

**Report of The Managing Director**

**NENE VALLEY CREMATORIUM – ANNUAL REPORT**

**1 Purpose of report**

The board of Wellingborough Bereavement Services (WBS) Ltd has submitted its annual report to its sole shareholder (the council), and this is attached as Appendix 1.

**2 Executive summary**

Nene Valley Crematorium (NVC) has been trading since September 2016, and its report to the council as shareholder demonstrates the approach taken by directors.

**3 Appendices**

The appendix contains the annual report of Wellingborough Bereavement Services Ltd.

**4 Proposed action:**

**The committee is invited to RESOLVE to:**

**4.1 NOTE the report of Wellingborough Bereavement Services Ltd.**

**The committee is invited to RECOMMEND that the council:**

**4.2 continue to develop options for landscaping of the site, and make a detailed capital bid once proposals are in place, taking into account any guidance issued should an order be made for reorganisation of local government in Northamptonshire.**

**4.3 sets the fees for 2019-20 as follows:**

- (a) core fee for cremation remains at £899.00;**
- (b) medical referee fee be increased to £21.00; and**
- (c) the NVC Manager be delegated to review fees for 2020-21 and make recommendations based on research via a more robust benchmarking exercise.**

## 5 Background

- 5.1 Nene Valley Crematorium was built in 2015-16, and the keys were handed to the council on 31 May 2016. The building was then staffed and set up for business, with the first cremation taking place on 19 September 2016.
- 5.2 The contract included provision of a limited amount of landscaping around the building but no funds or plans for the development of the remainder of the site as a memorial garden. Capital monies have been made available by the council for the first phases of the memorial gardens, and a range of memorials are now in place and available for purchase. As the site is so large Resources Committee agreed to commit a further capital sum in principle for infrastructure to support the ongoing development of the gardens and landscaping.
- 5.3 The council agreed the creation of a wholly owned company to operate the crematorium in September 2015. This would be governed by a board comprising two members and two senior managers.
- 5.4 The board first met in June 2016. It met more regularly at first, but has now settled to bi-monthly meetings.

## 6 Discussion

- 6.1 The feasibility study carried out as part of the viability exercise estimated 500 cremations for the first year of trading, reaching a peak of 900 after a few years' trading. It is clear from the report that NVC performed better than expected, with 694 cremations having taken place on the anniversary of its opening, and 734 in the financial year 2017-18. More details of this are included in the annual report.
- 6.2 Because of significant start-up costs, facilitated by a loan from the council at commercial rates, the company was not expected to make any profit in the first year. The first year accounts reported a gross profit of £86,269, but a net loss of £18,881, as at 31 March 2017. At the end of 2017/18 a gross profit of £174,826, and a net profit of £18,847 was reported.
- 6.3 Early expectations in relation to the way in which the company operated have been refined following further advice and experience. The intention to put in place a market lease (Resources Committee, June 2016) would not have met tax and state aid requirements, so a decision was made to put in place a five year lease from June 2016 by Resources Committee in June 2018.
- 6.4 Resources Committee made several recommendations after receiving the annual report in December 2017, as follows:

**“RESOLVED** that:

- (i) the report of Wellingborough Bereavement Services Ltd be noted;
- (ii) consideration be given to the allocation of a capital budget to enable phased development of the gardens of remembrance, in line with the request made the company;

(iii) consideration be given to the allocation of a capital budget to enable alterations to the canopy outside the waiting room.

**R4 RECOMMENDED** that:

- (i) approval be given to the introduction of a fee of £450 for a direct cremation, which could take place at a time convenient to the crematorium staff and without any use of the chapel or other related services;
- (ii) approval be given to amend the make-up of the Board of Wellingborough Bereavement Services Ltd to two councillors and two employees of the council or the company."

At the council meeting on 16 January 2018 recommendation 4 (ii) was withdrawn because the constitution working group was in the process of producing a code of corporate governance which would address the appointment of directors to wholly-owned companies, and it was essential to provide a consistent approach. This code was approved at the council meeting in April 2018.

6.5 Updates on the resolutions and recommendations above are included in the appendix.

## **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 A request has been made by WBS Ltd for in principle capital funding to Resources Committee, which was approved on 13 June 2018. This would require approval of a capital bid based on business cases which demonstrate a return on investment as well as a benefit to the customer.

