

29 June 2011

Operational Matters and Performance, Cremator
Replacement Project Update



Report of Alan José, Superintendent and Registrar

Purpose of the Report

1. To provide Members of the Central Durham Crematorium Joint Committee with project update and proposals for the introduction of a Pre-Payment Bond Scheme.

Performance Update

Number of Cremations

2. The table below provides details of the number of cremations for the period 01April 2011 to 31 May 2011 inclusive with comparative data in the same period:

	2010 / 2011	2011 / 2012	Change
APRIL	190	183 + 1*	- 7 + 1*
MAY	188 + 1*	171	- 17 + 1*
TOTAL	378 + 1*	354 + 1*	- 24 + 2*

* = Non Viable Foetus (NVF)

** = Stillborns (STs)

*** = Body parts

3. The full profile of where families came from can be seen in Appendix 2. In summary, 129 came from Durham and 225 from outside of the area. This has lead to 354 +1 Nvf cremations undertaken for the period 1st April 2011 to 31st May 2011, compared to 378 + 1* Nvf in the comparable period last year, a decrease of 24 Cremations. Although the number of cremations are lower than last year they are still within the projections against the budget and this will need to be monitored over the coming months.

Operational Matters

Staffing Issues

4. At the last CDCJC (27th April 2011) it was reported and agreed that the vacant position should remain until the results of those expressing interest in early or voluntary retirement / redundancy had been considered. Although this process is ongoing within the County Council the vacant post which has been covered via a temporary staff member and is seen as critical to the ongoing operation and is now to be filled to provide a permanent member of staff.
5. As a result, the Job Description is currently being revised and it is intended that the post be advertised internally in the first instance at both the Durham County Council and Spennymoor Town Council.

6. In the meanwhile, the temporary contract has been extended to 30th September 2011. It is hoped and expected that an appointment will have been made by the time the temporary contract expires.

Nomination to Vice President - ICCM

7. The Superintendent and Registrar has been asked if he would agree to be nominated as Vice President of the Institute of Cemetery and Crematorium Management (ICCM). The agreement to be nominated for the position does not mean a guaranteed election due to other potential nominations but in the event that the nomination was successful the support of the CDCJC would be essential.
8. The work of representing the Institute involves four Board Meetings per year, the Annual Conference, meetings with Government Departments, visits to area Branches in the UK and attendance at Functions of kindred organisations. In total a maximum of ten days are likely to be taken up on ICCM business. The costs of these events would be met by the ICCM but time away from work would be necessary. If successful the position would start from September 2011, a position that would lead to his taking on the role as President of the Institute from September 2012 and as such is a two year commitment.
9. The opportunity of this role would benefit the CDCJC in terms of national profile and representation. The Superintendent and Registrar has for 15 years been the Secretary of the ICCM Northern Branch Forum and in that capacity arranges meetings and seminars, meets with Government Officials, writes articles for the trade magazines along with other duties. If the CDCJC were to support a successful nomination a replacement for the role of Secretary of the ICCM Northern Branch Forum would be sought.

Cremator Replacement & Crematoria Redevelopment Project - Update

10. Project updates have continued to be circulated to members of the Central Durham Crematorium Joint Committee – Number 4 being the latest, issued on 3rd June 2011 (Appendix 2). The next issue – Number 5 will be circulated during August 2011.
11. The Project Team Leader, Richard Fenwick, advises that the project has met the deadlines set out by English Nature, eliminating this key risk to the project. The excellent rate of progress has been made possible by the close co-operation of all members of the Project Board and their relative teams. A full updated budget statement, showing a revised forecast and details of expenditure to date is attached at Appendix 3. This shows that the project is still estimated to be within the overall cost envelope for the scheme.
12. IFZW have been part of the project team since the award of the tender and discussions have been ongoing regarding their production of the required machinery. These discussions have now secured a provisional start date in November which is 11 weeks earlier than the January 2012 date originally indicated by them and will allow for completion of the Cremators in April 2012.
13. This is a significant bonus and will allow more time for the settling in of the new cremators and abatement equipment before they are independently tested for compliance of the tough new regulations in plenty of time to meet the 31st December 2012 deadline.

