

Report of The Chief Executive

**CREMATORIUM PROGRESS REPORT**

**1 Purpose of report**

To update members on the progress of the project to build a crematorium and the draft project plan for its delivery.

**2 Executive summary**

The council has approved the project to build a crematorium, and an advisory group made up of councillors has now finalised the design with the officer project team. The planning application has been submitted and the plan for the next stages has been drafted.

**3 Appendices**

Appendix 1: Sketches of the proposed crematorium design

Appendix 2: Summary project plan for the completion on the build phase.

**4 Proposed action:**

The committee is invited to **RESOLVE** to

**4.1 NOTE and comment, as necessary, on progress with the crematorium project;**

**4.2 APPROVE and comment on, as necessary, the draft project plan which outlines the next actions to be taken to deliver the build phase of the project;**

**4.3 AGREE to commission expert advice on the operation of the crematorium with a view to reporting back on the creation of an arms length trading company.**

**5 Background**

5.1 The council first started to consider whether it should build a crematorium as part of the zero-based budget exercise in 2011. A working party of the Overview and Scrutiny Committee was commissioned to carry out a review, and recommended that this would be a worthwhile project as it would provide a much-needed local service and be an invest-to-save opportunity for the council.

- 5.2 The working party recommended that the project should progress, and this was supported by the Overview and Scrutiny Committee in January 2012. It was recommended to the Resources Committee in February 2012, where a decision was made to create a working group and commission a feasibility study.
- 5.3 Following receipt of a feasibility study a capital bid for £4.7m was approved by the council as part of the council's capital programme for 2013/14.
- 5.4 The council had the opportunity to purchase land to the east of Doddington Road as the site of its crematorium. Mercia Crematorium Development Limited had gained outline planning approval for a crematorium in this location on 19 December 2012.
- 5.5 On 26 February 2013 an urgent action was signed (reported to Resources Committee on 20 March 2013) to approve the purchase of the land at Doddington Road, and to authorise the commencement of processes for planning, constructing and determining the operating model for the crematorium.
- 5.6 The land was purchased at a price of £1.25m. The contract included a restrictive covenant providing that the land could only be used for the building of a crematorium, with a clause which stated that the land could be bought back by the vendors for £200,000 if the construction of the crematorium did not commence within four years.
- 5.7 It was also agreed, via the urgent action, that the project should commence and – in order to proceed effectively – the responsibility to plan, construct and determine the operating model for the crematorium be delegated to the Chief Executive in consultation with the Leader and Deputy Leader.
- 5.8 During the summer of 2013 a wide consultation exercise was carried out and draft drawings of a crematorium on the site produced, taking feedback into account. Concern was raised at this point that, if this design was approved, the project had the potential to far exceed the approved £4.7m capital budget. It was also noted that the draft design was not confined to land owned by the council.
- 5.9 Action was therefore taken by the Chief Executive – after the restructure of the senior management team in November 2013 – to review the project. A new project board was established, comprising the Chief Executive, Heads of Service, Internal Audit, the Principal Property and Facilities Manager, and an external project manager. A cross-party member advisory group was also formed so that the views of members could be taken into account.
- 5.10 At the end of 2013, all work to date was reviewed by the project board, with an instruction to the project manager that every effort was to be made to provide a crematorium which would broadly meet the needs of the community and local undertakers, but remain within the original budget.
- 5.11 Subsequently a decision was made to appoint a design and build contractor using a framework agreement in order to comply with procurement regulations. The project manager worked very closely with the project team, the new design

and build team (Wates) and the member advisory group.

- 5.12 Despite best efforts, and because of the upturn in the building trade, it became clear in the summer of 2014 that the project could not be completed within the original £4.7m budget. A supplementary estimate of £886,431 was therefore approved by urgent action in July 2014 so that the project would be sure to progress and not place the council either at risk of additional cost increases, or having to sell back the land at a significant loss.
- 5.13 As a result, and following further consultation with the member advisory group as well as local undertakers and a crematorium operational specialist, the design of the crematorium was “frozen” November 2014 so that a planning application for reserved matters could be made later that month.

