



**Cabinet**

**Tuesday, 13 November 2018**

**Strategic Land Acquisition for Potential Crematorium**

**Key Decision No. 4**

## **Report of the Executive Manager - Transformation**

**Leader Councillor Simon Robinson**

### **1. Purpose of report**

- 1.1. Officers have identified an opportunity for the Council to provide additional community infrastructure in the form of a new crematorium in Rushcliffe. This would provide additional capacity in the Borough alongside the existing crematorium at Wilford Hill which is run by Nottingham City Council. This report sets out some of the background evidence that would support such a venture, and also presents the next steps that would be required in order to deliver such a project.
- 1.2. A site has been identified at Stragglethorpe, which is believed best meets the criteria for a crematorium within Rushcliffe. These criteria are explored within the report. This site can be secured by the Council by way of an option to purchase the site which is currently being negotiated.
- 1.3. A crematorium scheme has been designed and costed by external crematorium developers (Mercia Crematoria Ltd) with no obligation to the Council to take it forward and will be submitted for planning consideration in December 2018. The planning application will be submitted by Mercia.
- 1.4. The recommendations do not commit the Council to delivering a crematorium or purchasing a site for a crematorium at this stage, but support the principal that a new crematorium in Rushcliffe would be welcomed and that it could be a service operated either in house by RBC or externally by a private operator.

### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) Supports the principle of the provision of a new crematorium in Rushcliffe
- b) Supports the identified location for a new crematorium as identified in Appendix B, subject to consideration by the planning committee and all the relevant consultation
- c) Authorises officers to finalise the option on the identified site

- d) Supports the provision for the purchase of the land and delivery of a crematorium in the 2019/20 capital programme, subject to planning and sign off by Cabinet via a further detailed business case in mid 2019
- e) Receives a further report mid 2019 with an update on the planning outcome, detailed business case and proposed route to procurement and delivery of the crematorium (which could be either by RBC or by a third party).

### **3. Reasons for recommendation**

- 3.1. The recommendations will allow Rushcliffe Borough Council to facilitate the provision of a piece of much needed community infrastructure in the Borough.
- 3.2. The recommendations also leave open the opportunity, to be explored in a future report to Cabinet, for the Council to build and operate a new crematorium on the identified site, which would have a strong business case for a revenue return.

### **4. Need and demand for cremations in Rushcliffe**

- 4.1. An opportunity has been identified for the Council by Peter Mitchell Associates, independent experts in the bereavement services sector, to assess the feasibility of developing and operating an additional crematorium within Rushcliffe.
- 4.2. Catchment areas of existing crematoria in the Rushcliffe and neighbouring boroughs were analysed and demonstrated a geographical gap in Rushcliffe which is not currently being served by access to a crematorium within a 30-45 minute drive time (acceptable industry and compassionate standards). Please refer to Appendix A for an illustrative map. This, alongside future demand linked to population growth and trends in death care (i.e. preference for burial or cremation), leads to the conclusion that there is a compelling business case to be made for the development of a new crematorium in Rushcliffe, outside the West Bridgford area.
- 4.3. Wilford Hill is currently the only crematorium in the borough and is run by Nottingham City Council. Wilford Hill attracts significant numbers of cremations from beyond even its 45 minute drive-time catchment area and greater numbers than would be expected based on standard industry calculations.
- 4.4. Drive-time catchment analysis has indicated that a new crematorium in Rushcliffe could currently expect to undertake in excess of 1000 cremations annually, without accounting for the projected population increase both nationally and in the borough. With the threshold of viability currently at 750 cremations annually, a new crematorium in the borough can certainly be considered both a necessary piece of community infrastructure and a financially viable proposition.

### **5. Site location**

- 5.1. Following research into the crematoria sector, which revealed it to be a tight market with only a handful of operators outside the public sector provision, Mercia Crematoria Ltd were identified as an independent planning and

development company which has designed and built nine crematoria previously, but which does not operate such facilities itself. Mercia were invited to act, at their own risk, to identify a site within the borough, which best meets the criteria for a new crematorium site, which are as follows:

- Location suited to the catchment population
- Minimum site area of 6 acres
- Good topography
- Outside flood plains and ideally away from groundwater protection areas
- Free of legal encumbrances
- Compliance with the requirements of the 1902 Cremation Act
- Availability of utilities and services to the site
- Appropriate vehicular and pedestrian access
- Wooded or screened backdrop
- Pleasant outlook / serenity – free from unneighbourly adjacent land uses
- On a bus route – and accessible via lit paths for pedestrians and cyclists
- Ideally accessed from an A or B classified road (rather than a narrower lane)
- Sited so as not to cause routing of traffic through small villages
- Proximity to complementary uses – e.g. hotels, restaurants etc. for holding wakes
- Available within the requisite timeframe and viable.