8.2 The company will be investing in the creation and improvement of the gardens of remembrance, as they are in demand. The income from this investment has already begun to materialise and more details are set out in the appendix.

## **9 Risk analysis**

9.1 The operation of the business has been noticeably more settled in its second year of trading, having dealt with some of the initial issues which needed attention. Feedback is still received but there are no significant risks to the reputation or operation of the company. A risk register is in place which has been approved by the board, and will be reviewed at least annually.

- 9.2 There are still two key unresolved remedial works with the design and build contractor: cooling of the building and contractual landscaping. Both aspects are under constant scrutiny, and regular discussions take place between Wates and council officers. The responsibility to resolve these is with council officers because they are works which are part of the initial contract.
- 9.3 New challenges, such as the prison re-build and the potential for unitary councils are included in the risk register and remain under review by the board.

## **10 Implications for resources**

The primary implication for resources is the officer time needed to make this project a success. Senior management involvement has reduced in 2017-18, and continues to do so as the manager and her team become more self-sufficient. Time spent by officers on crematorium business is recharged to the company.

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

None directly from this report.

## **12 Author and contact officer**

Liz Elliott, Managing Director

## **13 Consultees**

Directors  
Assistant Directors

## **14 Background papers**

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

## **Appendix**

### **WELLINGBOROUGH BEREAVEMENT SERVICES LTD**

#### **ANNUAL REPORT 2017-18**

##### **Chairman's message**

It is now two years since Nene Valley Crematorium first opened its doors, and I am happy to report that it is already beginning to feel as if it has always been there.

The number of cremations has increased in our second year as we have become well-known for convenience, flexibility and a strong team of people who have the priorities of bereaved friends and families in mind.

I said last year that my priority for the coming year was to see the continuing development of the grounds, together with memorial options for bereaved people. I am pleased therefore that we have introduced a strong and varied memorial offering which has been welcomed, and is beginning to sell to those who wish to have a place to visit and remember loved ones.

Feedback from our clients is generally good, despite the fact that the team are sometimes working in difficult conditions as the outstanding defects in the building still wait to be resolved. Their bereavement-led approach and absolute commitment is appreciated, and their reputation is growing.

I cannot express enough how pleased I was to hear that the national body which oversees cremation good practice (the ICCM) announced that we were accredited at gold level in our second year of trading, having jumped from bronze level last year. Whilst I have no idea whether this is unprecedented, I am certain that the board is impressed by the progress made - and the team should be proud of their achievement.

One of the initiatives I have been particularly pleased to see is our team's commitment to working with the community. Last year's candlelit services were very successful, and demand is already high for this year's. The Veterans' Service, timed to precede the commemoration of Major Mick Mannock's death, was also well-received by those who attended.

My hope for the coming year is that the crematorium goes from strength to strength. There is much uncertainty in the county at present, but a strong and well-functioning crematorium is needed in the borough, and is a legacy the borough council will be proud of.

Barry Graves  
Chairman

## **Introduction**

This is the second annual report of Wellingborough Bereavement Services Ltd.

The company was formed on 30 December 2015.

Registered number: 09932293

Registered Office: Swanspool House, Doddington Road, Wellingborough NN8 1BP

Operational address: Nene Valley Crematorium, 305 Doddington Road, Wellingborough NN8 2NX

Board: Barry Graves (Chairman), Tim Maguire, Bridget Gamble (Operations Director), Karen Denton.

Its first (and currently sole) venture – Nene Valley Crematorium – was opened for business on 19 September 2016. This report looks back on the second year of trading.

## **Vision**

“A tranquil setting that respects and accommodates the wishes and needs of all our community.”

The crematorium is a modern building with modern facilities and technology which recognises the need for flexibility and good service.

The Guiding Principles of the Institute of Cemetery and Crematorium Management are observed.

## **Performance**

In its first year of business the crematorium undertook 694 cremations, and in the second year this increased to 734, rising from an average of 12 cremations each week to just over 14. The feasibility study undertaken before opening forecast 700 cremations in year three. The busiest month in 2017-18 was January 2018, when 78 cremations took place. This number was exceeded by the first three months of 2018-19 when the number of cremations reached over 80 for each of those months.

42% of the deceased had been resident in the borough, with the East Northants area (including Rushden) being represented second. It has become clear that the facility is serving a wide area covering Northamptonshire, Bedfordshire and Cambridgeshire.