Durham Crematorium Pre - Payment Cremation Bond

14. Wear Valley Crematorium at Coundon opened in March 2009, up to the middle of May 2011, some 777 Cremations had been carried out, roughly 7 each week. This is not a figure that the owners (Dignity PLC) will be happy with and in recent months they have appointed a new Manager who has been actively pursuing business by visiting Funeral Directors and leaving with them photographs of their Memorial gardens, (which are becoming established and are looking very attractive) and encouraging them to use the facility. This pro-active approach will no doubt continue.
15. Against this background Durham Crematorium has performed well with a little loss of business, as shown through these reports since the Coundon facility opened. The current improvement works will bring noticeable benefits to the public and Funeral Directors, with improved car parking and access facilities and also the environmental benefits of 100% abating mercury emissions within the next 12 months.
16. The challenge facing the Durham Crematorium is to continue to maintain its market share as the Coundon Crematorium becomes more established in the area. The suggestion therefore is to introduce a new scheme which will help to secure future business in the form of a Pre- Payment Cremation Bond.
17. There are a large number of Pre – Payment Funeral Plans taken out by the Public, offered by one of the many Providers in this area, namely Golden Charter, Co-operative Funeral Care, Dignity and Age Concern. The challenge for a Funeral Director in this regard is that after several years the value of the plan may not be enough to pay for the whole costs of the Funeral. One of the most expensive disbursements is the cremation fee which is often a cause of concern to families who have thought that the full fees would have been covered by such a plan sold by the Funeral Directors.
18. The proposed pre-payment cremation bond would need to be sold at a premium to the standard cremation charges, as it relates to future prices of cremation. It is suggested that this be £100 above the current total cremation fee plus a £20 administration fee which equates to a circa 20% premium, with this being reviewed annually at the same time as the other Fees & Charges.
19. The Cremation Bond would be issued in the name of the person who wished to be cremated at Durham Crematorium in the future and the Terms & Conditions of use would be that it was not transferable. If a refund was requested at any time in the future, this would be in the sum originally paid less the administration fee. A Register would be kept and the Certificate issued to either the purchaser directly or to the Funeral Director holding the family's Pre- payment Funeral Plan.
20. At present, the County Council does sell Exclusive Rights of Burial in advance in the form of Reserved Grave Spaces which are available across the County Cemeteries where space is available. There is at the moment, no premium charged on the current fee of £546. (This fee does not however include the cost of interment). There is a facility whereby the Exclusive Right of Burial can be purchased in three instalments, the Deed of Right not being issued until the full fee has been paid.
21. In attempting to benchmark this suggestion we have been unable to find any local authorities who run a comparable scheme and this appears to be an innovation.

22. The potential “sales” numbers have been estimated based on informal discussions with Funeral Directors and with the MD of Golden Charter (one of the largest suppliers of Funeral plans that are marketed through independent Funeral Directors). Based on these discussions the expected range could be between 20 and 40 Pre- payment Cremation Bonds per month at a current (£480 + £100) £580 plus the admin fee of £20, providing an income of between £11,600 to £23,200 per month. All the Funeral Directors approached informally, would be very interested in purchasing a Bond for each of the pre-payment plans that they sell.
23. This money would to be placed in receipts in advance and called upon during the year that the Bond was redeemed, before the “year end”. The scheme would allow substantial cash prepaid Reserve to be built up, which would attract interest. This reserve would also protect from the redemption of Bonds in the future and the potential reduction of ongoing revenue.
24. The main benefit of offering this scheme to families is the opportunity for individuals/families to purchase their cremation in advance, reducing the financial burden on their family, which is particularly important at a time of general hardship for our communities.
25. The main benefit to Durham Crematorium is the securing of future cremations at a time when families are more cost conscious and competition in particular from Coundon Crematorium is increasing. A further advantage currently is the lower fees at Durham when compared to the immediate competition and this could also make the purchase of a Durham Crematorium Bond a very attractive proposition.
26. The risks are believed to be minor, given that the age profile of the majority of purchases of Pre-paid Funeral Plans are between their late 60’s to early 70’s. One risk is if the rate of inflation increased way above current predictions, leaving the Bond Fee looking very cheap. However, the fact that a 20% premium front loaded at the point of sale, plus interest earned, this risk is considered to be low. There will also be an annual review of fees and charges that would take inflation into account and maintain the £100 premium mark up.
27. If accepted by CDCJC it would be proposed to start this service from 1st October 2011 allowing Mountsett Crematorium Joint Committee to also consider this proposal and ties in with the current bereavement consultation and a review of a similar scheme for burials also.

Scatter Tubes

28. A demand from Funeral Directors has been identified for a new type of Urn for Cremated Remains – called a “Scatter Tube”. These urns are made of cardboard and feature a number of attractive designs, such as Bluebell Wood, Sunflowers and are fully recyclable.
29. To satisfy this demand a small number of these urns have been purchased (at a cost of £5.75) and the retail price of these Scatter Tubes are £12.