5.2. Mercia have identified a site in Stragglethorpe, which they believe best meets the criteria above. It should be noted that the site identified is in the green belt, therefore any application will have to meet the very special circumstances required to progress this site.

5.3. Mercia have agreed an option on the site with the current owner. See Appendix B for site map. Mercia have in addition, developed plans for a crematorium scheme to go on the identified site and will submit a planning application for this scheme in December 2018.

5.4. As part of their planning application, Mercia will conduct extensive consultation and engagement activities with residents, local town and parish councils and also local funeral directors, celebrants and members of the clergy.

5.5. In order that the Council may have the option of developing and operating the crematorium itself, an option on the site has been negotiated with Mercia. The eventual purchase of the site would be based on the site being granted planning permission for a crematorium i.e. the Council would have no interest in acquiring the site unless it had planning permission for that purpose.

5.6. Mercia will be carrying out all work to acquire the site and planning permission at risk. The Council is under no obligation to Mercia to purchase the site or pursue any element of the proposed scheme.

## **6. Procurement**

6.1. Subject to Cabinet's support for the current scheme and if, following an additional report mid 2019, there is a desire for the Council to build a crematorium, it will be necessary to conduct procurement exercises to appoint both a professional services team and a contractor for construction of the

crematorium. The preferred option would likely be 'design and build', as the Council does not currently have experience in delivering crematorium builds.

- 6.2. The key benefits of this route to procurement include the ability to control costs more effectively and transferring risk to the developer. There are also frameworks available that the Council can utilise to procure the services required. This will be explored in more detail in the report to follow mid-2019.

## **7. Indicative timeline**

- 7.1. Subject to Cabinet's support of the scheme to purchase the identified site and build a new crematorium on that site and Mercia's successful application for planning permission, the following gives an indicative timeline for delivery:

- November – December 2018:
  - Mercia to consult with local stakeholder i.e. residents, local funeral directors, celebrants and members of the clergy.
  - RBC to engage with Nottingham City Council in acknowledgement of potential impact on Wilford Hill Crematorium.
- December 2018: Mercia to submit planning application for new crematorium on site identified in Stragglethorpe.
- March 2019: Planning application to be considered by Rushcliffe Planning Committee.
- March – May 2019: Carry out procurement exercise to appoint professional services contractor i.e. architect, cost consultant, project manager
- June 2019: Bring detailed business case for the project to Cabinet for consideration of the options and sign off
- June – August 2019: Carry out procurement exercise to appoint partner to design and build new crematorium
- September 2019: Start on-site
- September 2020: Project completion

## **8. Operational delivery**

- 8.1. If Cabinet wishes to pursue this scheme a follow up report will be presented, in which operational options will be considered. The two principal options following the Council securing the site would be for the Council to build a new crematorium and operate the service in-house, or build a new crematorium and outsource the operation. An in-house model would retain a higher return for the Council, could be dovetailed with existing Council services, and could enable the Council to retain control of the quality of the service. However, there are a number of significant factors to be considered. These will be explored in a follow up report to Cabinet.
- 8.2. The business model for this scheme is based on a traditional crematorium with mercury abatement. There are a small number of companies in the United States and Canada which offer "green cremations". This is described as a gentle, eco-friendly alternative to flame-based cremation or casket burials. It is a process that uses water and potassium hydroxide to reduce the body to its basic element of bone ash. Sandwell Metropolitan Council has been exploring this option but as yet, has not come to an agreement with the water authority

(Severn Trent) that it would accept the waste water created by this process so has been unable to proceed.

