



Oversight and Governance

Chief Executive's Department

Plymouth City Council

Ballard House

Plymouth PL1 3BJ

T 01752 668000

www.plymouth.gov.uk/democracy

Published 22/07/22

Delegated Decisions

Delegated Executive/Officer Decisions

Delegated Executive and Officer decisions are published every Wednesday and are available at the following link - <https://tinyurl.com/ms6umor>

Cabinet decisions subject to call-in are published at the following link - <http://tinyurl.com/yddrql6>

Notice of call-in for non-urgent decisions must be given to the Democratic Support Unit by 4.30 pm on Friday 29 July 2022. Please note – urgent decisions and non-key Council Officer decisions cannot be called in. Copies of the decisions together with background reports are available for viewing as follows:

- on the Council's Intranet Site at <https://modgov/mgDelegatedDecisions.aspx>
- on the Council's website at <https://tinyurl.com/jhnax4e>

The Councillor decision detailed below may be implemented on Monday 01 August 2022 if it is not called-in. The urgent council officer decision may be implemented immediately.

Delegated Decisions

1. Councillor Richard Bingley, Leader of the Council:

1.1. Purchase of properties in the West End of the City Centre **(Pages 1 - 16)**

2. Urgent Council Officer Decision - Ruth Harrell, Director of Public Health:

2.1. Bereavement Infrastructure Project - Main Contract Award **(Pages 17 - 84)**

EXECUTIVE DECISION

made by a Cabinet Member




REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L05 22/23

Decision				
1	Title of decision: Purchase of properties in the West End of the City Centre			
2	Decision maker (Cabinet member name and portfolio title): Councillor Richard Bingley, Leader of the Council			
3	Report author and contact details: David Parkes 01752 398609 david.parkes@plymouth.gov.uk			
4	Decision to be taken: <ul style="list-style-type: none"> Approves the Business Case Approves the acquisition of the long leasehold interests in several properties in the west end of the City Centre (as set out in the Business Case) Allocates £1.3m for the project into the Capital Programme funded by service borrowing 			
5	Reasons for decision: To support the strategic regeneration plans for the City Centre's West End			
6	Alternative options considered and rejected: <ul style="list-style-type: none"> Do Nothing... Policy objectives not achieved Delay the purchase... Adds significant cost and project risk Purchase and demolish... could not be funded through service borrowing 			
	Financial implications and risks: Purchase agreed subject to contract and formal approval/sign off. The capital and revenue costs of the acquisition are set out in the Part II Business Case. Short term letting income will fund loan repayment and revenue costs This will be a key part of the proposed development plan for Colin Campbell Court and the West End. The purchase will enable the Council's wider regeneration plans to progress with the confidence of the Council owning the assets.			
8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			x	in the case of revenue projects when the decision involves entering into new

				commitments and/or making new savings in excess of £1 million
			x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.
	If yes, date of publication of the notice in the <u>Forward Plan of Key Decisions</u>			
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:		<p>The Business Case assumes funding is secured through service borrowing.</p> <p>Regeneration of the West End is aligned to planning policies PL6 (City Centre) and PLY 7 (Colin Campbell Court) as well as corporate plan policy objectives for Business Improvement in the City; the creation of new jobs and new homes; health and welfare improvements through the development of the Health Hub and response to the Climate Emergency. These properties will also provide short term affordable retail and business space for start-ups and offer temporary relocation options for displaced businesses.</p>	
10	Please specify any direct environmental implications of the decision (carbon impact)		<p>The buildings are near the end of their economic life and renovation would not be appropriate or financially viable. The City Centre is a sustainable location for new homes and development plans will be focussed on building low carbon housing and supporting local businesses and markets.</p>	
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?		Yes	(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
			No	x (If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair Signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?		Yes	x
			No	(If no go to section 14)

13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Mark Shayer, Deputy Leader of the Council		
13c	Date Cabinet member consulted	30 June 2022		
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes		If yes, please discuss with the Monitoring Officer
		No	x	
15	Which Corporate Management Team member has been consulted?	Name	David Draffan	
		Job title	Service Director, Economic Development	
		Date consulted	11 May 2022	
Sign-off				
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS26 21/22	
		Finance (mandatory)	P22 23 23	
		Legal (mandatory)	LS/38938/AC/17/7/22	
		Human Resources (if applicable)	N/a	
		Corporate property (if applicable)	N/a	
		Procurement (if applicable)	N/a	
Appendices				
17	Ref.	Title of appendix		
	A	Business Case (Part II)		
Confidential/exempt information				
18a	Do you need to include any confidential/exempt information? Business Case is Part II on the grounds that it contains confidential and commercial information critical to the purchase which if published could well jeopardise the Council's interests	Yes	x	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)
		No		

