

Cheltenham Borough Council
Cabinet – 16th September 2014
Scrutiny Task Group Review – Cemetery and Crematorium

| | |
|----------------------------|---|
| Accountable member | Councillor Chris Coleman - Cabinet Member Clean & Green Environment |
| Accountable officer | Mike Redman Director of Environmental and Regulatory Services |
| Ward(s) affected | All |
| Key Decision | Yes |
| Executive summary | <p>This report sets out the response to the final report and recommendations of the Cemetery and Crematorium Scrutiny Task Group, which were received by Cabinet on 24 June 2014.</p> <p>At its meeting on 25 November 2013, the Overview and Scrutiny Committee commenced a review of the Cheltenham Cemetery and Crematorium cremator project. A Scrutiny Task Group was set up and the findings and recommendations of that Group were endorsed by the O&S Committee at its meeting on 3rd April. On June 24th, Cabinet requested that a report responding to the recommendations be brought back to the September meeting of Cabinet.</p> |
| Recommendations | <p>The Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Consider and note the officer response and comments in relation to the recommendations of the Cemetery & Crematorium Scrutiny Task Group, as set out within Appendix 2 2. Approve the creation of a Cabinet Member Steering Group to consider a longer term solution for the Cemetery and Crematorium service, including members of the Scrutiny Task Group, to help ensure effective implementation. |

| | |
|-------------------------------|---|
| Financial implications | <p>There are no direct financial implications arising from this report. Some of the recommendations refer to the council's contract and procurement rules and indicate where these need to be strengthened and highlighted to support officers in undertaking future exercises.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p> |
|-------------------------------|---|

| | |
|--|--|
| Legal implications | <p>The recommendations in respect of procurement processes will require legal input when updating the procurement strategy to ensure that any changes made are legally robust.</p> <p>The winding-up of the Crawford Equipment Europe Limited was completed on 12 August 2014 and the liquidator reported that there were no funds to distribute to creditors.</p> <p>Contact officer: Peter Lewis@tewkesbury.gov.uk, 01684</p> |
| HR implications (including learning and organisational development) | <p>HR implications arising from this review are contained in appendix 3.</p> <p>Contact officer: Julie McCarthy</p> <p>Julie.mccarthy@cheltenham.gov.uk Tel: 01242 264355</p> |
| Key risks | As set out within Appendix 1 |
| Corporate and community plan Implications | <ul style="list-style-type: none"> Cheltenham's natural and built environment is enhanced and protected. |
| Environmental and climate change implications | <p>Appendix 3, point three (xv) refers to mercury abatement. There is no statutory requirement for mercury abatement equipment to be fitted at crematoria; the cremation sector operates a 'burden sharing' approach (the CAMEO scheme) whereby those crematoria without abatement equipment make a financial contribution to the scheme for every cremation undertaken. The scheme was introduced because the government set a target for cutting mercury emitted into the environment which could be met without the need for all crematoria to fit abatement equipment. National, rather than local, targets for mercury emissions were set because the emissions do not impact directly on the local environment. However mercury is toxic and when released into the environment accumulates in the air and water and has an effect on health via the food chain, particularly when it is deposited in water and taken up by fish.</p> <p>Whilst there is no direct local impact, the council is committed to enhancing and protecting the environment and it would therefore be good practice to ensure that abatement equipment is fitted at an appropriate time.</p> <p>Contact officer: Gill Morris, Climate change and sustainability officer, Gill.morris@cheltenham.gov.uk, 01242 264229</p> |

| | |
|----------------------|--|
| Report author | Contact officer: Sonia Phillips, Director, sonia.phillips@cheltenham.gov.uk, 01242 774973 |
| Appendices | <ol style="list-style-type: none"> Risk Assessment Response to the Scrutiny Task Group Review |

| | |
|-------------------------------|--|
| Background information | O&S Committee : Scrutiny Task Group - Cemetery & Crematorium Final Report : 3 April 2014 Cabinet Report : Scrutiny Task Group Review – Cemetery and Crematorium : 24 th June 2014. |
|-------------------------------|--|