## **9. Alternative options considered and reasons for rejection**

- 9.1. The Council could do nothing and leave provision of a crematorium service for Rushcliffe residents to Wilford Hill, which is currently operating in the Borough and is run by Nottingham City Council. This option is not recommended, as there is a geographical gap in Rushcliffe which is not currently being served by Wilford Hill within a 30-45 minute drive time. In addition Wilford Hill is attracting significant numbers of cremations from beyond even its 45 minute drive-time catchment area and greater numbers than would be expected based on standard industry calculations, which results in delays in residents looking to book a cremation.
- 9.2. The Council could leave the delivery of a new crematorium in the borough to the wider market. Mercia have an option on the identified site and are working to get planning permission for a new crematorium on that site. If the Council chooses not to buy this site with planning permission from Mercia, then Mercia will be free to sell to a private developer to deliver the scheme. This option would still provide the community infrastructure much needed by our residents, but would not provide a revenue return to the Council, which could be used to contribute to other community infrastructure projects. Therefore this option is not currently recommended.

## **10. Risks and uncertainties**

- 10.1. This scheme is currently dependent on Mercia's successful application for planning permission for a crematorium on the identified site. If Mercia are unsuccessful, the scheme will not be able to progress as planned.
- 10.2. In the event that Mercia's planning application is successful, it is possible that a competitor will lodge an appeal against the decision during the allotted 6 week judicial review period. This would be due to the highly competitive nature of the crematoria industry. Mercia will be taking due care throughout their application process to mitigate the chances of this occurring or being successful. If an appeal is lodged, this would impact on the indicative timeline set out in paragraph 7.1.
- 10.3. The financial case is predicated on certain assumptions including number of cremations undertaken, running costs, staffing and borrowing costs. Balanced against these assumptions is also the opportunity to expand the facility in the future.

## **11. Implications**

### **11.1. Financial implications**

High level indicative costs for land purchase, design and build for a 100 seater, single chapel, and single cremator crematorium have been benchmarked and will be in the region of £5m-£8m including VAT. VAT will not be reclaimable on the build costs so this needs to be added in to the project.

It is estimated there could be a return on investment to the Council of 6.5 percent over 40 years. The Council would also be the owner of the asset. This return is based on the Council operating the service in house, although a decision on the operational model would be subject to a further report and decision by Cabinet.

Details of the expenditure, forecasts and surpluses have been prepared with external industry expertise, and shared with the Council's Section 151 Officer. If there are changes to the assumptions made in the financial modelling, the return could be different, but three scenarios have been modelled and all show a positive Net Present Value and positive Internal Rate of Return to the Council.

### **11.2. Legal implications**

The provision of crematoria is governed by the 1902 Cremation Act. This impacts on the siting of a crematoria in relation to existing dwellings and rights of way. This has been taken into consideration when identifying a suitable site. The operation of a crematoria is a licensable activity and would be overseen by the local authority's environmental health function.

This report, and Cabinet's endorsement of an additional crematorium facility in the borough, in no way overrides the role of the Council as the independent planning authority for Rushcliffe. Any application for a crematorium in the borough will be considered by the Planning Committee on its merits. It should be noted that the site identified is in the green belt, therefore any application will have to meet the very special circumstances required to progress this site.

### **11.3. Equalities implications**

The crematorium will be a secular facility although services may be religious in content. Some religions do not undertake cremations and residents from these religions, as well as other residents whose preference is burial, will continue to be buried after death rather than cremated. However, at present cremations account for 79 percent of funerals in England and Wales and this project seeks to meet this particular need.

There are also several burial grounds, both religious and secular in the borough.

### **11.4. Section 17 of the Crime and Disorder Act 1998 implications**

Any new build that the Council is involved in will look to design out crime and ensure security and safety of the site.

## **12. Link to corporate priorities**

Provision of a new crematorium in Rushcliffe will support the delivery of the Council's Corporate Priorities by: Maintaining and enhancing our residents' quality of life, by providing a facility which will offer the highest quality of care, allowing bereaved residents to honour their loved ones in a dignified and respectful environment.

