

AGENDA ITEM

REPORT TO COUNCIL

21 NOVEMBER 2017

**REPORT OF SENIOR
MANAGEMENT TEAM**

ADDITIONAL BORROWING ASSOCIATED WITH A CREMATORIUM WITH TWO CHAPELS

SUMMARY

The purpose of this report is to seek approval, to build two chapels rather than one at the crematorium and to incur the additional Prudential Borrowing required.

RECOMMENDATION

1. To support the construction of a second chapel 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.

BACKGROUND

1. 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.
2. Since the project began officers have 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.

DETAIL

Further Input from Best Practice, Service Users and Agencies

3. As the project has developed we have continued to seek best practice information and views from service users and agencies. As a result we have 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 is acknowledged that some modification to the single chapel can be made to accommodate more intimate Services.
4. As part of our 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 are the similar numbers as those proposed for Stockton.
5. Following further consultation, the Crematorium Manager has confirmed that since opening the bookings for each chapel have remained a 50/50 split. Bookings for the smaller chapel are predominantly driven by the customer's personal choice and those who simply want a committal service.

6. 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 will prevent delays.
7. In addition we have established that there may be times when committal only services are required. This is 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).
8. Direct cremation is also becoming more popular. This when the body of the person who has died is cremated (or buried) without a funeral ceremony. Direct cremation are for:
 - Families who, in-line with their belief and values, do not need to have a formal public ceremonial funeral at which the body of the person who has died is present;
 - People who cannot afford a traditional funeral.

Family do not visit the person who has died in the funeral home/hospital mortuary. They do not choose the day/time of the cremation/burial. There is no hearse, no procession and no service. The body goes directly to be cremated or buried without ceremony and without anyone else there.
9. Funeral poverty is also becoming more of an issue, one in seven people are now experiencing financial difficulty when paying for a funeral. Alternative services which treat all people with dignity and respect need to be provided.
10. The introduction of a second chapel would allow us to progress the services above and provide customers with flexible and varied service options to meet need.

Demand and Disruption

11. The work that has been done in preparation for Stockton's own Crematorium has 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.
12. This work has confirmed that the business case stacked up for Stockton, both in terms of meeting the needs of our own communities as well as from a financial payback model. It is 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).
13. 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, have revealed that this could be sooner than we had originally expected. These figures relate to the number of deaths in the Borough so do not reflect decisions around burial or cremation (although cremation is by far the most popular 81% favouring this currently), nor do they reflect decisions about service level or location. Nonetheless, it is expected that the maximum could be reached as early as year 8.
14. Once exceeded a second chapel would need to be built. Current estimates are this would cost circa £1m. We could wait to do this until we have been delivering the service for a period which would help us to firm up usage numbers, however this would incur additional cost and would disrupt the service.

15. If we 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 we would lose the opportunity in the early years, of the differing service levels outlined above.
16. 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 is likely that some disruption to customers may occur. It should also be noted that there is risk of some reputation damage, if Stockton has failed to future proof the facility by adding on a second chapel less than 10 years after it was opened.
17. Given the above it is recommended that the second chapel is built as part of the initial build. Additional borrowing of £1m is required. This will mean an additional annual cost of £66k per year (including some additional running costs), which can be accommodated within the surplus outlined in the original report to Council (£1.87m by year 10). Given the additional capacity it is expected that the surplus will be higher.

Cabinet Meeting

18. Cabinet will consider a report on this issue at its meeting to be held on 16 November 2017 and a copy of the relevant minute extract will be circulated to Members following that meeting.

FINANCIAL IMPLICATIONS

19. Borrowing of £1m at a cost of £66k per year (including running costs) funded from the original business case.

LEGAL IMPLICATIONS

20. As set out in the report, the Council owns the land upon which it is proposed to build the new crematorium.
21. By virtue of Section 214 of the Local Government Act 1972 and Section 4 of the Crematorium Act 1902, the Council has the power to build and operate a crematorium. Section 4 and section 9 of the Cremation Act 1902 provide a power for the Council to charge in respect of the construction of a crematorium and the provision of cremation.

RISK ASSESSMENT

22. The proposed development and operation of a crematorium & gardens of remembrance in Stockton-on-Tees is categorised as low to medium risk included. It is included within the Authorities Development Framework governance and is considered to have existing management systems and daily routine activities in place that are sufficient to control and reduce risk.

COUNCIL PLAN POLICY PRINCIPLES

23. Our Borough believes we should be a place where people are treated with dignity and respect, are treated well and receive the attention, support and assistance they need, both in life and end of life care.
24. The development and provision of a local crematorium facility will meet the needs and offer care and support to our bereaved families within their own community.

CORPORATE PARENTING IMPLICATIONS

25. None

CONSULTATION INCLUDING WARD/COUNCILLORS

26. The facility will be constructed in the Roseworth Ward although will serve the entire Borough, as well as serving other adjacent districts.
27. Consultation briefings have taken place with the Leader, Deputy Leader and the Cabinet Member for Housing and Community Safety.

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Education related?

None.

Background Papers

None.

Ward(s) and Ward Councillors

Roseworth Ward – Councillors Jim Beall and Barbara Inman

Property

As detailed within the body of the report.