| The risk | | | | Original risk score (impact x likelihood) | | | Managing risk | | | | |
|-----------|---|--|-------------|---|----------------|-------|---------------|--|----------|--|------------------------------|
| Risk ref. | Risk description | Risk Owner | Date raised | Impact 1-5 | Likelihood 1-6 | Score | Control | Action | Deadline | Responsible officer | Transferred to risk register |
| 1.0 | If a long term solution to the existing cremator issues is not found, the council will be the subject of negative / poor PR as the existing cremators are unable to deliver the standard and reliability of service required by our customers, with a higher risk of business continuity failures and consequential impacts on bereaved families and local funeral directors. | Director Environmental & Regulatory Services | 28.8.14 | 4 | 4 | 16 | Reduce | Ensure communication is in place with key stakeholders throughout the interim period and that they are consulted as part of the long term appraisal project. | 01.04.15 | Head of Property & Asset Management | Yes |
| 2.0 | If the actions identified within the response report are not implemented, future projects will be at increased risk of not delivering their agreed outcomes and outputs with consequential financial and reputational risks. | Director Environmental & Regulatory Services | 28.8.14 | 4 | 2 | 8 | Reduce | Ensure response report actions are included within relevant corporate processes/policies and procedures. | 31.03.15 | Relevant Service Managers identified in the O&S response report to Cabinet | Yes |
| 3.0 | If a long term solution to the existing cremator issues is delayed, there is a significant risk that service interruption would have a negative impact on income levels & the | Director Environmental & Regulatory Services | 28.8.14 | 4 | 4 | 16 | Reduce | Increase financial provision for the cemetery and crematorium in the interim period whilst the long term solution is considered. | 01.04.15 | Head of Property & Asset Management | Yes |

| | | | | | | | | | | | |
|-----|---|--|---------|---|---|----|--------|--|----------|-------------------------------------|-----|
| | need for further unplanned expenditure on maintenance / plant repair. | | | | | | | | | | |
| 4.0 | If a long term crematorium solution is not implemented in the medium term, the existing site will require increasing resources to keep it operational, as the efficiency and reliability of the operation decreases. | Director Environmental & Regulatory Services | 28.8.14 | 4 | 4 | 16 | Reduce | Approve and fund a long term solution. | 01.04.15 | Head of Property & Asset Management | Yes |
| 5.0 | If a long term solution to the existing cremators issue is not found, the Council will continue to perform poorly in relation to environmental standards relating to mercury abatement and carbon dioxide emissions are likely to be higher than necessary, contrary to the Council's environmental objectives. | Director Environmental & Regulatory Services | 28.8.14 | 4 | 4 | 16 | Reduce | Approve & fund a long term solution ensuring inclusion of addressing issues in relation to environmental standards | 01.04.15 | Head of Property & Asset Management | Yes |
| 6.0 | If a long term solution to the existing cremators issue is not found, the Council will continue to incur significant costs through the CAMEO scheme to offset the failure to abate mercury emissions. | Director Environmental & Regulatory Services | 28.8.14 | 2 | 4 | 8 | Reduce | Approve & fund a long term solution ensuring inclusion mercury abatement | 01.04.15 | Head of Property & Asset Management | Yes |

| O&S Recommendation to Cabinet | Response |
|---|---|
| 1. The recommendations in relation to procurement (i-v below) be accommodated within the Authority's Procurement Strategy | <ul style="list-style-type: none"> Accept recommendation but already considered to be best practice. GOSS are reviewing procurement guidance and will ensure that the points raised are emphasised in the guidance to ensure that officers are more aware. |
| i) On future projects where the council is bringing in a consultant to offer specialist knowledge and experience the evaluation criteria should be set so that this factor is given more weighting than cost and a face to face interview carried out | <ul style="list-style-type: none"> Accept recommendation. The evaluation criteria and weightings are requested by service areas and are generally based on complexity, risk, profile and value of the project. GOSS will advise on where the criteria needs to be adjusted. |
| ii) At an early stage, more opportunities should be provided for the industry (in this case the funeral directors) to input any technical expertise or recommendation, whilst being cautious as to their own agendas. | <ul style="list-style-type: none"> Accept recommendation. Procurement guidance already recommends that specifications / project briefs should be formulated from input from all stakeholders. In this particular case, dialogue with the funeral directors will be taking place |
| iii) During the procurement process there should be an agreed adequate period of testing to confirm that equipment is functioning properly before final payment is made. That the % of money retained for this purpose is more significant than the 5% held back on this project. | <ul style="list-style-type: none"> Accept recommendation although evidence from reference sites and tender evaluation and scoring are a critical part of the tender acceptance process. Any variation to the standard contractor payment terms is considered appropriate, this will need to be set out in the initial tender documents and agree with the contactor ahead of the commencement of the project. Retentions up to 10% are negotiable, over which the tender price is likely to be impacted upon |
| iv) Consideration should be given to putting in place a maintenance contract at the same time as agreeing the purchase contract. | <ul style="list-style-type: none"> Accept recommendation. This is normal practice which will be re-enforced in the review of the guidance. |
| v) On future projects of this size, at least 2 site visits are carried out to a preferred supplier and preferably another visit to then supplier with the second | <ul style="list-style-type: none"> Accept recommendation. This is considered to be best practice and will be re-enforced in the review of the procurement guidance. |