Recommendations and Reasons

30. It is recommended that Members of the Central Durham Joint Committee:

- Note the content of this report with regards to current performance of the crematorium;
- Consider and agree to advertise the vacant post internally at Durham County Council and Spennymoor Town Council in August 2011.
- To consider and agree the introduction of a Pre-Payment Bond which will be offered from 1st October 2011.
- That Scatter Tubes be added to official Fees and Charges Sheet at a charge of £12.
- Consider and agree the support of the nomination of the Superintendent and Registrar to Vice President of the ICCM.

Contact(s): Alan José 0191 384 8677

Appendix 1: Implications

Finance

As identified in the report.

Staffing

A member of staff has left the Authority and this will be reviewed in due course.

Risk

None

Equality and Diversity

There are no Equality and Diversity implications associated with this report.

Accommodation

There are no Accommodation implications associated with this report

Crime and Disorder

There are no Crime and Disorder implications associated with this report.

Human Rights

There are no Human Rights implications associated with this report.

Consultation

None. However, Officers of Spennymoor Town Council were provided with a copy of the report and given opportunity to comment / raise any detailed questions on the content of the report in advance of circulation to Members of the Central Durham Crematorium Joint Committee.

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

Appendix 2: Cremator Project Updates



Central Durham Crematorium Joint Committee

Cremator Replacement Project Update

May 2011

Issue 3



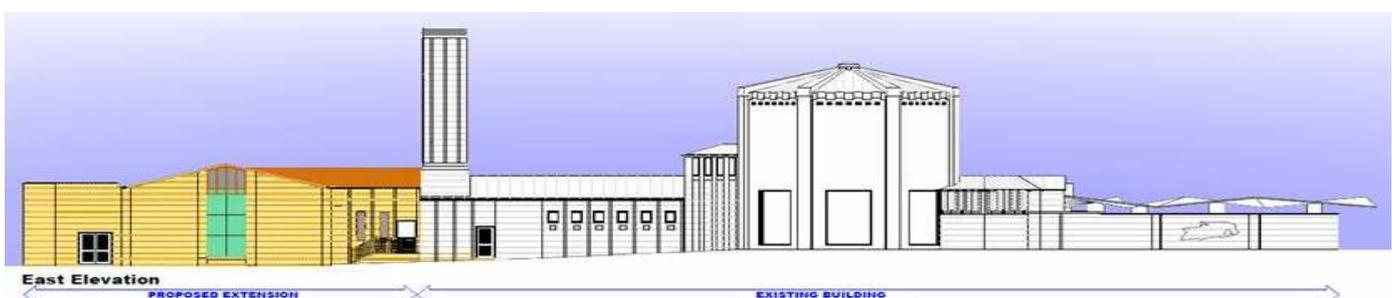
Project Board meetings continue to take place on a monthly basis to plan and review progress on the redevelopment works and finance, this supports and guides the regular project team meetings that have been continuing from last summer.

The works for the building and car park have continued as per programme with some areas being completed ahead of time. To date the buildings external beams (reinforcement), damp proof, gas diversion, and substation structure have all been completed and work is ongoing on the central concrete foundations and the installation of the foul sewer around the perimeter to alleviate the pumping of the temporary cesspit.

In terms of the car park, work has been progressing to plan, with the completion of the excavation, sub base and drainage over the last couple of weeks and work ongoing on the kerbing for the entrance, perimeter and the footpath progressing well.

Fortunately the weather has been kind and the dry conditions have assisted keeping the access roads clean and reducing the impact on those who use and visit the site. In the event of poor weather road sweepers and other contingencies are on call to ensure the impact is minimal.

Photos 'from behind the scenes'



As previously detailed the orders have been placed for many items required for the build with the majority being within the expected amounts and project expenditure continues to be in line with the planned budget, the building is now out of the ground reducing the risk of unexpected expenditure.

Ongoing daily liaison is happening between Alan Jose and the contractors to ensure any impact on the ongoing services are minimised, and apart from a couple of issues which were resolved quickly the works have proceeded both with diligence and respect and sensitivity.

What is Coming Up?

The final concrete pour for the foundations of the building are planned for Saturday 14th May (weather forecasts are favourable in this respect) and will allow for the full erection of the steel work in line with the timescale set by the ecologist for the bats. This prevents suspending further works until August in line with English Nature Regulations – a key risk within the development.

