

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting16th November 2017

1. Title of Item/Report

Additional Borrowing Associated with a Crematorium with Two Chapels

2. Record of the Decision

Consideration was given to a report that sought approval, to build a second chapel at the crematorium and to incur the additional Prudential Borrowing required.

The decision to build and manage the Council's own Crematorium was approved by Cabinet on 20 April 2017 and then by Council on 3 May 2017. Prudential borrowing was agreed for up to £6.35m which would provide a facility, two cremators and one chapel.

Since the project began officers had had further opportunity to collect examples of best practice from other operators of crematoria around the UK, seek further views of a range of service users and agencies, as well as firm up on construction costs and consider demand and disruption.

As the project had developed, best practice had been sought and information and views from service users and agencies had been gathered. As a result it had been established that many people choose to have a smaller service as they may prefer that only a small circle of friends or relatives attend the crematorium and this would be difficult to accommodate from a single chapel, albeit it was acknowledged that some modification to the single chapel could be made to accommodate more intimate Services.

As part of the intensive research into national best practice, Officers visited many locations which included a visit to Rainsbrook Crematorium (Rugby Borough Council & Daventry District Council), opened in April 2014 with two chapels – one seating 120, the second seating 50 mourners which were the similar numbers as those proposed for Stockton.

Following further consultation, the Crematorium Manager had confirmed that since opening the bookings for each chapel had remained a 50/50 split. Bookings for the smaller chapel were predominantly driven by the

customer's personal choice and those who simply want a committal service.

Two chapels would provide more availability and / or double the amount of 'preferred times' i.e. consider large chapel with services every hour, smaller chapel on the half hour which would prevent delays.

In addition it had been established that there may be times when committal only services were required. This was when the funeral service may take place at the families own place of worship with a short committal service in the crematorium chapel – potentially a service of this nature would take 10 minutes, yet we would be tying up the large chapel for 45 minutes. (As with all funerals, the reception of the coffin in the committal room and its introduction into a cremator can be witnessed by prior arrangement).

Direct cremation was also becoming more popular. This when the body of the person who had died was cremated (or buried) without a funeral ceremony.

Funeral poverty was also becoming more of an issue, one in seven people were experiencing financial difficulty when paying for a funeral. Alternative services which treat all people with dignity and respect needed to be provided.

The introduction of a second chapel would allow progress the services above and provide customers with flexible and varied service options to meet need.

The work that had been done in preparation for Stockton's own Crematorium had involved a significant amount of research both through contact with the Institute of Cemeteries and Crematoria (ICCM), benchmarking visits to other providers (ran by LA's and the private sector) as well as using the services of an experienced Consultant.

This work had confirmed that the business case stacked up for Stockton, both in terms of meeting the needs of the communities as well as from a financial payback model. It was acknowledged that the maximum operating capacity of a single chapel is 1668 cremations per year (based on 33 cremations per week from 9.15am through to 4.00pm every day). For information, Teesside Crematorium currently undertakes 2932 cremations (figures as at 2014).

In preparing the original business case it was felt that it would be several years before this maximum was exceeded. Figures issued by the Office of National Statistics however, had revealed that this could be sooner

than we had originally expected. These figures related to the number of deaths in the Borough so did not reflect decisions around burial or cremation (although cremation was by far the most popular 81% favouring this currently), nor do they reflect decisions about service level or location. Nonetheless, it was expected that the maximum could be reached as early as year 8.

Once exceeded a second chapel would need to be built. Current estimates were this would cost circa £1m. The Council could wait to do this until it had been delivering the service for a period which would help to firm up usage numbers, however this would incur additional cost and would disrupt the service.

If the Council were to install the second chapel after the initial build it would incur an additional 40% cost i.e. circa £1.4m rather than £1m and it would lose the opportunity in the early years, of the differing service levels outlined above.

In addition there would be significant risks in relation to business continuity due to the scale of works associated with the retro fitting of a second chapel. It may be necessary to close the facility for a period of time. If it was possible to keep the facility open whilst undertaking the works, it was likely that some disruption to customers may occur. It was also noted that there was risk of some reputation damage, if Stockton had failed to future proof the facility by adding on a second chapel less than 10 years after it was opened.

Given the above it was recommended that the second chapel be built as part of the initial build. Additional borrowing of £1m was required. This would mean an additional annual cost of £66k per year (including some additional running costs), which could be accommodated within the surplus outlined in the original report to Council (£1.87m by year 10). Given the additional capacity it was expected that the surplus would be higher.

RECOMMENDED to Council that the construction of a second chapel be supported with associated increase in prudential borrowing, to ensure that Stockton's Crematorium provides flexible service levels and is future proofed continuing to serve the needs of our community now and in the years to come.

3. Reasons for the Decision

A single chapel will be sufficient to service around 1600 cremations per annum and it is anticipated that this figure will be achieved between Years 8-10. We would need to provide a second chapel at that time if we

were to effectively deal with demand, although it should also be noted that many families would prefer a smaller, more intimate chapel as opposed to would be a larger 150 seat facility. By providing a second chapel during the initial construction stages, we are not only ensuring that we have a facility that can serve our communities well into the future, but we are also satisfying customer needs in terms of service size from the initial opening.

4. Alternative Options Considered and Rejected

None.

5. Declared (Cabinet Member) Conflicts of Interest

None.

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

N/A

Proper Officer
20 November 2017