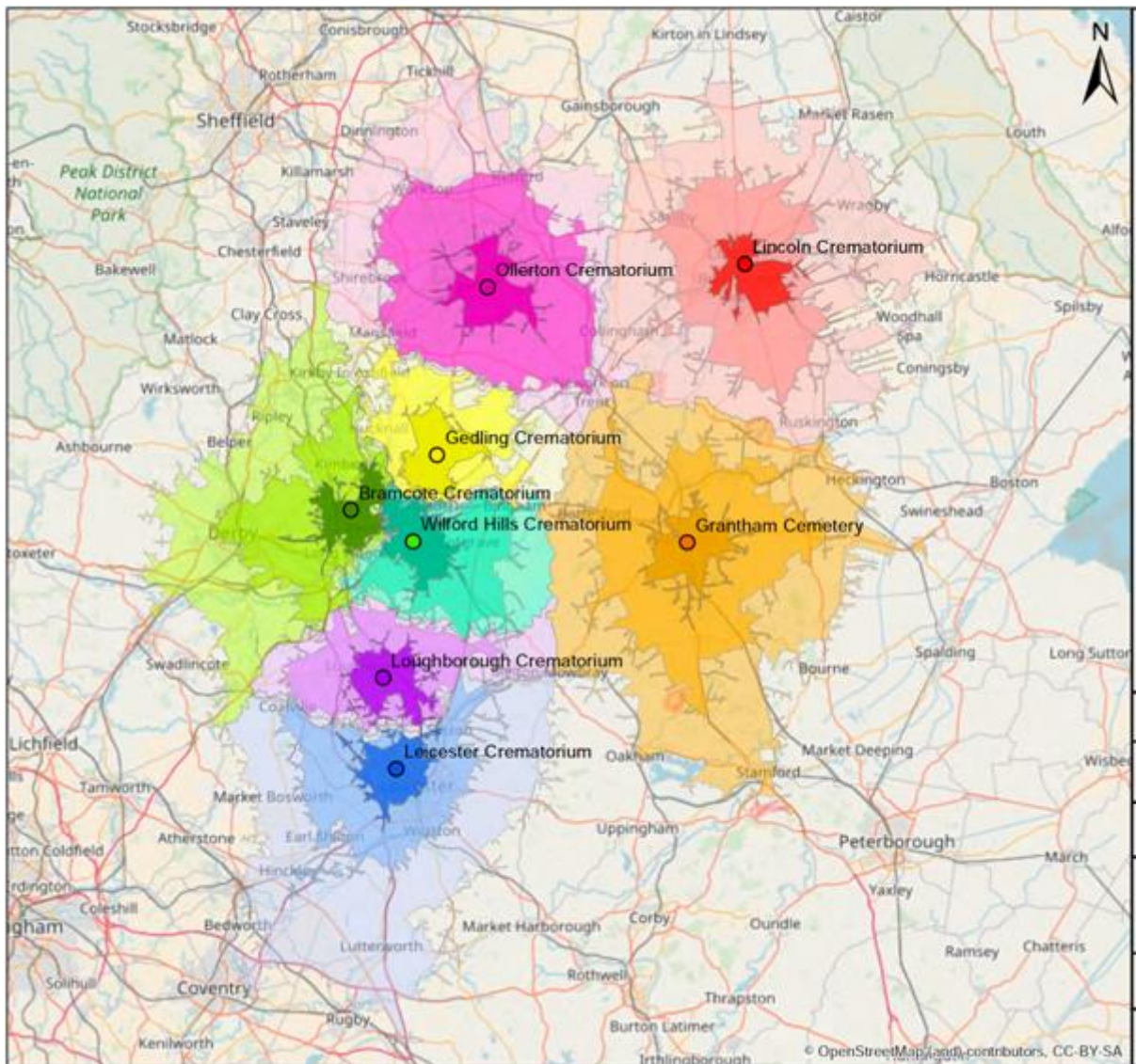
### 13. Recommendations

It is RECOMMENDED that Cabinet:

- a) Supports the principle of the provision of a new crematorium in Rushcliffe
- b) Supports the identified location for a new crematorium as identified in Appendix B, subject to consideration by the planning committee and all the relevant consultation
- c) Authorises officers to finalise the option on the identified site
- d) Supports the provision for the purchase of the land and delivery of a crematorium in the 2019/20 capital programme, subject to planning and sign off by Cabinet via a further detailed business case in June 2019
- e) Receives a further report in mid 2019 with an update on the planning outcome, detailed business case and proposed route to procurement and delivery of the crematorium (which could be either by RBC or by a third party).

<b>For more information contact:</b>	Katherine Marriott Executive Manager - Transformation and Operations Tel: 0115 9148291 kmarriott@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	None.
<b>List of appendices:</b>	<b>Appendix A:</b> 15, 30 and 45 minute drive-time catchments for 8 existing crematoria  <b>Appendix B:</b> Identified site, Main Road Stragglethorpe

**Appendix A: 15, 30 and 45 minute drive-time catchments for 8 existing crematoria**





## Appendix B: Identified site: Main Road, Stragglethorpe

