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Report

Subject : Crematorium Business Plan

Report to : The Cabinet

Date : 11 October 2006

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Cabinet Member for Community and Housing: Councillor Cole-Morgan

1. Purpose of the Report

1.1 To consider a proposal to appoint a consultant to produce a comprehensive business plan for the crematorium.

2. Background

2.1 Cabinet members will be aware that there are serious and far reaching issues regarding the infrastructure at the crematorium that will need to be addressed over the next few years.

2.2 The primary driver relates to the government instrument PG5/2(04) and advice note AQ1(05) relating to the elimination of mercury emissions from crematoria by 2012. The background, detail and financial implications surrounding the government directive are complex, with a range of different options potentially available to meet the government requirements. It is also highly likely that the guidance from the government will change further over the next few months.

2.3 Other significant issues which will definitely impact on the Crematorium over the next few years include:

- The upgrading and overhaul of the cremators themselves. Last done in 1995, they have a natural lifespan of no more than 20 years or so. The implications of installing the mercury abatement equipment by 2012 suggest that it would be foolish to look at the two projects in isolation.
- Both the existing manager at the Crematorium and the principal cremator operator will retire within the next 3 years or so. It is imperative that successors have the correct training and qualifications to ensure a smooth transition.

2.4 In addition, there are a number of issues which consistently get raised at meetings with the main stakeholders (clergy, funeral directors etc). These include:



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- An extension to the existing car park
- A larger, more private waiting room
- An extension to the Chapel itself
- An upgrading and overhaul of the toilets

3. The Way Forward

- 3.1 Some of the issues raised in section 2 are potentially far more achievable than others. However they do emphasise and bring further confirmation of the need to look at the facility as a whole, taking into account not only these issues but also all the other aspects associated with the facility as well. It can clearly be seen, however, that there is potentially a huge amount of investment needed over the next 10 years or so, and it is imperative that this is thoroughly investigated and prioritised as well as all means of financing researched.
- 3.2 With these issues in mind, it would now seem eminently sensible to consider undertaking a review of the facility and draw up a long term (10 year minimum) business plan which should include a comprehensive, all encompassing options analysis.
- 3.3 It is not feasible for the Crematorium staff to undertake a business plan of this magnitude themselves. Apart from possibly being too close to the facility itself, they are all needed whenever a funeral takes place and so the time available to do any plan would be limited. Having said that, they would obviously need to liaise closely with whoever does do it.
- 3.4 The Parks Manager would be able to undertake such an exercise but this would impact heavily on his other duties and work. At a time when the parks section are actively drawing up a range of management plans for the major parks, and operating with less resources anyway, this may not be the best option.
- 3.5 Other options include:
- The possibility of an internal secondment on a fixed term 6 month contract, whilst this is certainly feasible, the specialist nature and scope of such a plan for a facility such as this makes it unlikely that there are any suitable internal candidates.
 - The appointment of an outside consultant. There are a number of companies around that could conceivably undertake such a project.

4. Conclusion

- 4.1 The Crematorium is facing a number of complex, often inter-connected issues over the next 10 years or so. It is considered imperative that in light of this, and the degree of finance likely to be required, that a comprehensive business plan is drawn up which should include a comprehensive, all encompassing options analysis.
- 4.2 That the most effective means of achieving this be via the appointment of a consultant to undertake the project.

5. Finance

- 5.1 It is likely that appointing a consultant to undertake such a project will cost in the region of £25,000. However, given that the mercury abatement project alone will cost over £650,000 and the likely scale of the other capital investment required to upgrade the facilities and the diversity of the issues involved in providing the facility in-house, this could be seen as a reasonable investment.
- 5.2 The Crematorium accrued a £214k surplus in 05/06 against an estimate of £192k. The base budget for 06/07 is a surplus of £255k. This estimated surplus has increased significantly to reflect a correspondingly high increase in fees charged. It is clear therefore that the Crematorium contributes significantly to the overall financial position of the Council's general fund.

5.3 It is proposed that should members agree to the appointment of a consultant to undertake the work that approval is given to allocate the relevant sum for the council's Capital budget on the basis that the plan will focus primarily on the asset and its long term sustainability

6. Recommendation:

It is recommended that the Cabinet approves the appointment of a consultant by the Head of Community Initiatives in accordance with Financial Regulations and Contract Standing Orders to undertake the work and that, as part of the councils budgetary consultation exercise for the next financial year, a bid for £25K from the council's capital programme is included in the Community and Housing portfolio plan for 2007/08.

7. Implications:

Financial : contained in the report.

Legal : none at this stage

Personnel : none at this stage although succession planning, training and development are areas likely to be key to the implementation of proposals arising from the review.

Community Safety : None at this stage

Environmental : None at this stage, however the business plan will highlight a number of significant issues that will need to be addressed in the future

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Wards Affected : All