		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title: Business Case			x				
Background Papers								
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Cabinet Member Signature								
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.							
Signature					Date of decision		22 July 2022	
Print Name		Councillor Richard Bingley, Leader of Plymouth City Council						

Page 5

The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

This page is intentionally left blank

EXECUTIVE DECISION

made by a Council Officer



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – COD15 22/23

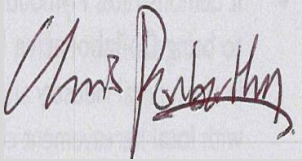
Decision	
1	<p>Title of decision: Bereavement Infrastructure Project – Main Contract Award</p>
2	<p>Decision maker (Council Officer name and job title): Ruth Harrell, Director of Public Health</p>
3	<p>Report author and contact details: Sandra Pentney, 305939 or Sandra.Pentney@plymouth.gov.uk</p>
4a	<p>Decision to be taken: To appoint Kier Construction Ltd the main contract award for the new Plymouth Crematorium at the Park), Kier Construction Ltd are to be awarded under a NEC4 contract which was procured through the Southern Construction Framework demonstrating competition and value for money.</p>
4b	<p>Reference number of original executive decision or date of original committee meeting where delegation was made: Executive Decision Ref L10 18/19 dated 23 July 2018</p>
5	<p>Reasons for decision: The existing cremators at Weston Mill and Efford are at the end of their life, do not meet current abatement requirements and do not have space for the new cremators. In addition the ceremony spaces are poor and dated but have served the city well over the last 100 years. In addition the burial space is filling up and the public demand is changing to more memorialisation. A new facility provides solutions to all those problems but also provides a site that could serve the City for the next 100 years.</p>
6	<p>Alternative options considered and rejected: The option to do nothing was rejected on the basis that a city the size of Plymouth needs to be able to have its own bereavement facilities and that offer should be available to all the people of the City. The option of expanding the existing facilities to make space for the new cremators and improve ceremony spaces was rejected on the basis that no space is available, burial is very close to the existing buildings which means expansion isn't possible and the existing cremator halls are insufficient to take new cremators and the latest abatement technology.</p>
7	<p>Financial implications and risks: This contract is for £21,463,474 which includes the already agreed total of £7,917,673 which is covered by approvals for enabling works packages and PCSA design fees. Costs related to this are to</p>

be met from the approved capital virement agreed at Cabinet on the 7 July 2022 for the new Crematorium facility. A detailed breakdown of the cost is provided below.

Categories	£
1) Contractors Costs	21,463,474
2) Client Direct Costs	
Project Design Team Fees	1,846,424
Utilities	709,033
Internal staffing	336,180
Surveys	82,272
External Consultants	329,263
FF&E	671,038
Land	1,886,000
Cremators	1,187,880
Reimbursement and Misc	76,602
WWA	353,143
Contingency (adjusted)	439,838
Sub-total	7,917,673
Total	29,381,147

8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
		X		in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			X	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million
		X		is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.
8b	If yes, date of publication of the notice in the Forward Plan of Key Decisions	29 June 2020 and subsequently updated in May 2021.		
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	<p>The Council is committed to delivering quality public services and as part of that commitment the Bereavement Service seeks to ensure it provides high quality remembrance and cremation service fit for the future.</p> <p>The Bereavement Service delivers on the Corporate Plan values and priorities in the following ways:</p> <ul style="list-style-type: none"> It is Democratic by engaging with the funeral industry and increasing community engagement opportunities through open days and events as well as strengthening 		