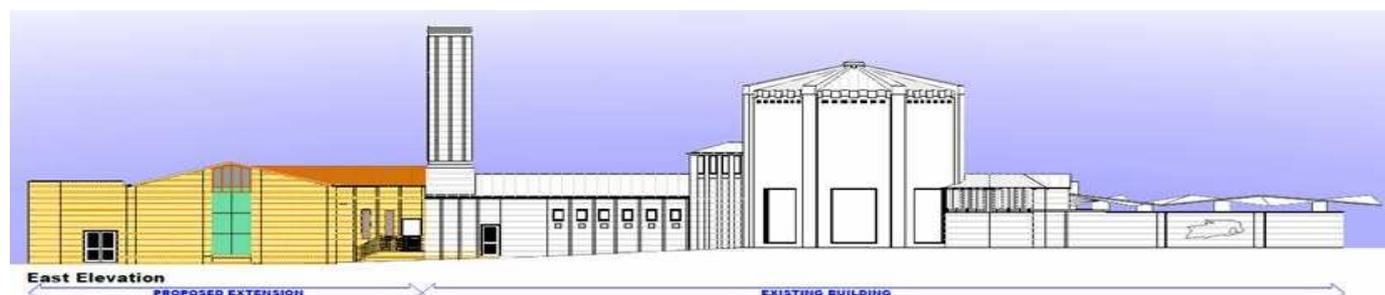
The car park is due for surfacing on the 16th May, along with the finishing of the new footpath and lighting, prior to full completion on 19th May - ahead of schedule. This will provide the much needed additional parking for visitors and is the first significant milestone of the project.

Members of the Committee are to be offered the opportunity of a guided tour / site visit prior to the planned meeting on 29th June, by which point the car park will be completed, steel work erected and progress made with regards to the external walls.

Communications

Member briefings will continue to be issued on a monthly basis, giving up to date details of progress across the project. Notices have been placed in the Crematorium grounds advising visitors of what is happening and why.

Further press releases are planned at key times with the opening of the new car park planned for next week and the first tangible customer improvement.





Central Durham Crematorium Joint Committee

Cremator Replacement Project Update

June 2011

Issue 4

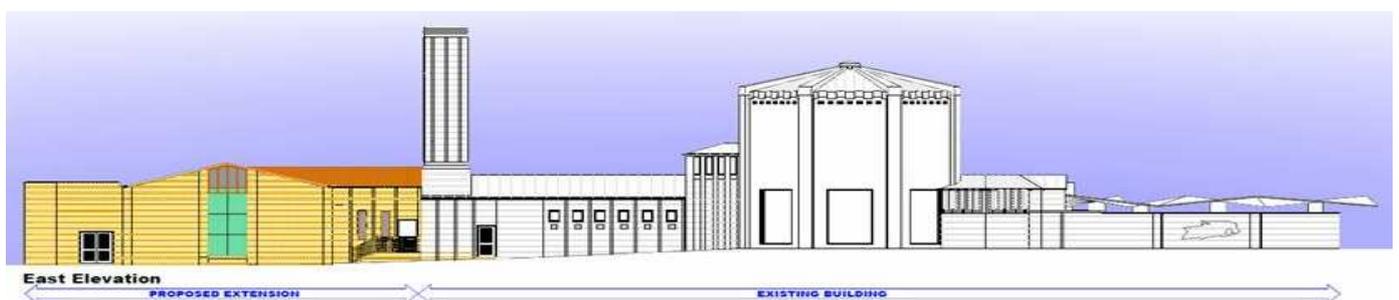
Project Board meetings continue to take place on a monthly basis to plan and review progress on the redevelopment works and finance, this supports and guides the regular project team meetings that have been continuing from last summer.

The works for the building and car park have continued as per programme with some areas being completed ahead of time. Following on from the last update the final concrete pours for the foundations have been completed and the full structural steel frame (picture below) have been completed in line with the English Nature regulations related to the bats.

In terms of the car park, work has been progressing to plan, with the completion of the kerbing for the entrance, surfacing of the new footpath and grading and seeding of the perimeter. As can be seen by the photo below it has now been surfaced and lined and is in operational use by visitors to the site which has been received well. The island in front of the main building has been altered and the cable ducts for the electric supply cables for car park lighting and the Electric Charging Point has been completed.

Fortunately the good weather has continued and the dry conditions have assisted keeping the access roads clean, reducing the impact on those who use and visit the site. In the event of poor weather road sweepers and other contingencies are on call to ensure the impact is minimal.

Photos 'from behind the scenes'



As previously detailed the orders have been placed for many items required for the build with the majority being within the expected amounts and project expenditure continues to be in line with the planned budget, the building is now out of the ground reducing the risk of unexpected expenditure. A full financial report will be presented at the next CDCJC meeting.

Ongoing daily liaison is continuing between Alan Jose and the DCC Direct Service contractors to ensure any impact on the ongoing services are minimised, and the works have proceeded both with diligence and respect and sensitivity.