## **6 Discussion**

- 6.1 Having agreed the design of the crematorium the council is at a point where it can progress, assuming reserved matters are approved.
- 6.2 The next actions proposed are to:
- (a) approve a detailed project plan so that it is clear when the beginning and end of the build is scheduled; this has already been provided by the contractor in draft form; A summary of which is attached at Appendix 2
  - (b) commission expert advice on the operating model for the crematorium. An expert has been identified and has been providing feedback on the design prior to submission of the planning application; he has also been commissioned to provide options on the operation of the crematorium;
  - (c) consider creating a trading company to allow the council to operate the crematorium at arm’s length, whilst gaining the benefits of a profit-making business to provide a revenue income stream which will support related council services.
- 6.3 The expert consultant who has been commissioned to review the design from an operational view point has also been asked to update the feasibility study to give further assurance that the project is both viable and will make a return on investment as previously forecast. A draft report has been received by the Head of Finance, which does show that the project is both viable and will make significant returns. Once this has been fully reviewed an update will be included in future reports on the project.
- 6.4 It is recommended that the officer project team progress the actions outlined above and consult the member advisory group as each strand progresses. A further report will then be made to Resources Committee at an appropriate stage.

## **7 Legal powers**

- 7.1 Section 111 of The Local Government Act 1972 gives the Council power to do anything which is calculated to facilitate, or is conducive or incidental to, the

discharge of any of its functions.

- 7.2 Section 2 of the Local Government Act 2000 gives the Council the power (subject to certain exceptions which do not apply here) to do anything which they consider is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough

## **8 Financial and value for money implications**

- 8.1 The council has a capital budget already in place for the building of a crematorium. Now that the design has been fixed the retained design and build contractor has committed to working within the total budget of £5,586,000 allowed by the council for the whole project.
- 8.2 The creation of a trading company will allow the council to realise revenue from its capital investment. Early indications (following comparisons with other organisations) are that the council could derive an income in the region of £200,000 per annum from the crematorium. The design has also incorporated the opportunity to expand and construct a second chapel in the future should there be a business case to do so.

## **9 Risk analysis**

- 9.1 Most of the key risks for the pre-build stage have been mitigated: The design has been fixed after taking into account feedback from members, undertakers, a crematorium expert, and the community. Budgets have increased in part due to the upturn in the building trade, and in part due to the delays caused by the need to redesign the facility, but are now in place.
- 9.2 Future risks will include: inability to deliver a reserved matters application which is approved by the planning authority; inability to determine an effective operating model; and inability to recover the costs of the build. Further work on the business case for the crematorium has been undertaken by the industry expert and he is forecasting that the capital investment will be paid back in year 13. At the same time a revenue income stream will be developed.
- 9.3 In order to mitigate the future risks outlined above, officers will work with the contractor, the project manager, the industry expert, and the member advisory group to take action to deliver a successful outcome. Advice on operation and management will continue to be sought from experienced professionals, as well as local undertakers, who can assist with this new area of responsibility for the council.

## **10 Implications for resources**

The primary implication for resources is the officer time needed to make this project a success. Because of its high profile nature, senior management are heavily involved in ensuring progress and compliance.

**11 Implications for stronger and safer communities and equalities**

None directly for this report.

**12 Author and contact officer**

Bridget Lawrence, Head of Resources

**13 Consultees**

Senior management team  
Principal Property and Facilities Manager  
Project manager (Faithful and Gould)  
Design and build contractor (Wates)  
Local undertakers (Chambers & Brighty and Abbotts)  
Chris Jones (consultant – crematoriums)

**14 Background papers**

Minutes of project team meetings and member advisory groups  
Correspondence with officers and relevant internal/external contacts.