		<p>work with local schools and charities.</p> <ul style="list-style-type: none"> • It is Responsible by caring about its impact on the customers and the funeral industry retaining the choice of funeral service locations. • It is Fair by creating a variety of opportunities for remembrance across a range of locations and costs • It demonstrates Plymouth City Council's is committed to being Collaborative by working with our partners in the funeral industry and developing stronger ties with local bereavement charities • It is a Caring Council that reduces health inequality by providing a modern facility that is fit for purpose meeting the needs of the whole city with sensitivity to differing faith requirements • The project supports economic growth as part of a Unlocking the City's Potential that benefits as many people as possible • It will also supports Unlocking the City's Potential by investing in facilities that we can be proud to offer and become a destination of choice for remembrance • A crematorium that is green and sustainable by providing modern cremators with the latest abatement technology that meets the current emissions requirements is key contribution to Unlocking the City's Potential. The service will also provide alternative memorialisation offers such as green burial all of which will support a green, sustainable city that cares about the environment <p>The Plymouth Plan sets out a single vision for the city to 2034 with a clearly stated ambition to grow Plymouth's population to 300,000 as well as new developments on our urban fringes such as Sherford Community, crematoria and burial capacity are recognised as a key infrastructure requirement for a growing city.</p>
10	<p>Please specify any direct environmental implications of the decision (carbon impact)</p>	<p>The current and future cemetery and crematoria provision can contribute to Policy 25 Reducing Carbon Emissions by replacing old cremators with modern technology. Furthermore the cemeteries maintained by the Bereavement Service total 40 hectares of green space and are integral to the achievement of Policy 24 Delivering Plymouth's Natural Network providing for the needs of people, wildlife and businesses from funeral directors, florists and masons and their associated supply chains.</p>

Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes	x	(If yes, please contact Democratic Support for advice)
		No		(If no, go to section 13a)
12a	Reason for urgency: The contract price provided by Kiers is only valid until the 17 th June 2022. By which point prices quoted with the contract package will have changed and will be required to be re-priced. This small time scale for valid prices is the current conditions faced by all contractors and is as a result of Covid, Brexit, the ongoing war in the Ukraine and other current market conditions such as the cost of living, fuel prices etc.			
12b	Scrutiny Chair signature:			Date 21 July 2022
	Scrutiny Committee name:	Performance, Finance and Customer Focus Overview and Scrutiny Committee		
	Print Name:	Councillor Chris Penberthy		
Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	x	
		No		(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Pat Patel, Cabinet member for Customer Services, Culture, Leisure and Sport		
13c	Date Cabinet member consulted	09/06/2022		
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes		If yes, please discuss with the Monitoring Officer
		No	x	
15	Which Corporate Management Team member has been consulted?	Name	Ruth Harrell	
		Job title	Director of Public Health	
		Date consulted	19/05/22	
Sign-off				
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS25 22/23	
		Finance (mandatory)	ba.22.23.74	
		Legal (mandatory)	EJ/38551/13.7.22	

		Human Resources (if applicable)	N/A
		Corporate property (if applicable)	N/A
		Procurement (if applicable)	SN/PS/643/ED/07 22

Appendices

I7	Ref.	Title of appendix
	A	Bereavement Briefing Paper – Main Contract Award (Part I)

Confidential/exempt information

I8a	Do you need to include any confidential/exempt information?	Yes		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in I8b below.
		No	x	

Exemption Paragraph Number

		I	2	3	4	5	6	7
I8b	Confidential/exempt briefing report title:							
	Plymouth Bereavement Centre Contract Award Report (Part II)			x				
	Bereavement Capital Investment BC Update (Part II)			x				
	Bereavement Cost Movement Report and Breakdown (Part II)			x				

Background Papers


I9	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.
-----------	---

Title of background paper(s)

Exemption Paragraph Number

	I	2	3	4	5	6	7

Council Officer Signature

20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.		
Signature		Date of decision	14/07/2022
Print Name	Ruth Harrell		

BEREAVEMENT INFRASTRUCTURE PROJECT: UPDATE

July 2022



INTRODUCTION

The Plymouth Crematorium at The Park will provide the citizens of Plymouth with a new, purpose built crematorium with associated facilities off Haye Road, Plympton. This is needed in order to continue to be the main crematoria for the city. Investment will deliver quality facilities that meet 21st century customer expectations and capacity to meet future demands.

The new facilities will include three ceremony spaces, designed to meet the varying needs to suit the number of mourners and the desired style of the ceremony; along with high quality audio-visual equipment for the ceremony and to allow those who cannot be present to take part.

The waiting areas, along with the flow of people throughout the building and outside spaces, have been designed to ensure that each funeral party receives the highest quality of experience when saying goodbye to their loved ones.

Behind the scenes, the crematory will have new cremators with the latest abatement equipment, and the required space and facilities to improve all elements of care for the bereaved as well as health and safety improvements for our staff.