What is Coming Up?

During June progress will continue to be made on the brick work for the exterior of the building with erection of scaffolding planned on the exterior in the next week. The roof cladding is planned to be installed at the end of June with the copper substitute agreed with the planners.

The road widening for access is also planned over the coming week with the completion of the lighting and footpath linking the new car park and the main Chapel safely will be completed by the end of June.

Due to the excellent rate of progress which has been made possible by the close communication of all members of the project Board, IFZW, who have been part of the project team since the award of the tender have been able to bring forward the provisional start date to November which is some 12 weeks earlier than the January 2012 date originally indicated by them and would allow for completion of the Cremators in April 2012. This is a significant bonus and will allow more time for the settling in of the new cremators and abatement equipment before they are independently tested for compliance of the tough new regulations in plenty of time to meet the 31st December 2012 deadline.

Communications

Member briefings will continue to be issued on a monthly basis, giving up to date details of progress across the project. Notices have been placed in the Crematorium grounds advising visitors of what is happening and why. These have been well received and Alan Jose has been able to keep both the Funeral Directors and other interested parties in the loop.

The next CDCJC will be held at the Crematorium on 29th June, with the opportunity for a tour of the site at 4.30pm prior to the meeting starting. It is also proposed that the Joint Committee meeting in the autumn again be held at the Crematorium when the building is expected to be significantly completed and once more Members will be invited to inspect the progress of the works.

Further press releases are planned at key times with the opening of the new car park planned for next week and the first tangible customer improvement.

Appendix 3: Financial Summary

Durham County Council – Design Services		Durham Crematorium – Financial Report No. 04				Jun-11
Element	Original Project Budget Dec-10	Revised Project Budget Jun-11	Variance On the Original Project Budget	Spend to Date 01/06/2011	Comments	Memo Revised Budget Apr-11
Provision of New Cremators	£1,298,115.00	£1,305,615.00	7,500.00		Adjusted to reflect increased cost of bond.	£1,298,115.00
Builders work - Cremators	£13,000.00	£5,000.00	(8,000.00)		Reduced as cremator openings and lintels inc in build cost	£6,500.00
<u>Building Works</u>						
New extension						
Service Yard and Access Roads	£346,060.00	£428,856.68	82,796.68	£126,332.00	Cost of service yard adjusted	£418,538.00
External works and Drainage					Internal Lintels cost included	
Internal Alterations					Cost of covered area to service yard included	
Mechanical Installations	£57,000.00	£45,128.02	(11,871.98)		M & E - It is anticipated that much of the work can now be done in normal working hours. A combination of the good weather and the flexibility of the in house workforce has generated savings in these trades.	£47,523.00
Electrical Installations	£60,500.00	£56,649.49	(3,850.51)			£62,649.00
Contractors Preliminaries	£57,200.00	£64,528.00	7,328.00			£64,528.00
Out of Hours working allowance	£10,000.00	£3,012.81	(6,987.19)			£9,712.00
Car Park and Road widening	£192,300.00	£170,549.00	(21,751.00)			£170,549.00
Provision of New Electric supply	£65,000.00	£71,355.00	6,355.00	£37,689.00		£71,355.00
<u>Direct Payments</u>						
Signage and fire fighting equipment						
Planning and Building Control Fees	£15,900.00	£26,256.00	10,356.00	£22,306.00		£26,256.00
Site Investigation						
Contingencies	£74,750.00	£21,900.00	(52,850.00)			£21,900.00
Variations		£1,975.00	1,975.00		Cost of known variations to date ; covered by savings elsewhere	
Design/Consultancy Fees	£209,600.00	£198,600.00	(11,000.00)	£159,900.00		£198,600.00
						£3,200.00
	£2,399,425.00	£2,399,425.00	(0.00)	£346,227.00		£2,399,425.00

General Notes

The project has not been procured by conventional tendering which would have resulted in additional costs and time implications for every variation from the tender position. By working with the in-house construction teams it is possible to work to an overall cash limited budget using value engineering to manage risks and variations. The current projections show the project is being managed and delivered within the overall budget allowed.

The above figures are based on the latest revised quote from Direct Services and include a number of additional costs, e.g. Covered area to the service yard for bins and filter medium storage, the increased cost of the service yard and some internal builders work. The cost of these extras have been offset by and large by savings on the mechanical and electrical installations.

The cost of the bond is now included with the overall IFZW cost above. The bond is necessary to protect DCC against the risk in paying IFZW for material and fabrication work carried out in Germany before delivery etc to site has increased. The bond cost is based of quotations received by IFZW from their bank/insurers for the provision of the bond.