUARY	7	2	6	0
MARCH	6	0	12	3
APRIL	3	2	4	3

CREMATIONS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Jan	241	211	233	246	268	240	262	278	220*	254	278	254	283
Feb	225	197	211	254	258	243	262	254	200*	268	256	226	262
Mar	148	196	204	230	299	277	287	241	267	279	249	235	253
Apr	111	223	178	237	229	268	245	222	268	237	193	229	222
May		240	195	219	266	266	230	234	274	270	232	198	204
Jun		140	150	164	260	264	241	239	218	193*	232	235	206
Jul		91	212	186	219	211	237	257	211	175*	204	208	205
Aug		98	165	176	236	244	187	206	183	168*	241	198	191
Sep		149	181	173	228	228	232	204	194	158*	221	218	204
Oct		141	206	193	240	224	225	243	234	186*	233	232	225
Nov		186	169	190	251	239	249	222	226	176*	220	219	212
Dec		215	197	166	191	244	266	248	200	182*	234	227	238
	725	2087	2301	2434	2945	2948	2913	2848	2695	2546*	2793	2679	2705

Website

In the past 28 days to date, there have been approximately 14000 views of the crematorium web pages.

Maintenance Issues

One of the emissions abatement streams is currently out of action due to a major internal water leak in the heat exchanger. Following advice the heat exchanger is being replaced in its entirety. This is due to be started on 26th June. Unfortunately, because of the need for heavy lifting gear on site, and the anticipated noise levels during the works, no services will be available on 28th and 29th June.

Installation of Audio-Visual Equipment

The installation of equipment to allow visual tributes during services has been arranged. This will be combined with a full upgrade of the sound system, giving a better experience for families in the chapel, and improving the sound levels for any people gathered outside the chapel. A second microphone will also be introduced, so that there will be no need for people giving eulogies to share a lectern with celebrants.

Dates for installation have not yet been finalised, due to supply issues with some of the specialist equipment required.

Service Times

Because of issues with demand, it has not been possible until now to offer service times longer than 20 minutes without creating a backlog of services, to the detriment of families. However, since the provision of crematoria in the area has increased and demand has decreased.

When the crematorium first opened, the normal procedure was that a funeral service would take place in church or chapel, and then the crematorium was used as only a place for committal of the body. The increased secularisation of society has changed this practice and far more funeral services are held solely at the crematorium. The content of funeral services has also become more diverse and complex, and twenty minutes is simply not adequate.

It is proposed that the service times should initially be changed to 45 minutes within each hour. This will also give additional time to enable thorough cleaning of the chapel and preparation for the next service. However, there needs to be some flexibility in the initial arrangements to allow for unforeseen operational issues.