

Crematorium Development Report

6 December 2021

Purpose of Report

To provide Mansfield crematorium joint committee with options on the future development of the Crematorium as requested from the September 2021 meeting.

Summary

Alongside the replacement of the cremators and associated equipment program which has now been temporary suspended due to structural issues, the existing building does need significant refurbishment to provide/meet modern day requirements.

Therefore two options to meet today's requirements are considered in this report for member's consideration as asked for by members from the September 21 meeting.

- (a) Option 1 – New Build Crematorium
- (b) Option 2 - To replace all existing furniture and fittings of the crematorium building including major structural works to provide a more modern and up to date facility.

Recommendations

It is recommended that members of Joint Crematorium Committee decide on a favourable option from the above choices in this report in line with the officer's recommendation further in the conclusion of this report so officers can progress further development for the crematorium.

Option 1 - New Build Crematorium

When considering a new build crematorium there are many requirements to take in to consideration, including accessibility, location, highways, wildlife, utilities and size, however the main limitation being location as determined by the cremation Act 1902 as per the extract below

"No crematorium shall be constructed nearer to any dwelling house than 200 yards except with consent in writing of the owner, lessee and occupier of such house, not within 50 yards of any public highway nor in consecrated part of a burial ground."

The above criteria rules out many areas in Mansfield as new housing and retail developments are taking place.

There is sufficient capacity within the current site to build a new crematorium, this is the area is on the site of the car park extension that has recently being developed.

Utilising this area and a fraction of the woodland would avoid the felling of a considerable number of trees and destruction of wildlife habitat in that area.

Initial estimated cost of a new build crematorium would be in the region of £4m - £5m. This would include the de-commissioning and demolition of the existing crematorium.

This option would allow existing services to be maintained throughout the build without loss of income.

Summary of the advantages of a new build crematorium

- Minimal disruption to existing services
- Contractor control
- Continuation of Revenue during build
- Protection against loss of business
- Current facilities are dated and not competitive with newer sites

- It would ensure that revenue stream is safeguarded for a number of years

The disadvantages of a new build

- Significant expenditure to create new build and demolition of existing site
- Loss of existing woodland habitat

Land can be sourced from other parts of the district in Mansfield or either in Ashfield or Newark and Sherwood. Further investigatory works can be undertaken to do this should this option be considered, bearing in mind that land is already available in Mansfield on the current site which is in the ownership of Mansfield however will require planning permission.

Given the age and condition of the current crematorium and cremators and difficulty in installing abatement equipment it is important that a decision is made as soon as possible to avoid potential unknown costs related to the current facility.

In planning terms the land is within a designated area for the 'Protection of Community Open Spaces and Outdoor Sports Provision' – Policy IN3 in the Local Plan. The use of the existing car park to build the new site would be more beneficial as to minimise impact on woodland, and provide less disturbance to the site. This would also reduce cost as the site is already hard standing.

This states that developments that involve the loss of such open space are required to provide an assessment of need, identifying proposed enhancements and / or replacement facilities as relevant.

Estimated New Build Cost

The outline cost of this option provided in the finance report for members to consider.

Capital Costs Breakdown	
Facilitating works estimate	125,250
Building estimate -1121.33m2	
£3028.00/m2	3,395,388
Adjustment for the effect of Covid-19 2.5%	88,016
Project/design team fees 15%	541,298
Design development risks estimate	414,995
Allowance for inflation to anticipated tender date (sub total F) 2.44%	111,339
Total	4,676,286

Revenue Costs	
Minimum Revenue Provision	4,676,286
Interest over 20 years EIP rate 2.25%	235,007
Interest over 40 years EIP rate 2.44%	1,807,065
Maintenance of Cremators 20 years	1,840,000
Temporary cremator provision £99K for min 6 months x 2	198,000
Penalty Clauses to get out of existing Matthews Contract £300K to £400K	200,000
Loss of income due to competition/ age of MDC Crematorium 3 years 20/21 cremation fees were £2,030,545	
Inflationary increase on income for 25 years	
Total	8,956,358

Option 2 – Refurbish the current Crematorium

The focus of any redevelopment up to now has been mainly limited to the redesign of inner spaces to provide an improved operational environment for staff and visitors and increase service capacity where possible.

To replace all existing furniture and fittings of the crematorium building including major structural works to provide a more modern and up to date facility

With any refurbishment project of an existing building, compromise on what is achievable or possible will always form part of the design process. With a site such as Mansfield Crematorium there is restrictions on the building which will need a thorough design process to ensure a solution for the local communities and future requirements.

The following are proposals but would require further work to ensure that they are deliverable prior to proceeding. That further work would be intrusive surveys on site which would increase disruption.

The recent issues with contractors regarding the installation of abatement equipment which has been abandoned due to the floor not being able to support the installation is a warning as to the potential pitfalls of hidden costs relating to redevelopment.

This may result in partial or full shutdown of the crematorium.

Each section of refurbishment would be split into different areas therefore allowing a phased approach to the refurbishment of the site. These areas would be

- Thoresby Chapel and associated areas
- Newstead Chapel and associated areas
- Office and associated areas
- Crematory and associated areas

There are options available on how these works could progress which are outlined below

Phased Approach

This could be delivered over a phased approach to also minimise the impact on service delivery therefore allowing services to continue throughout however at a reduced rate at times during the work programme.

By phasing elements of work such as noisy elements at weekends and evenings away from service times and at reduced capacity it is estimated that the project would take up to an estimated 18 months.

