

Report of the Strategic Director, Place to the meeting of the Regeneration and Environment Overview and Scrutiny Committee to be held on 1 December 2020

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Subject:

Bereavement Services Strategy - Crematoria Provision

Programme Update & Proposed Construction of a New Crematorium in Heaton.

Summary statement:

This report provides a brief overview of progress to deliver the Council's crematoria investment programme and requests the committee, in line with Council Contracts Standing Order 4.7.1, to note the intended procurement process in excess of £2m to construct the first new crematorium in Heaton

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Regeneration and Environment

1 SUMMARY

This report provides a brief overview of progress to deliver the Council's crematoria investment programme and requests the committee, in line with Council Contracts Standing Order 4.7.1, to note the intended procurement process in excess of £2m to construct the first new crematorium in Heaton

2 BACKGROUND

2.1 The Bereavement Services Strategy

The Strategy, adopted in late 2016, identified the challenges facing the Service and provided clear direction to enable the council to efficiently focus its resources, both capital and revenue, to deliver a sustainable service over a 15-20 year period. The Strategy is focussed upon improvements in service delivery to the public and includes, at its core, the need for infrastructure investment to prevent potential service failure. The major element of this investment will be required for the Councils 3 crematoria.

The districts crematoria buildings are all over 100 years old with Scholemoor built in 1905 as the only purpose built crematorium. All the existing sites have limited facilities and capacity, particularly within the chapels, whilst access to both Nab Wood and Scholemoor is less than satisfactory. The districts existing six cremators, three at Scholemoor, two at Nab Wood and one at Oakworth together with the ancillary equipment are over 20 years old and operating 7 years beyond the manufacturer's stated working life. None of the cremators have mercury filtration equipment fitted.

The adopted delivery programme sees intended replacement of Scholemoor Crematorium with a new purpose built facility at Bierley, central to the communities currently making the greatest use of Scholemoor.

A new crematorium at Heaton will replace the one at Nab Wood, both in similar geographical locations to serve residents in the centre of the district.

Oakworth Crematorium is currently being refurbished in line with the strategy by Bradford contractor Burmah. The building will be extended although the existing service hall/chapel will remain.

2.2 Governance Timeline

Executive July 2018 – Approved the procurement of external specialists Rex Procter & Partners to complete the options appraisal for 5 identified new crematoria sites and subject to further approval, deliver progress to RIBA stage 3 for the design and build of two new crematoria. Also delegated approval of spend to the Director of Place in consultation with the S151 officer to upgrade the crematory at Oakworth Crematorium, to include mercury abatement, at the earliest opportunity

Executive June 2019 – Approved the revised and increased cost estimate for the refurbishment of Oakworth crematorium at £2.75m.

REOS July 2019 – Considered and noted the intentions to enter into two contracts for the refurbishment of Oakworth crematorium (£2.75m) and also to procure 5 cremators (estimated £3.5m).

Committee noted that Best Value considerations in terms of purchase, operating and maintenance costs led to the decision to adopt a single procurement exercise for cremators with call off provision when required within each of the construction programmes.

Procurement considerations were also covered with the intention to use the Bradford Framework for Construction to tender the refurbishment works at Oakworth and the YPO framework for procurement of the cremators.

Executive November 2019 - Delegated approval of spend to the Strategic Director, Place in consultation with the S151 officer for the construction of the first new crematorium within Heaton at a cost of £9.1m subject to land acquisition and planning permission

Executive approved the proposal that all necessary action be taken to negotiate the acquisition of the required land whilst also approving, in principle, the use of Compulsory Purchase if necessary.

Also approved the implementation of Phase 3 and 4 works by Rex Procter & Partners to finalise the designs for the new crematoria and administer the subsequent building contracts.

Executive January 2020 - Delegated approval of spend to the Strategic Director, Place in consultation with the S151 officer for the construction of the second new crematorium within Bierley at a cost of £10.3m subject to land acquisition and planning permission

Executive approved the proposal that all necessary action be taken to negotiate the acquisition of the required land whilst also approving, in principle, the use of Compulsory Purchase if necessary.

3.0 Current Position

3.1 Progress Update

Oakworth Crematorium

- Planning Permission received
- Lodge Owner approval secured in principle
- Building tender process completed
- Crematorium closed July
- Local contractor commenced work 3 August
- Crematory demolished

Heaton Crematorium

- Heads of Terms agreed for land acquisition
- Draft Contract and Transfer issues by Legal Services

- Scheme being designed to RIBA stage 4
- Planning approval granted 17 September 2020 (subject to call in)
- Projected construction start date – Spring 2021

Bierley Crematorium

- Protracted negotiations over land acquisition
- Initial cash offer now made
- Legal Services commencing CPO process as a precautionary measure
- Scheme being designed to RIBA stage 4
- Pre planning consultation completed
- Planning application submitted

3.2 Proposed Procurement Strategy

Due consideration has been given to the procurement of both new build contracts within a single procurement exercise, however the different timelines for the delivery of the 2 new builds and the urgent need to provide at least one fit for purpose new crematorium made this impracticable.

To ensure efficient delivery of the project we are proposing to use a model design and build contract. Tenders will be invited via a mini-competition through the Council's own general construction framework with a quality/price evaluation process to include assessment of proposed social value contributions by each tenderer.

It is likely that a Price 60: Quality 30: Social Value 10 split will be adopted similar to the recent one used to appoint Bradford based Bermar as the contractor to carry out the refurbishment work at Oakworth crematorium.