Outside of the buildings, the grounds have been designed to sit sympathetically in the environment, in the full awareness of the wellbeing benefits of green spaces. As well as landscaping including memorial gardens, there is appropriate car parking, road access, pathways and other appropriate external spaces.

In addition – and in excess of the initial designs – there is a café and wake facility. Our market research tells us that people value somewhere to meet in the warm and dry either before ceremonies or when visiting the memorials of loved ones; as well as giving us the opportunity to join in initiatives such as Compassionate Friends. The space is flexible, and would allow for either larger wakes, or smaller, more intimate, gatherings.

Significant work has taken place over the last 5 years which has brought us to the stage where Kier, the main contractor, are onsite and have delivered enabling works including bringing services on to site, and we are at the point now of seeking to award a design and build contract for the full construction.

However, the costs for the development have risen, since the initial forecast and more rapidly over the last few years due to unprecedented events outside of our control.

THE ISSUES

There have been a number of costs which have significantly increased due to matters outside of our control.

Unfortunately the pandemic hit shortly after the appointment of Kier as the approved provider and the subsequent tendering processes have highlighted the issues being faced by the construction industry – and the implication of these on the project.

Brexit also had an impact on labour and supplies.

Then the Ukraine war has also impacted on supplies particularly in terms of the availability and cost of critical materials such as steel, iron, nickel, chemical products and timber. Energy price increases are another issue, particularly given the high European dependency on Russian gas and

oil. Prices are likely to remain high, meaning that the cost of materials used in projects that require intensive energy input, such as steel, bricks, plastics and ceramics, are going to continue to rise. Transportation costs also look set to increase further.

In effect, the war has exacerbated an already turbulent market, hit by Brexit, Covid-19, shipping disruption, rising energy and fuel costs and spiralling inflationary pressures.

Therefore the construction price is being affected by interlinked factors;

- Materials supply
- Labour costs
- Energy (and transport) costs
- Reduced appetite for risk given the uncertainty in the above factors

These concerns are impacting on the confidence within the industry, the market has become more risk averse and we are currently in a challenging period in terms of exceptional market volatility and procuring “competitive” tenders has been challenging with often 1 or 2 suppliers responding to tenders, meaning costs have increased. The Building Cost Information Service (BCIS) is currently forecasting an increase in tender prices of 21% over the next 5 years.

COST INCREASES OVER TIME

The initial business case was presented in 2017; costs were very provisional and there was no formal sign off at this stage, since it was clear that detailed costings would be required.

In June 2018, a cost of just under £12 million was approved. This did not include full design, cremator procurements, café and wake facility, and only estimates of the land purchase amount.

In July 2020, a further estimate of costs was put forward as a business case and approved. This was for £16 million; it included updated costs following planning, partial design and procurement.

Unfortunately, it became very clear after this point that Covid19 was not going to be over in one wave, and that the construction industry were, and continued to be, heavily impacted.

Over the last two years, the Bereavement Services Project has seen prices increase heavily, as shown in the table below.

The cost that we have now arrived at, £29.4 million, reflects the final costs having gone to tender for all components and updated those orders placed earlier in the project.

Table 1 summarises the cost movement for the Bereavement Project against the timeline showing how the cost has evolved over time with rationale for the changes.

Date	£m	Approval Status	Rationale
2016-2017	12.000	Approval not sought	Early estimate before design or land purchase or new cremator procurement
June 2018	11.985	Business Case Approved	Estimate based on land purchase amount being identified and more detailed estimates but before design and cremator procurement
July 2020	16.029	Updated Business Case approved (Appendix 2)	Updated costs following planning, cremator procurement, partial design

Oct 2021	22.980	Not Approved as awaiting final cost, but <i>additional Service Borrowing included 2022/23 Budget / MTFP</i>	Increased costs from contractor citing inflation, Covid risk and Brexit. The shifting of the programme has impacted on work package price increases.
Feb 2022	23.100	Not Approved as awaiting final cost Appendix 3	Increased costs for work packages following sub-contractor engagement. Additional costs from the war in Ukraine for key items such as steel.
June 2022	29.400	Main Contract Award (currently in progress) Appendix 3	Updated prices received from the main contractor for all the various work packages including risk, inflation and cost increases arising from the conditions in the market. Note low responses from sub-contractors at high prices. The contractor has also included risk elements to ensure risk avoidance on their behalf related to the fact that PCC have requested a complete cost for all works over the 2 year period.

