



## Options to refurbish Yeovil Crematorium

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## Purpose of the Report

1. To update members on the refurbishment of Yeovil Crematorium and request an increase of £800,000 to the project budget.

## Forward Plan

2. This report did not appear on the District Executive Forward Plan because officer work to confirm various aspects and propose options and budget impacts has only recently been completed. The timing for the report is urgent so that the capital implications can be reviewed in the context of the 2022-23 Budget.

## Public Interest

3. This report contains an update on the previously agreed proposal to refurbish and update Yeovil Crematorium to continue and improve upon the quality of the service offered to grieving families and mourners.

## Recommendations

4. That, District Executive recommend that Full Council:-
  - a. agree to increase the Capital Budget by £800k, as part of the Capital Programme to give the overall project a maximum budget of £5.721m.
  - b. note that approval has been given for the originally approved construction project to proceed provided that the contract sum is within the revised budget.

**Note:** our joint venture partner, Yeovil Without Parish Council, is meeting to discuss this on 16 February.

## Background

5. South Somerset District Council (SSDC) owns an 89% interest in Yeovil Crematorium and Yeovil Without Parish Council (YWPC) owns an 11% interest. Yeovil Crematorium is the only crematorium facility in the immediate area and averages 1700 cremations a year. It supports a large geographic area. The crematorium is managed by SSDC on behalf of the Yeovil Crematorium and Cemetery Committee. The existing crematorium was built



## South Somerset District Council

in 1970 and is now rather dated and lacking in capacity (for example, the existing chapel accommodates less than 100 mourners).

6. In June 2017 the decision was taken to refurbish and update Yeovil Crematorium by constructing a new chapel, a new waiting room (created from the existing chapel), a smaller secondary chapel and improved parking and other associated facilities, including replacement cremators. This decision followed a detailed review by Rose Project Management consultants of the existing facilities and an assessment of future demand for crematory services in the Yeovil area for the next 25-50 years. In August 2019 it was agreed to increase the budget from £4m to £4.921m to reflect the actual tenders received.
7. The two main elements of the approved project were the construction works and the cremator replacements. Pre-covid, the cremator replacement work had started and cremator number one (C1) of a planned two was installed. The main contractor for the construction project had been competitively selected but in the event not contracted as the construction project was deferred due to cost risk and operational pressures linked to the pandemic. Throughout the remainder of 2020 and the first half of 2021, the operational focus for the crematorium was meeting continuing needs for funerals in the area during the pandemic. This was often challenging for families and mourners coping with loss, and also for the staff at the crematorium.

### The Current Position

8. The approved construction scheme is ready to start, but there is an overall project budget shortfall of around £800k due to (i) cremator issues outside the Councils' control which had to be addressed and (ii) an increase in construction costs since the project was originally tendered.
9. **Cremator issues** - as set out in paragraph 7 above, C1 was installed as part of the project. A second containerised cremator (C2) was purchased during the pandemic via the Covid budget to secure operational resilience. This left the project with two working cremators and additional monies in the project budget. Unfortunately, the supplier of C1 went into liquidation, leaving behind a new machine that had mercury abatement issues, which needed to be addressed on environmental grounds. Without proper mercury abatement measures in place, there are damaging emissions into the general environment and the crematorium is subject to an obligation to pay CAMEO fees of c. £45,000 per annum on typical levels of activity. Only one proposal to investigate and carry out reinstatement works on C1 was received and that was without any warranty being offered and at a significant cost.
10. The cremator market is small and providers will only abate and guarantee their own systems, so a new bariatric cremator (C3) has been purchased from FT (the manufacturer/supplier of C2) to replace C1 and ensure the mercury abatement issues are properly addressed. The purchase of C3 increased spend on the original cremator element of the overall approved project budget by around £365k, but this will result in the installation of C2 and C3 within the Crematorium and deal with the abatement issues.
11. **Construction costs** - the main contractor selected pre-pandemic is available to carry out the works as originally planned but construction costs have increased since 2019. The combination of Brexit and COVID has caused serious supply issues in the construction sector. There has been significant cost increase for some categories of



## South Somerset District Council

material as well as general cost inflation. Based on a review with the contractor and building in a prudent element of allowance, the estimate is that the cost of the construction work will have increased by about £390,000. Allowance has been made for additional professional fees due to the project disruption of £37,500. Design work is complete and, subject to the additional funds being available, work could start almost immediately.

### Construction Project Options

12. In the light of the potential impact of local government reorganisation, officers have identified the following options:

- A Proceed with the scheme as originally designed with the preferred contractor.** For the reasons set out above, this will require an additional budget of £800,000. It should be possible to start the main contract on site in May 2022 (90 weeks build programme).
- B Defer the construction element for a future decision by the new Somerset Council.** This would reduce capital commitment by around £2.5m but effectively write off £262k of design spend already paid for the current scheme. Note: Somerset Council will also become responsible for Taunton crematorium.
- C Prepare a reduced scheme within the existing (remaining) budget.** This would not be a simple deletion of elements of the approved scheme and it is unlikely that a revised project could start on site before April 2023, although this would depend on the brief and the planning and procurement processes. Most if not all of the design spend (£262k) could be written off. There is unlikely to be sufficient officer capacity to devote to the production of a revised scheme when the anticipated demands of the current capital programme and the LGR programme are taken into account. In practice, option 3 is very similar to option 2.