Use of the Council's framework is compliant with the requirements of Contracts Standing Orders (section 4.2):-

The procurement of works, goods or services should be done through existing approved arrangements where they exist. These include:

- *In-house provision*
- *Corporate contracts, framework agreements or DPS*

Procuring the works contract for the new Heaton crematorium through an established OJEU procured framework mini competition has further advantages in both time and cost to the Council.

Furthermore the use of the framework will deliver best value and cost outcomes for the Council with the opportunity open to the contractors appointed to the framework, creating competitive tension between the bidding contractors, as each has a reasonable chance of success. Bidding for a large construction contract is a timely and expensive activity for contractors and when bidders have knowledge that the competition is of known size then typically they are more prepared to bid.

Officers will also monitor the appetite for bidding for the contracts and will run a focussed pre-procurement market engagement exercise amongst the framework

contractors should it be determined that interest needs to be built to ensure active competition.

4. FINANCIAL & RESOURCE APPRAISAL

Financial analysis has been undertaken for the required £23m investment to deliver the entire programme and ensure that the service prudential borrowing required (where total costs exceed £16m) is managed within the service, without creating pressure on existing revenue budgets.

The outcome of the financial analysis, based on the current information available, demonstrates that the service can fund the prudential borrowing repayments for the additional capital investment required. Furthermore the results demonstrate that the projected increased capital spend will not create pressure on Council capital financing costs and will generate a modest net cash flow surplus over a 30 year period.

The financial modelling base case underpinning this analysis requires that cremation prices will rise, at a rate of 3% above inflation, from 01/04/2020 for a period of 5 years – the initial above inflation price rise has not yet been implemented.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 Any significant and lengthy failure in the provision of a cremation service would cause both reputational and also financial damage to the Council.
- 5.2 Land acquisition had not yet been secured for either new site. The instigation of powers for compulsory purchase will, if required, assist in achieving the desired outcomes and will run in parallel with the negotiations.
- 5.3 In seeking planning permission for both sites, which sit within the green belt, the Council will need to demonstrate that *'the harm to the Green Belt, and any other harm, is clearly outweighed by other considerations so as to amount to the very special circumstances necessary to justify the proposal'*. It is understood that Planning remain comfortable with the proposals to date and the approach taken to achieve permission whilst an external specialist planning consultant has also been engaged to specifically advise on the planning applications.
- 5.4 The investment programme has been referred to the Council's taxation advisor in order for the Council's VAT partial exemption risks to be accounted for in the forward programme. The final timings for construction of the new crematoria will need to take due consideration of the outcomes of this analysis.

6. LEGAL APPRAISAL

- 6.1 The Cremation Act 1902 provides for a local authority to own and operate cemeteries and crematoria and charge such fees as they see fit. In addition to this, the legislation extends to statutory requirements for keeping registers for burial and cremation together with site plans.
- 6.2 The Cremation (England & Wales) Regulations 2008 also requires that a cremation authority must ensure that a crematorium is maintained in good working order.

- 6.3 Further, the cremation of human remains is also governed by the Environmental Protection legislation with regard to emissions from cremator operation. The level of emissions must be recorded to allow annual certification by the local Environmental Health office. Crematoria across England & Wales have been required to abate emissions of Mercury by 50% (of 2003 levels) since 31
- 6.4 Procurement of the works contract will be via mini-competition from the Council's OJEU procured general construction framework

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The Bereavement Services Strategy aims to deliver the objectives of the Council's Organisational Equalities Culture by ensuring services are well run, fit for purpose, and fair and inclusive in their approach.

The Strategy recognises and supports equality of opportunity between different groups, particularly religious in nature, through provision of relevant, accessible and in some cases bespoke services.

Project officers working on the CPO have had regard to the Council's statutory duties and obligations under the Equality Act 2010 and in particular, to the Council's obligations under Sections 149 and 150 of the said Act, by taking into account the differential impact a CPO might have on various groups of persons with protected characteristics. As a result, project officers are satisfied that no negative impact upon any protected social groups has been identified.

In addition, both schemes aim to maximise public access by being, fully Equality Act compliant and dementia friendly, with plans to consult and engage all relevant stakeholder groups throughout the design process

7.2 SUSTAINABILITY IMPLICATIONS

The strategy seeks to deliver the most sustainable service achievable over a 30-40 year period and beyond through a programme of capital investment.

The proposed new crematoria will be designed to include energy reduction and recovery systems together with more efficient cremators to reduce both fuel use and carbon footprint.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The Council's 6 cremators currently fail to comply with DEFRA's air quality emission requirements as they are not fitted with mercury abatement equipment. The strategy, when implemented in full, will include filtration equipment to all cremators in line with these regulations which aim to abate emissions of Mercury by 50% (of 2003 levels).

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no known Community Safety Implications arising from this report.

7.5 HUMAN RIGHTS ACT

In designing and promoting both schemes, project officers have had due regard to “human rights” legislation There are no known Human Rights Implications arising from this report

7.6 TRADE UNION

There are no significant staffing implications arising from this report although the Trade Unions will be consulted as required through the Council’s IR Framework.

7.7 IMPLICATIONS FOR CORPORATE PARENTING

There are no known corporate parenting implications arising from this report.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

Implementation of the Bereavement Service Strategy will not affect the current and compliant processes in place to ensure privacy of personal data in accordance with the legislation in place.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. RECOMMENDATIONS

That the committee:-

9.1 Notes the progress made to date on delivering the crematoria investment programme within the Council’s Bereavement Services Strategy.

9.2 Notes the intended procurement process to be adopted for construction of a new crematorium at Heaton at a value in excess of £2m.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

Bereavement Services Strategy 2016-2031