Throughout this period there would be an estimated loss of income calculated at a % reduction in capacity. Estimated loss of income £735K (based on a 25% reduction of average cremation numbers, equalling a 900 cremations loss over 18 month @ £817 per cremation)

The advantages of carrying out a phased approach

- The continuation of services to the public
- Continuation of revenue
- Protection of business against competitors and future losses.

The disadvantages would be

- Disruption to the public in terms of service reduction
- Noise/Visual impact on building
- Reduction in operational cremators
- Logistically more difficult to manage but not impossible
- Longer delivery period
- Potentially reputational damage to service for distress caused during sensitive time

Full Closure

Whilst all the existing challenges remain to refurbish the existing building, a full closure would reduce timescales for the work to be carried out down to approximately 9 months. However the income lost would be potentially greater than a phased approach as this would incur 100% loss of income due to a full closure.

The loss of income would be estimated at £1.4m in 9 months (based on 10 cremations per day @ £817 per cremation for 36 weeks)

The advantages of a full closure would be

- Contractor control for quicker delivery of works
- Less restrictions
- Multiple areas of the building can be worked on at once
- Easier to manage
- No potential for disruption

The Disadvantages of a full closure

- Revenue loss for an estimated 9 months
- Potential future business losses to competitors such as Gedling, Wilford Hill, and the new facility at Shirebrook if this comes online.
- Disruption to the public having no local cremation service
- Disruption to visitors of the crematorium.

Estimated Refurbishment Costs

The costs for refurbishment below are based on partial shutdown

Capital Costs		Loans over 20 yrs
Timescale 18 months		
Refurbishment of chapels:		994,209
Cremators		1,019,000
Total Capital		2,013,209

Revenue Costs	
Minimum Revenue Provision	2,013,209
Interest over 20 years EIP rate 2.25%	235,007
Interest over 20 years EIP rate 2.25%	229,289
Maintenance of Cremators 20 years	1,840,000
Temporary cremator provision £99K for min 6 months x 2	198,000
Loss of income due to reduce capacity over 18 months 25% reduction	735,300
Penalty Clauses to get out of existing Matthews Contract £300K to £400K	200,000
Total	5,450,805

It is expected that the income would return to pre works levels and potentially increase further with having a new facility uplift as clients will be interested in a new look facility

Estimate costs for both options

Anticipated Costs	New Build	Refurbishment
Cremator Loan length (years)	20	20
Building loan life (years)	40	20
Capital Cost Cremators (new / existing)	1,019,000	1,019,000
Capital Cost Building	3,657,286	994,209
Abortive costs	200,000	200,000
Revenue costs excluding interest	2,038,000	2,773,300
Interest costs cremators	235,007	235,007
Interest costs buildings	1,807,065	229,289
Total Cost to Crem	8,956,358	5,450,805

One option available is to reduce surpluses, shown below are the effect of 10 and 20% reductions for your consideration.

10% reduction in surpluses		
10% reduction in surpluses Total	-3,489,800	-1,741,800
cost to MDC 49.48% / annum	43,169	43,092
cost to ADC 44.81% / annum	39,094	39,025
cost to NS 5.71% / annum	4,982	4,973
Cost to Crem reduced by 10% reduction	5,466,558	3,709,005

20% reduction in surpluses		
20% reduction in surpluses Total	-6,979,600	-3,483,600
cost to MDC 49.48% / annum	86,338	86,184
cost to ADC 44.81% / annum	78,189	78,050
cost to NS 5.71% / annum	9,963	9,946
Cost to Crem reduced by 20% reduction	1,976,758	1,967,205

Supporting documents to this report are attached in the following Appendices

Appendix 1 - Order of Cost Estimate New Build

Appendix 2 - Layout Plan

Appendix 3 – Order of Cost Estimate Refurbishment

Appendix 4 – Provisional Schedule of Items

Conclusion and Officer Recommendation

1. The two options have been explored which are outlined above in this report for members to consider which approach is best suited for the service and their Authority.
2. The most desirable option would be to build a brand new crematorium and demolish the existing site however the expenditure of this venture is significant. With regard to the alternative option of refurbishment there is potentially a significant element of risk associated with this option due to the age of the crematorium and structural issues which resulted in the abandonment of the abatement upgrade.

3. Taking in to account the information provided in this report members are asked to decide what would be most beneficial to the crematorium. In order to
 - To minimise impact on services and timescales.
 - To ensure that the Crematorium is competitive with other local facilities
 - Consider whether if refurbishment is the selected option approach will be a phased or full closure.
4. After speaking with Mansfield Design Services the current costings on the refurbishment would require an extra 25% to be added to costs that have currently being submitted. To this affect the cost of refurbishment is pushing £1m + depending on how extensive the work wants to go.

If the new build option was approved this would ultimately cut down on general maintenance of the building, and have lower running costs. A new facility would be more eco-friendly to ensure an environmentally friendly site was created.

A site such as this would be more comparable to other newer sites that are within the area and compete with new facilities that are currently in the pipeline.

It also has to be recognised that the existing facility is aging and a decision needs to be made as to whether it is viable to continue investing in to a facility that will continue needing significant expenditure.

5. Therefore it is a recommendation from the Crematorium Manager that officers are tasked with progressing the preferred option of Option 1 to develop the service further now that firm costings for each option have been presented therefore allowing members to make an informed choice of the future provision of the service.