13. The original objectives of the project are only met by option A. The need for these improvements is probably greater than before due to the further depreciation of the buildings since the original report. In addition, more efficient and flexible facilities will add to the quality of the service provided and allow the Crematorium to maintain and build its position as the preferred choice in the local and wider catchment area.

14. This report and the options set out in paragraph 12 will be considered by YWPC at their meeting on 16 February and will be reported to the meeting.

### Financial Implications

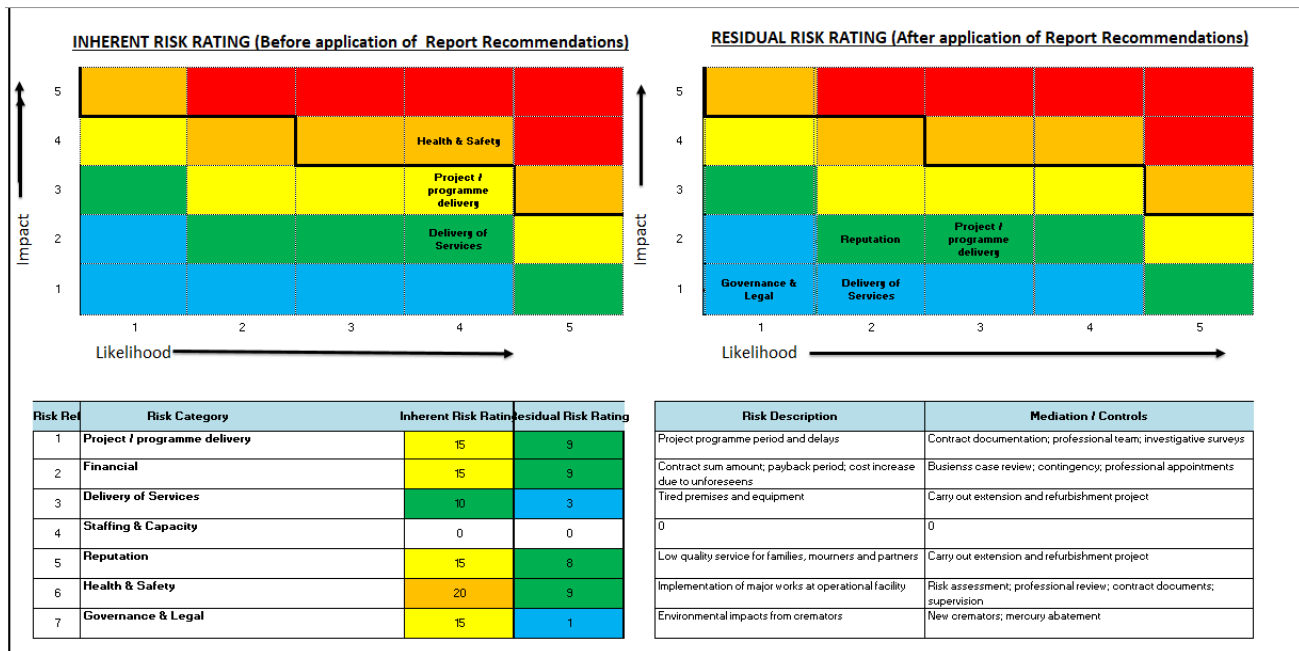
15. The original decision and the previous increase to the budget were supported on the basis that the overall project would be delivered at no additional cost to the council because capital costs would be met from additional revenue over the life of the facility. Funding for this project is provided by SSDC at 89% and YWPC at 11%, utilising accumulated funds currently held in reserves, borrowing and up front capital contributions from SSDC and YWPC in proportion to their shares in the facility, with capital borrowing repaid through an increased surplus generated by the facility.



# South Somerset District Council

16. If the original scheme is to be implemented, there will need to be a further increase of £800k resulting in a revised project budget of £5.721m.
17. The total budget includes a contingency allowance of £434,000 as protection against unforeseen costs. This is standard practice for significant construction projects. Refurbishment of existing buildings always has a risk of unforeseen project variations which can increase cost as well as standard construction risks.
18. The original business case is being updated to confirm that the additional funding requested in this report will continue to be met. An update should be available at the meeting.

## Risk Matrix



## Council Plan Implications

19. This project contributes positively across most Council Plan themes – Protecting Core Services, Economy, Environment, Healthy, Self-reliant communities.

## Carbon Emissions and Climate Change Implications

20. Replacement cremators will significantly improve environmental performance from this facility, most notably by including mercury abatement but also confidently achieving specialised environment performance standards. The refurbishment works will reduce the carbon consumption of the facility.

## Equality and Diversity Implications

21. A full equality assessment report has been undertaken on this project and there are no adverse implications.

## Privacy Impact Assessment

22. There are no adverse personal data implications to this report.

### Background Papers

June 2017 – District Executive	Refurbishment and Development of Yeovil Crematorium (Confidential)
June 2017 – Full Council	Refurbishment and Development of Yeovil Crematorium (Confidential)
December 2017 – Scrutiny Committee	Update Report on Progress with the Scheme to Develop and Refurbish Yeovil Crematorium
August 2019 – Full Council	Update on the Refurbishment and Development of Yeovil Crematorium (Confidential)