ORIGINAL OPTIONS EXPLORED

In the original 2018 business case the options explored were:

- Option 1 -Do nothing- this is not possible as the condition of the ageing cremators has a life span of approximately 5 years and only limited land space for burials. This is still the case today.
- Option 2 - develop existing site. This is not recommended due to space constraints and the investment period for the new cremators will exceed the existing site capacity. This issue still exists
- Option 3 –create a new site elsewhere in the city. This is the option that was approved and is currently under construction.
- Option 4 –crematoria only - This was recommended as an alternative to Option 3 above. We have already purchased the land required for the new crematorium which will provide burial services.
- Option 5 – burials only – in order to support choice and meet the needs of local communities it was recommended that burial space was considered alongside the crematoria provision. This has also been included in option 3 therefore part of the current works.
- Option 6 – joint venture with other local authorities – this was considered in 2012 and thought likely to lead to a dis-benefit for PCC.

WHAT WE HAVE DONE

Value engineering

Extensive value engineering has been carried out throughout; this has saved the order of £1 million. Changes were only considered where they would not create significant changes to the

overall look and feel of the site (in line with Portfolio holder requirements), or where substantial changes requiring planning approvals would be needed. Changes included;

- External Wall construction – change from pre-cast concrete to traditional blockwork created a considerable saving linked to the cost of materials and a larger subcontractor base
- External Wall plinth (foundation) - change from pre-cast concrete to traditional blockwork – as above
- Mechanical & Electrical Installations – no planning risk, no resilience loss, wider network of suppliers and manufacturers
- External Works and Landscaping – replacement of bridges with culverts and bridge ‘type’ crossings; review of levels across the site to mitigate cart away; review highway and parking specification materials based on site investigation results, etc.
- General amendments to finishes, buildability and material interfaces – no perceptible aesthetic change.

Internal reviews

Review I Jan/Feb 2021

When it became clear that a significant overspend was likely, this was discussed with the Portfolio Holder and the Leader at the time. A number of options were considered, as set out in Appendix I, including;

- **Option A – Delay the scheme for 12 months.**
- **Option B – Significantly redesign the scheme to fit the budget.**
- **Option C – PCC increases the budget to meet the shortfall.**
- **Option D – Remove the Café from the scheme to be delivered at a later date.**
- **Option E – Fundamental Value Engineering of the entire scheme**

Option C was chosen.

This was because;

- delaying the scheme carried significant risk, both of costs continuing to increase, and of the time delay impacting on the service’s ability to meet the requirements of the population due to failing equipment
- a redesign, and/or significant value engineering, to take large amounts of cost out, would leave the end result far inferior to the plans; not compatible with being ‘***one of the most impressive crematoriums in the country***’, as referred to by the Leader of the Council when the initial funding was agreed.
- Delaying the delivery of the café and wake facility would not be cost effective, it would take away an important resource for the public (along with significant income which would balance the costs) and if carried out later, could cause disruption to the tranquillity that we expect the facility to deliver.

Review 2 Jan 2022

An internal peer review was commissioned from a senior PCC person experienced in large scale construction. This summarised;

The current programme is forecast to be significantly over budget. This has been interrogated as part of this review and a significant contributing factor is that the project has been exposed to unprecedented cost risk due to Covid global pandemic. By slowing down the project further to explore and undertake cost cutting it has actually exacerbated this problem and the cost savings targeting have been outweighed by additional project costs and further cost risk exposure. If further cost savings were sought, again there would be additional construction cost risk exposure and this could be exacerbated further by fuel and energy cost increases in 2022.

There is no obvious way to further save money without compromising commercial elements that could be income generating- such as the café. By excluding this element it is likely to cost more in the future and impact on both the customer experience and income the service is likely to generate.

The review highlighted two issues, one of which was related to the cost which was that some elements of project management could be improved to be more robust, mainly through additional resource; this was acted upon rapidly. The appointment of further programme management support from Ward William Associates was made, with a proven reputation and track record with large construction projects, and the instruction to progress as rapidly as possible to the design and build contract award was made.

External advice

SCF Construct support the South West in the delivery of the construction framework and therefore have considerable experience in the construction procurement process. We received the following feedback from them;

Since early 2020 SCF have supported the project team in the contractor selection for the Plymouth Crematorium Scheme. SCF has over the past 15 years delivered a total of c£7bn of projects with contract sums being agreed to on average within 1% of the initial budget and then gone on to be delivered within 2% of contract sum.