Appendix 1



Haverstock 1045\_SK010\_External View Approach

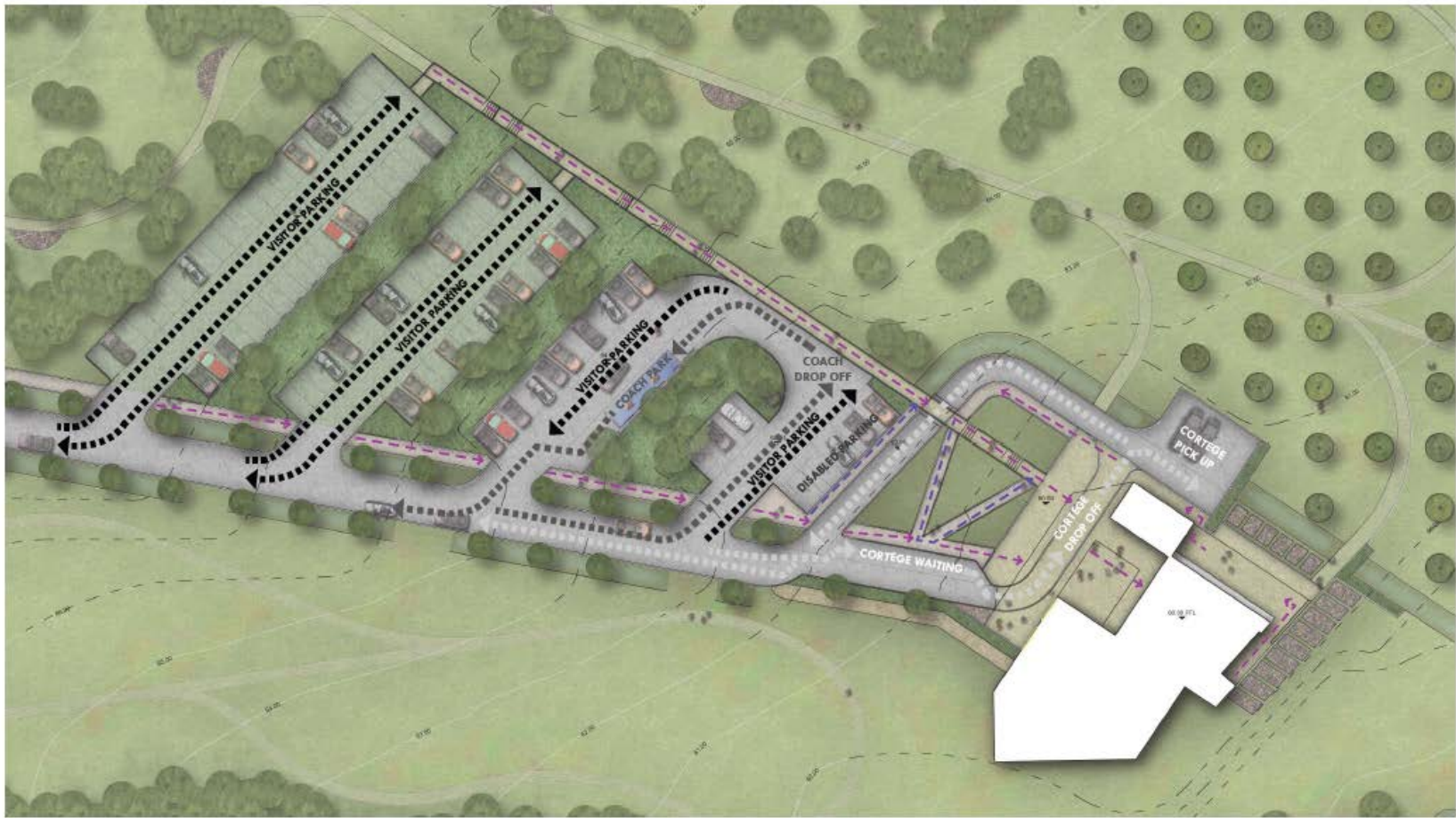
Wellingborough Crematorium



To be read in conjunction with  
 ALA219LD1 Landscape General Arrangement  
 ALA219LD5 Access and Circulation



30'	Wallingborough Crematorium	SCALE	1:500	DATE	28.06.2019
Illustrative Masterplan		PROJECT	ALA219LD5		
		DATE	PR2		



- Cortège Route
- Visitor Parking Circulation
- Coach Parking Circulation
- Pedestrian Circulation
- DDA Compliant Circulation