| | |
|---|--|
| highest score | |
| <p>2. the recommendation in respect of staff management (ix and x below) be implemented by the appropriate Director</p> <p style="text-align: center;">_____</p> <p>ix The wellbeing and health and safety of crematorium staff on any operational or maintenance project are treated as a priority and regularly reviewed at every project meeting and staff given the opportunity to express their views</p> <p>x When dealing with such a significant contract in the future managers should receive full support from their Directors</p> | <ul style="list-style-type: none"> • Whilst there have been changes to line management arrangements at the Cemetery and Crematorium during the duration of the cremators project, this situation has now been stabilised, with Ubico providing operational line management and the new Environmental and Regulatory Services division providing the client-side overview. • The wellbeing of staff is paramount and will not be put at unacceptable risk as a result of demands arising from operational or maintenance needs. • Ubico will be reviewing risk assessments and helping to ensure that safe working conditions are maintained in the course of normal operations, or during the course of project-related activities, which will in turn be subject to the Council's project management requirements. • Directors will ensure that support is provided to managers dealing with significant contracts, with external expertise being brought in where there is any shortfall in appropriate skills in house. |
| <p>3. the recommendation in respect of abatement (xv below) is taken forward by the responsible Cabinet Member</p> <p style="text-align: center;">_____</p> <p>xv. The abatement cleansing issue is dealt with swiftly as this Council cannot sustain the significant amount of payment into the CAMEO fund for not being compliant, which we are not at this present time</p> | <ul style="list-style-type: none"> • The issue of mercury abatement is to be dealt with as part of a feasibility study which will examine a number of options for the future of the Crematorium service as a whole, given it is unlikely that the mercury abatement system will function within the existing facility and will need to be replaced. Financial provision will be made within the crematorium budget as part of the revised budget processes to address the payment into the CAMEO fund. • The Council is currently advertising for expressions of interest from suitably qualified Consultants to carry out this Study. • Once the Council has had the opportunity to study the contents of the Consultant's report, recommendations will be made as to the best way of dealing with the abatement issue. • The timescales for the options appraisal are as follows :- <p><i>Prequalification and tendering:</i> September 2014</p> <p><i>Pre-contract and award:</i> November 2014</p> |

| | |
|--|--|
| | Contract Period: November 2014 – February 2015 |
| <p>4. the recommendation in respect of legal options (xii below) is taken forward by the Borough Solicitor.</p> <p>_____</p> <p>xii Legal options could continue to be explored particularly any joint claims with other authorities in the same position.</p> | <ul style="list-style-type: none"> • One Legal has contacted six other councils that purchased cremator equipment from Crawford Equipment (Europe) Limited. All have looked at the prospect of taking legal action but, as the Company had no assets or professional indemnity insurance, legal proceedings were considered as having little or no chance of success. One council had used a principal contractor who sub contracted the Company to install its cremators and that council is continuing to work with the principal contractor to complete the contract. • At the final meeting of creditors on 12 August 2014, a resolution 'That the Joint Liquidators be granted their release' was proposed and passed. The liquidation of the Company has accordingly been finalised and the liquidators' final report and receipts and payments summary has been filed at Companies House; that report does not show any realisable assets on the part of the Company to meet the claims of creditor councils. |
| <p>5. the recommendations in respect of project management (vi and vii and viii below) are included within the Authority's project management processes and procedures</p> | <ul style="list-style-type: none"> • The importance of recommendations vi vii and viii was emphasised at a meeting of the Senior Leadership Team and Service Managers on 14th July |
| <p>vi All Projects over a certain cost and timescale need to be fully managed according to the project management principles and procedures adopted by the Council</p> | <p>The meeting endorsed the following specific responses:</p> <ul style="list-style-type: none"> • There are clear project management procedures on the Intranet which identify the thresholds for the application of greater project management formality. Senior managers have been reminded that these must be consistently applied and failure to do so is likely to result in disciplinary action. The thresholds are based on both cost and risk and outline requirements for senior sponsorship, qualified project managers, composition of project boards, management of budget, decisions, risks and issues etc. |
| <p>vii On significant projects decisions are logged and brought to the Cabinet or Cabinet Member at the appropriate time so that an audit trail can be</p> | <ul style="list-style-type: none"> • The decision log is mandatory for all projects above the identified financial and risk thresholds. In many projects it will be good practice to include the relevant Cabinet Member on the project board. Either way the log should be shared with the Cabinet Member |