To date, reduced cost “out of core hours ” cremations have not been as popular as expected – with only 70 in 2017-18. Such cremations are available earlier in the morning and during evenings when people do not generally have

work commitments. Cremations can also be booked on Saturdays and Sundays, at the standard rate, with no enhancement in fees for the weekend. A new category of direct cremation was introduced earlier this year, which allowed a reduced cost for a cremation which did not require use of the chapel or related services. To date this has been 13 times in the current financial year.

### **The Board**

The Board has met regularly since the company's creation to address issues arising during the establishment of the business. It has now settled to meetings approximately every two months.

The Board receives regular operational reports and monitors finance, health and safety, and performance. Key performance indicators have recently been introduced, and a risk register reviewed before approval. The crematorium has operational manuals and business continuity plans to ensure as far as is possible the smooth running of the business.

A business plan has recently been approved, which will continue to be refined and developed over the year. This will be developed to include a marketing plan, with proposed improvements to the company's website as well as use of social media.

### **Staffing**

The operational team of five people at the crematorium is headed by Tracy Lawrence – Manager and Registrar. She has recently added the role of apprentice to her team to provide an opportunity for a local young person to learn the trade.

The company is also reviewing its current contractual arrangements for maintenance and grounds work, and considering whether those services will be brought in-house to aid flexibility and provide cover.

In February 2018 a decision was made that one of the Directors of the company (Bridget Gamble) be identified as the lead on the operational aspects of the business, working closely with Tracy Lawrence and the team.

Lisa Sheppard's role as Executive Director is intended to progress the strategic development of the business and she reports to the council's Managing Director.

### **Environmental issues**

The crematorium was granted a permit to operate under the Pollution, Prevention and Control Act 1999 and The Environmental Permitting (England and Wales) Regulations 2010 as amended. Emissions are tested in accordance with the requirements of the permit. The permit was renewed in 2018.

A policy is in place in relation to the recycling of metals.

## **Feedback**

The crematorium staff have been collecting feedback from users since it opened, and one formal survey has been carried out to establish the key issues to be addressed by the Board.

The crematorium has been well-received, and has established a good reputation locally, with positive comments about the staff, the views over the lake towards the river, and the tranquillity, as well as the modern look and approach.

A number of improvements have been made over the past year and some projects are still ongoing; these are outlined below. Comments will be reviewed by the Board and potential changes considered as part of business planning.

In addition to the feedback from users of the crematorium, the company and the council have been jointly addressing issues following its completion and handover by the contractor; these now focus on two issues: air cooling and contractual planting. Discussions will continue until a resolution is found to all outstanding issues.

## **Events**

**An Open Day** was held on 30 September 2017, which was well received by those who attended and supported by a range of companies who supply goods or services to the crematorium. We recognise the importance of being visible and accessible, dispelling some of the worries and concerns about the cremation process.

The official **dedication** of the crematorium took place on 19 September 2017, exactly one year after the opening date, when the Mayor and Mayoress presided over a short ceremony and small reception to mark the day. On this day the **Anniversary Garden** was also officially opened.

In December 2016 a **candlelit memorial services** was held, primarily to remember all those who had died since the opening of the crematorium, but also for anyone wishing to remember loved ones. In 2017 two services were held to cope with demand, and this will be repeated in 2018.

A **Veterans' Service** was held on 14 July 2018 as a commemoration of the end of the Great War, and to mark the 100<sup>th</sup> anniversary of the death of Major Mick Mannock.

The team would like local people to view the crematorium as a safe community space for those bereft, and look forward to introducing new services, building on recent successful events. New events linked with special dates such as Mothers' Day and Fathers' Day are also in the planning stage.

## **Memorials**

The memorial gardens will take some time to develop completely because this is a huge site with many constraints and challenges: there are underground



pipes and cables criss-crossing the site which limits what can be done, and it is flanked by a prison and a field full of solar panels. It will take some time to cultivate the kind of peaceful garden environment we aspire to provide. We will therefore aim to address this in a phased approach so that we are able to offer some memorial options as soon as possible – but a wider range in the longer term.

The scattering lawn – the **Anniversary Garden** – was opened on 19 September 2017. The following memorials around the Anniversary Garden are now available for lease, and there has been some interest in them:

- Roses
- Trees
- Pillars with plaques
- Interring spaces
- Benches
- Benches with internal space for ashes

The company also displays and sells **remembrance jewellery and urns**.