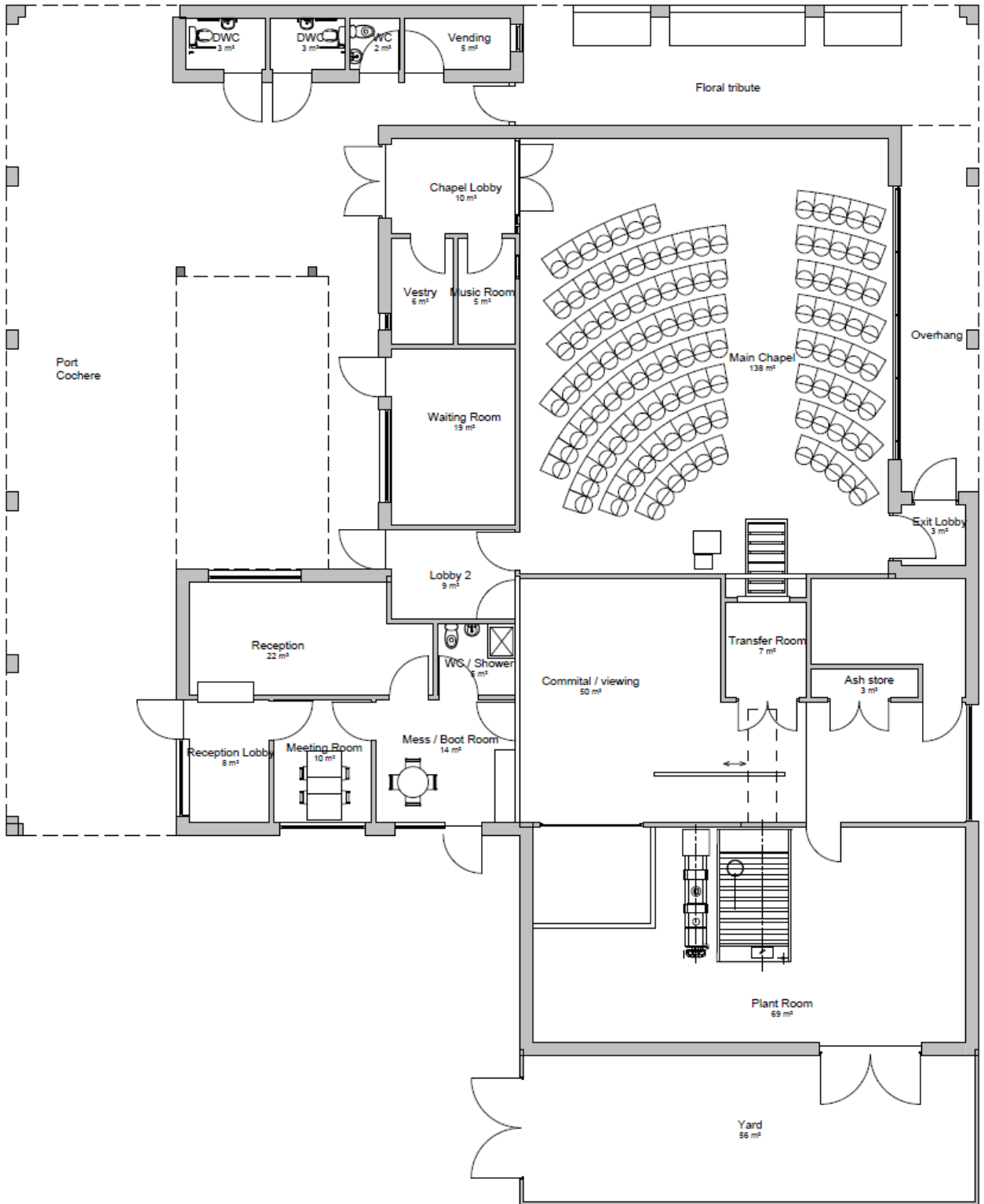
To be read in conjunction with  
 ALA219L01 Landscape General Arrangement  
 ALA219L05 Access and Circulation