| | |
|---|--|
| <p>maintained.</p> | |
| <p>viii Risks are managed at a high level by the senior manager on a project as well as the day to day project risks and added to the corporate risk register as soon as any high-scoring risks become apparent</p> | <ul style="list-style-type: none"> • Management of risks is mandatory for all projects and 'Project Risks' should be a standard item on all project board agendas thus ensuring the sponsor has visibility. Risks scoring 16 or above and any other risks with corporate significance must be placed on the corporate risk register. SLT has recently (February 2014) re-committed to a culture where project risks are effectively identified, mitigated and communicated. A process of peer challenge has also been advocated in order to get an independent view from experienced project staff outside of the specific project being risk assessed. |
| <p>6. the recommendations in respect of risk management and the Corporate Risk Register (viii below) is endorsed by the Authority's senior leadership team.</p> <hr/> <p>viii Risks are managed at a high level by the senior manager on a project as well as the day to day project risks and added to the corporate risk register as soon as any high-scoring risks become apparent</p> | <ul style="list-style-type: none"> • Audit Committee agreed a revised risk management Policy April 2014. This Policy applies to all officers and Members involved in the work of the Council. • The Policy states that all project and programme managers will assess the strategic and operational risks associated with the programme or project objectives. This assessment should be carried out before the project commences and be reviewed as the project proceeds and included within the Corporate Risk Register if the risk is likely to impact upon the authority as a whole. • The Policy allows each service team, project/programme to have a risk register which capture risks to their respective objectives making sure that risks are discussed and debated at management teams. If the overall score for a divisional or project risk is 16 or over then it must be brought to the attention of SLT for consideration for inclusion of the Corporate risk Register. • The Policy also states that Actions to mitigate the risk need to be identified early on and the monitoring must consider if they are being effective. If they are not then the project team, programme board or SLT need to identify new mitigating actions • To emphasize the importance of the policy and to help embed the management of risk within the culture of the organisation a Risk Management training course has been arranged for October 2014 for all Directors, Service managers and Project managers. In addition there is an on-line risk awareness training tool on the Learning Gateway which all officers and Members involved in the management of risk are asked to complete. |
| <p>7. The remaining recommendations (xi,xiii, xvi) are actioned by Cabinet /appropriate Cabinet Member.</p> | <ul style="list-style-type: none"> • Members are required to approve the tender acceptance report recommendations where the project expenditure / contract award is over £100K, even though they may have approved the initial budget for the expenditure. |

| | |
|---|---|
| <p>xi The cabinet member should be involved throughout any significant projects in the area of their portfolio but particularly at the tendering stage</p> | <ul style="list-style-type: none"> • If project expenditure / contract award is under £100K members can still be consulted by the service area / project manager throughout the life of any project if deemed high risk, high profile or high value. • Members can always be updated / consulted on project specifications, issues, risks and via a tender acceptance report (signed by a service director) prior to any high risk or high profile or high risk contract award. If deemed appropriate this should be built into the project plan. • Members should not be involved in the tendering and evaluation stages of procurement |
| <p>xiii All elected members should be made aware of problems on projects of this nature with potential impact across the town and the public kept informed</p> | <ul style="list-style-type: none"> • The Cabinet and Senior management team are committed to transparency and making sure that members and service users are made aware of potential service impacts at the earliest opportunity, whilst also being mindful of the need to effectively manage the reputation of the Council |
| <p>xvi The crematorium staff are formally thanked by the Council for their significant contribution to overcome the problems with the cremators</p> | <ul style="list-style-type: none"> • Executive board visited the Cemetery and Crematorium on July 18th (TBC) to view first hand some of the challenges being faced by the bereavement services team. Whilst directly appreciative of the efforts of staff during the visit, a specific recognition event is being organised to thank staff for their dedication during a difficult period for the service. |
| <p>xiv. The following recommendations for improving the crematorium should be explored:</p> <ul style="list-style-type: none"> - online booking system - new music system - new loop in the chapel - improved parking facilities - improved drop off facilities for the disabled - introduce a policy on overhanging trees and shrubs | <ul style="list-style-type: none"> • online booking system & new music system : Investigation of the options of these systems will form part of the 2015/16 Bereavement service plan • new loop in the chapel: further information regarding the reasons behind this recommendation is still required; however an inspection of the functionality of the existing loop system will be undertaken with budget provision made within the Planned Maintenance Programme for 2015/16 as required. • improved parking facilities & improved drop off facilities for the disabled – these will be considered as part of the 'long-term' solution and included within the feasibility study and options appraisal. • introduce a policy on overhanging trees and shrubs : a policy will be included within the 2015-16 Bereavement Services service plan, in consultation with the Council's Tree Officer. |
| <p>xiv (continued) ringfencing any finance secured</p> | <ul style="list-style-type: none"> • Investment proposals for the crematorium need to be considered along with other capital bids and |

from the sale of the lodge for the improvements

any decision to invest or to ring fence any funds from the sale of the lodge will be subject to council approval.