The purchase of the **memorial wall** began in 2017-18; it will be completed and niches will be available for lease during 2018-19. The wall will be sited adjacent to one of the car parks so that it is easily accessible by anyone with mobility issues.

The next stages in the development of the site will consist of staged infrastructure, for which the council has agreed in principle a capital budget. Each stage will require a business case.

### **The site**

Because of the topography of the site the car parks are on a slope. To assist disabled drivers and passengers we have a wheelchair which staff are happy to use to collect any passengers who need assistance.

We have now also created two spaces adjacent to the building specifically for the use of disabled drivers.

In January 2018 the council approved a capital bid for a roof to cover the area outside the waiting room. A design was commissioned and the contract let, but the contractor was unable to proceed because it was discovered that the design was not suitable for the roof in place. This has been referred back for further investigation and a revised design.

Discussions have been ongoing with the contractors rebuilding Wellingborough Prison, together with the Ministry of Justice. An agreement has been reached in respect of the use of some of the crematorium's land to accommodate a temporary car park and portakabins to enable the works to go ahead. In connection with this, negotiations in relation to planting are ongoing; it is hoped that this will initially help to provide a screen but later become part of the memorial gardens. Any resurfacing to create car parks will

either be removed at the end of the project or made good in discussion with the council/crematorium staff.

As part of the prison project, a roundabout will be constructed on Doddington Road. This could have an impact on funerals, but funeral directors are regularly being updated and kept informed.

Looking to the future the company is monitoring performance and business growth in general, but particularly so that an optimum time can be identified for the installation of a second cremator and construction of a second chapel. Neither may be required for some time, but forward planning will identify whether and when the already installed infrastructure will be needed.

In addition to the immediate projects outlined above the company will investigate ways in which it can extend its support for bereaved families by providing additional facilities and relevant services.

### **Financial performance**

The company's accounts are in the process of being audited, but the draft is attached as an appendix.

The second year's performance is encouraging and reflects the fact that the target of 700 cremations in the second year has been surpassed.

## Appendix

### WELLINGBOROUGH BEREAVEMENT SERVICES LIMITED

#### TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	YEAR ENDED 31/3/18		PERIOD 1/10/16 TO 31/3/17	
	£	£	£	£
Cremation		635,961		329,611
Cost of sales				
BCW management fees	240,377		102,600	
BCW staff recharges	68,633		36,022	
Wages and salaries	139,652		96,035	
Employers NI	12,473		8,687	
		<u>461,135</u>		<u>243,342</u>
<b>GROSS PROFIT</b>		<b>174,826</b>		<b>86,269</b>
Expenditure				
Recruitment	1,693		2,621	
Training	876		1,899	
Agency staff	3,863		9,988	
Employer pension	8,227		4,698	
Rates and water	15,333		-	
Electricity	9,178		8,074	
Gas	12,715		-	
Equipment and materials	16,001		6,286	
Carriage	-		1,873	
Telephone	4,326		3,199	
Printing, postage and stationery	3,248		3,843	
Advertising	1,434		5,010	
Public transport	-		240	
IT expenses	27,511		21,588	
Repairs and renewals	631		3,989	
Medical referee	15,072		4,540	
Staff clothing	1,730		2,477	
Grants and subscriptions	2,378		553	
Legal and professional fees	149		4,774	
Auditors' remuneration	4,200		3,500	
Auditors' remuneration for non audit work	6,024		4,530	
Under accrued accountancy costs for prior year	2,372		-	
		<u>136,961</u>		<u>83,682</u>
		<b>37,865</b>		<b>(7,613)</b>
Finance costs				
Bank charges	298		145	
Pension administration fees	300		150	
Worldpay charges	750		276	
BCW interest	3,433		3,145	
		<u>4,781</u>		<u>3,716</u>
Carried forward		<b>33,084</b>		<b>(11,329)</b>

This page does not form part of the statutory financial statements

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### WELLINGBOROUGH BEREAVEMENT SERVICES LIMITED

#### TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	YEAR ENDED 31/3/18		PERIOD 1/10/16 TO 31/3/17	
	£	£	£	£
Brought forward		33,084		(11,329)
Depreciation				
Computer software	1,373		797	
Plant and equipment	7,809		4,228	
Furniture and fittings	5,055		2,527	
		<u>14,237</u>		<u>7,552</u>
<b>NET PROFIT/(LOSS)</b>		<b>18,847</b>		<b>(18,681)</b>