Welborough Crematorium  
 Access and Circulation

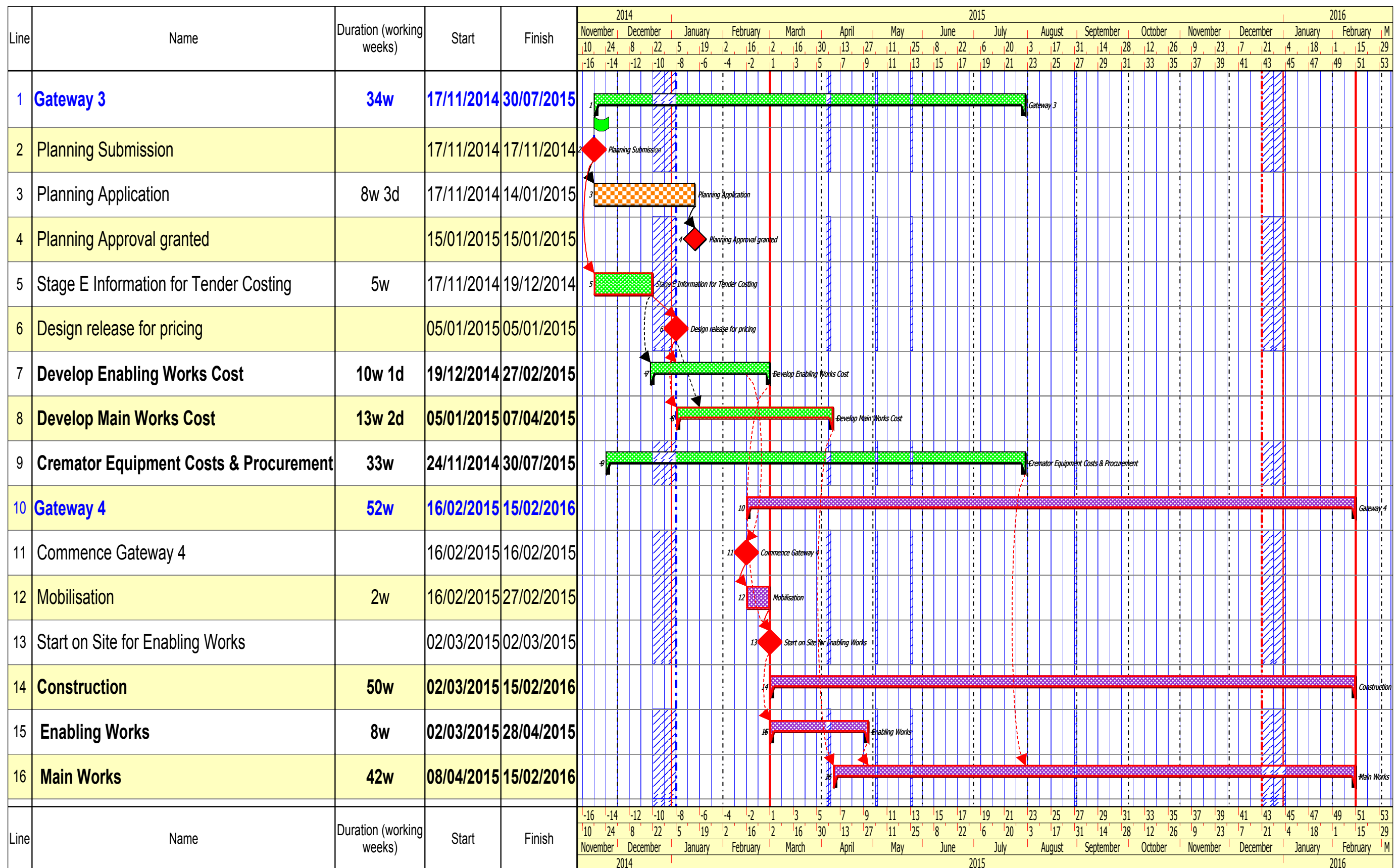
MTG	28.06.2014
ALA219L05	
PR2	







## Appendix 2



Key to Outline Programme

Gateway 3
  Key Date
  Planning Application
  Gateway 4

Wellingborough Crematorium - Borough Council of Wellingborough



Drawn: K Caveen  
 Manager: N Marklew  
 Orig Date: 29/05/2014  
 Rev Date: 18/11/14

**Outline Programme**

Programme No: WCL/EMPA2014/WBC/OP001  
 Rev: C - Draft  
 Comment: Provisional Programme  
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