The recent events of Brexit, CoVID, unprecedented market volatility and most recently the war in Ukraine have however led to many project budgets being under intense pressure and clients needing to agree contract sums in excess of their original aspirations. Whilst it is difficult to put exact figures to this due to how unique every project is we have seen inflation to some packages in excess of 50% year on year. Further information on market forces can be found in our quarterly updates [Market Intelligence - SCF \(scfconstruct.org.uk\)](https://scfconstruct.org.uk)

In supporting the team in delivering the Plymouth Crematorium, SCF can provide reassurance that the project team has done everything reasonably practicable to reduce exposure to increasing market costs. Whilst the final proposed contract sum is clearly above the original aspirations in the current market it does represent a realistic project cost to the client.

Kingsley Clarke, SCF Operations Lead, Southern Construction Framework

Summary of feedback

The feedback has been clear in that the cost pressures that we are experiencing have been outside of our control and that, albeit with some suggested improvements which were enacted ASAP, there are no additional actions that can be taken to mitigate these, other than move to the award of the design and build contract as rapidly as possible.

FINAL COSTINGS

We have now moved to a design and build contract to reduce the risk associated with increased inflation and other issues. A new worst case scenario cost has now been set at **£29.4 m**.

This will be comprised of;

- Service borrowing for £16.026m. This was to be paid from the service as per the original approved business case.
- Corporate borrowing of £4 million, included in the 2022/23 Budget, approved by Full Council 28 February 2022 included “additional Capital Financing cost for Crematorium additional investment £0.191m per annum.”
- Additional Corporate Borrowing of £9.4m modelled at current interest rates, of £0.523m p.a.

As a priority project for the Council, a financial solution has been proposed that will mitigate the costs increases for the Crematorium project and enable it to progress and remain within the overall capital budget envelope. This has been achieved by making a virement from the capital allocation within the Facilities Management capital budget. As part of the ongoing monitoring of the capital programme all schemes will be reviewed and rephrased as appropriate and the commitment to finance projects within the Facilities Management will be reintroduced to the Plan.

An Executive Decision paper has been prepared for the main contract award and will be submitted to coincide with the request for the budget increase being put before Cabinet on 7 July. The decision has been delegated to Director of Public Health in the original Executive Decision paper L10 18/19

On the successful approval of the additional budget the contract will be awarded and signed committing to a fixed price for delivery of the new crematorium.

DRAFT CONTRACT IN SUMMARY

The council is proposing to enter into a Design and Build NEC contract for delivery of the Crematorium.

This means that the Contractor will be responsible for the design and construction of the whole of the works as described with the Scope, under a fixed price basis until contract completion set for April 2024. The Contractor will bear the cost of any changes in price and inflation experienced with labour and materials during this period.

As with any construction contract, there are always some matters that remain as a Client risk and sit outboard of the design and build fixed price arrangement, which in terms of this project, include the following:-

1. Change in the agreed Scope (Clients (PCC) Instruction)
2. Site access issues (low risk, but Drake Memorial Park need to be considered)
3. Client doesn't provide something by a Key Date shown in the Programme (to be monitored)
4. Performance of Client direct works packages and supply of goods (such as Facultatieve Technologies - cremators, Leec, Delt Services & subsidiaries and FF&E provider)

5. Encountering of unforeseen physical site conditions such as ground obstructions or archaeology (this item is now considered low risk due to the extensive groundworks that have taken place)
6. Adverse weather conditions (beyond metrics contained in the contract)
7. Performance of Statutory Utility Companies for incoming services and diversions
8. Securing Planning Consents, Permits and Licenses (s73 planning, land drainage consent, EA permit for discharge treated effluent water).The decision from Planning is anticipated w/b 4 July 2022
9. Land restrictions such as wayleaves and covenants
10. Changes in law / legislation
11. Any departure from the original tender submission clarifications provided by the contractor
12. Ratification of Provision Sums, which are likely to include:-
 - a. Catafalque Curtain £50k
 - b. Fencing £40k
 - c. Specialist Joinery £138k
 - d. Internal Fit out £63k
 - e. Book of Remembrance £100k

This page is intentionally left blank

The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

This page is intentionally left blank

The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

This page is intentionally left blank

The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

This page is intentionally left blank