

Cabinet



Recommendation from 29 June 2022 Performance Finance and Customer Focus Overview and Scrutiny Panel

Bereavement Update

Part 1

Minute 13

Councillor Patel (Cabinet Member for Customer Services, Leisure & Sport), Anthony Payne (Strategic Director for Place), Graham Smith (Assistant Manager for Bereavement Services), Karen Jennings (Head of Bereavement Services), Nick Anderson (Ward Williams), Caroline Cozens (Head of Strategic Programmes) and Will Bailey (AECOM) presented the Bereavement Update. The following key points were highlighted to Members:

- (a) the Council had provided bereavement services for the city and surrounding areas for many years however current facilities at Weston Mill and Efford were outdated and inefficient and were in need of modernisation to meet the needs of users now and in the future;
- (b) in 2017 the plan for a new crematorium was conceived and received cross party support from Members; the main vision was a park like feel with a nature and woodland theme which would allow the citizens of Plymouth to remember and memorialise their loved ones for years to come. In June 2018 a business case was approved for the new build to be paid for by service borrowing based on provisional figures. Land was purchased off Haye Road in Plympton with a café and walk in facility;
- (c) a presentation was provided for Members highlighting plans for the site, photos from the site as well as latest drone footage taken in May 2022. As shown, significant work had taken place over the last five years in converting the grazing fields. Kier the main contractors had delivered enabling works bringing services to the site and now the project was at the point of requiring approval to appoint a design and build contract for the full construction;
- (d) the cost of the project had risen since the initial forecast and due to unprecedented events outside of the council's control including covid 19, Brexit, the Ukrainian war and energy cost increases. In June 2018 the project cost was approximately £12m, in June 2020 the project costs had increased to approximately £16m (following design development) and in October 2021 the cost was reviewed against the developing design and was estimated at £22.98m. By February 2022 the market had continued to rise and the impact of covid was reflected in the cost increase. To limit the Council's exposure

to risk and changes to the design and build passing risk to the contractor at short term cost increases, the cost now stood at £29.4m (comprised of service borrowing of £16m and the remainder from corporate borrowing).

Members discussed the following:

- (e) it was queried that the project was to be funded by £16m from service borrowing and £13.4m from corporate borrowing, however the Council's capital programme only reflected £4m from corporate borrowing for this project – when would the increased funds be reflected in the capital programme? It was responded that the additional corporate borrowing was estimated at £350k in the current year and could be accommodated within the capital programme; an executive decision could be taken to commit to the spend in the present year. There was a proposal to vire resources from the FM capital budget to enable the contract to be signed and received without further cost pressures arising from the delay;
- (f) requested that a revised business case for the project was submitted to the capital board for approval with sign off by the Leader – it was highlighted that a trail was needed to fully understand the changes to the project and that the business case should be updated to reflect costs;
- (g) how confident were officers/ the Cabinet Member that the Council wouldn't receive a lesser product for its money when a contractor, appointed under a design and build contract, might look to mitigate their costs by making changes to the project? It was responded that the contractor would go out to tender for each area of work/ package and would price to agreed quality specification;
- (h) how confident were officers/ the Cabinet Member that the contractor would be able to deliver the expected standard of work for the agreed price when the impact of Covid 19/ Brexit/ Ukrainian War/ rising energy prices was still ongoing? There were concerns that the cost of the project would further increase. It was responded that a fixed price cost contract was required urgently to protect the Council however the Council was working to deliver the project on cost. It was further explained that the Council's had moved to a design and build contract at a late stage so the project was now in an advanced stage. The project was further de-risked by the fact that enabling works and ground works had already taken place limiting exposure to future price increases. The contractor would price the risk in to the project going forward;
- (i) that a governance board for the project was set up to include the portfolio holder and shadow portfolio holder to ensure that Members were included in the development of the project going forward; this was welcomed by the Cabinet Member;

- (j) what was the contingency plan in the event that the existing crematoria provision couldn't deliver before the new provision was ready? It was responded that the Council would work with cremator companies, such was the case with the Efford Crematoria fire, to continue service delivery;
- (k) what was the estimated date of the opening of the facility? It was responded that the expected delivery date was April 2024;
- (l) it was expressed that the Life Centre project cut corners to achieve an opening date and work to a budget however since being opened the Life Centre had felt the impact of Covid 19 and work was ongoing to fix issues – how would the Crematoria project be different ensuring that quality was driving the project? It was responded that the value engineering experience would not be impacted as customer experience was a priority;
- (m) what had been done in terms of a lessons learnt approach in light of the impact of the last couple of years in order to prepare/ safeguard future major projects? It was responded that the increase in cost and delivery of the project in 2021/22 was unprecedented however the focus upon a governance framework with a strong political, external officer and internal officer insight was key as well as internal gateway review processes.

Members agreed to recommend that:

1. Cabinet were encouraged to act swiftly in signing a design and build contract for the construction of the Crematorium works;
2. the full updated business case for the Crematorium project was submitted to the Performance, Finance and Customer Focus Overview and Scrutiny Committee to be discussed under part 2;
3. a governance board was established by Cabinet with cross party membership as a matter of urgency for the Crematorium project.

During consideration of the report in Part II Members agreed to recommend that –

4. 'A 'lessons learnt' exercise in terms of internal processes (skills development, internal project management of major developments, etc) is initiated in order to inform future major capital projects undertaken by the Council;
5. The cross party work to review the capital programme agreed as part of budget setting should review the impact of rising costs and scheduling on all capital programme activity in light of lessons being learnt from the crematorium project;
6. That the Crematorium project is added as a standing item to the Performance, Finance and Customer Focus Overview and Scrutiny Panel until the work is successfully completed and the facility in full use;

7. At the 12 September 2022 Performance, Finance and Customer Focus Overview and Scrutiny Panel, a focus upon Government guidance and regulation specifically regarding council operated crematoria and budget management is held under part 2;
8. A site visit is scheduled for Members to see the scale of the site and works on the ground.