

## Report of The Head of Finance

**CREMATORIUM UPDATE REPORT****1 Purpose of report**

To update members on the progress of the project to build a crematorium and on operational matters relating to governance of Wellingborough Bereavement Services Ltd.

**2 Executive summary**

The council has approved the project to build a crematorium and given authorisation to the Chief Executive and Head of Finance, in consultation with the Monitoring Officer, to progress the creation of a wholly owned local authority trading company which will deliver the bereavement services provided at the crematorium, to be known as Wellingborough Bereavement Services Ltd.

**3 Appendices**

None

**4 Proposed action:**

The committee is invited to **RESOLVE** to

- 4.1 NOTE and comment, as necessary, on the crematorium project update;**
- 4.2 APPROVE and comment on, as necessary, the proposed governance arrangements to be put into place for Wellingborough Bereavement Services Ltd;**
- 4.3 AGREE the trading name for the crematorium as “Nene Valley Crematorium”.**

**5 Background**

- 5.1** In September 2015 this committee agreed, as part of a report on service delivery options, to recommend that authorisation be given to the Chief Executive and Head of Finance, in consultation with the Monitoring Officer, to progress the creation of a wholly owned local authority trading company which will deliver the bereavement services provided at the crematorium.
- 5.2** The proposal was also to appoint the two heads of service as directors as an

interim position to facilitate the creation of the company as a separate legal entity. Members would then be fully involved in the decisions on governance and board members, to be adjusted accordingly at a future date. This report asks for some of those adjustments to be put into place.

## **6 Discussion**

- 6.1 The crematorium project team, in consultation where appropriate with the members' advisory group, has been managing the design and build of the crematorium.
- 6.2 The build is progressing well and is currently just over a week ahead of schedule. The members' advisory group made a visit to the site on 10<sup>th</sup> February 2016 to see how the construction is taking shape.
- 6.3 The substructure and brickwork is completed, with all walls and the roof now in place. The windows are in the process of final installation and the underfloor heating system is in place. The main plant and equipment, including the actual cremator, are now in place and initial installation is being undertaken on the electrical and mechanical elements. The internal finishes are now being planned and samples of these were available on the site visit for the advisory group members to view. Two further site visits for members who are not on the advisory group were arranged for the beginning of March, with a number of members taking the opportunity to attend.
- 6.4 A site map and internal plan are shown in the appendices to this report.
- 6.5 The building phase is due to complete by the end of June 2016 and so focus is now shifting to the operational management of the facility.
- 6.6 A wholly owned trading company has been created called Wellingborough Bereavement Services Ltd. Currently the directors of the company are Mrs Bridget Gamble, Head of Resources and Miss Julie Thomas, Head of Planning and Local Development. As outlined in the previous report in September 2015 this is only a temporary measure until full governance arrangements can be put into place. It is anticipated that both these appointments continue, and that once the statutory conflicts have been resolved, that Mrs Liz Elliott, Head of Finance is also appointed to be a director to provide the financial expertise needed, and to chair any financial sub committees created.
- 6.7 Interviews for the Crematorium Manager have taken place and resulted in the appointment of a very experienced manager who will be in post by late May 2016. An operational timeline and action plan is being developed with a planned opening date of early July 2016, with open days and an official opening in advance of that.
- 6.8 It is proposed that the governance arrangements should be similar to those already used for Wellingborough Norse Ltd, and that two members should be nominated as directors of the company, one from the administration and one to represent the opposition parties. The directorships would be for the full life of the

administration, and directors would not retire from the company automatically each year but would remain during the whole of the remainder of their term of office to provide some consistency and continuity for the company.

- 6.9 A full company board and liaison board could be put into place with similar, but not exactly the same, terms of reference to those already in place for Wellingborough Norse. The full board is proposed to initially consist of four directors – two members and two officers, increasing to three officers once the Head of Finance becomes a director. The liaison board would include operational representatives, such as the manager of the service and the company's accountant. There is potential to have independent directors on the board and whether this is appropriate can be reviewed in the future.
- 6.10 Nominations from each group are requested for the directorships. Members should bear in mind the responsibilities of being a director of a commercial company when accepting the roles. Information relating to this can be provided to members on request prior to any nominations.
- 6.11 It is anticipated that the member directors will be nominated at the Annual Council in May 2016. Once the directors have then been officially appointed further revisions to the articles of association and governance arrangements can be undertaken by the board as necessary.
- 6.12 In terms of responsibilities and the timeline associated with the opening of the crematorium, it is proposed that:
- (a) The existing skeleton board functions until Annual Council;
  - (b) The officer project team oversees the build and completion of the facility, in consultation with the crematorium manager and the member advisory group, until the board is fully formed;
  - (c) The member advisory group be consulted until the board is fully formed, but be dissolved once members have been appointed to the board;
  - (d) Following Annual Council the board meet urgently to determine operating arrangements for the crematorium in consultation with the Liaison Board (and after general consultation with interested parties, such as funeral directors);
  - (e) Any issues of policy or strategy in relation to the crematorium be referred to the Resources Committee before opening.
- 6.13 In order to progress the operational preparations for branding the services to be offered, a proposal is being made by officers that the crematorium should have a trading name which reflects a wide catchment area, but retains a sense of local community. It is recommended that this should be "The Nene Valley Crematorium" because the site looks down into the river valley. The council's crematorium consultant suggested that this was a more commercially effective approach than branding it with a name which relates specifically to Wellingborough and which may therefore limit it in the eyes of some potential customers.
- 6.14 It is recommended that the officer project team continues to progress the actions

outlined above and consult the member advisory group as appropriate, until such time as the nominations for directorships have been received and agreed. Further reports will then be made to Resources Committee when required on any strategic issues, with operational matters then being referred to the board.

## **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 of at least £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 All risks are currently managed via the project team and recorded on a project risk register. This is monitored and reviewed closely. Officers will continue to 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 in consultation with local undertakers, who can assist with this new area of responsibility for the council.
- 9.2 Whilst the company remains wholly owned by the council, who will determine its direction and strategy, from the day to day operational point of view it is essential that a board is in place well in advance of the opening date so that the company can provide an effective and customer-focused service.

## **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**

Liz Elliott, Head of Finance

**13 Consultees**

Senior management team

**14 Background papers**

Minutes of project team meetings and member advisory groups  
Previous reports to this committee.

