

Cheltenham Borough Council

Cabinet – 9th October, 2018

Update regarding business continuity issues at Cheltenham Crematorium

Accountable member	Councillor Chris Coleman, Cabinet Member for Clean & Green Environment
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key Decision?	Yes
Executive summary	<p>This report provides an update in respect of ongoing challenges regarding the reliability of the cremators at Cheltenham crematorium, which will already be well known to members and which is one of the key reasons for the Council deciding to construct the new crematorium facility at the Bouncers Lane site.</p> <p>Funeral directors have been advised of the current situation and have been requested to ensure that bereaved families are aware of the options available to them.</p>
Recommendations	<p>Cabinet is recommended to:-</p> <ol style="list-style-type: none">1. Note the ongoing technical issues which the Director of Environment and the bereavement services team are managing in relation to the existing cremator plant;2. Endorse the decision taken by the Crematorium Business Continuity Management Group (CBCMG) to temporarily stop taking new bookings for cremation services;3. Approve the phased shutdown of the cremation operation at the Bouncers Lane site, noting that it may be necessary to arrange for cremations at alternative locations, should there be any further technical failure of the plant;4. Approve the development of an alternative interim service offer and related charges, subject to consultation with funeral directors, which will be made available until the new crematorium becomes operational in Spring 2019;5. Delegate authority to the Director of Environment, in consultation with the Cabinet member for Clean and Green Environment, to finalise details of the revised service offer and take any other actions necessary to optimise service delivery arrangements and any associated contractual changes.6. Note the projected financial impact arising from these

recommendations, as set out under the 'Financial implications' section below.

Financial implications	<p>The phased shutdown of the Council's cremation operation will have a significant revenue impact in 2018-19, in addition to the income shortfall reported to Council in July 2018, already reflected in the 2018/19 current budget.</p> <p>Whilst the financial outturn position will be mitigated if the new crematorium completes on time (as is currently expected), officers are anticipating that the net position may be up to £450k below target.</p> <p>Officers are currently looking at future service options, to mitigate this position, the outcome of which will be reported in the Cabinet Budget monitoring report dated 6th November 2018.</p> <p>Contact officer: Andrew Knott, andrew.knott@publicagroup.uk</p>
Legal implications	<p>There is no statutory duty on a local authority to provide burial facilities, but if they do so, the management is governed by the Local Authorities' Cemeteries Order 1977. Under the Local Government Act S214(1) and S214(7), as Cheltenham Borough Council (being deemed a Burial Authority) elected to provide these burial facilities, it has a responsibility to ensure that it maintains the facilities, which extends to crematoriums. Local authorities are defined as burial authorities and are given the power to provide cemeteries by virtue of the Local Government Act 1972.</p> <p>Failure to provide such facilities could result in a fine for contravening such obligations under S214(3)(a).</p> <p>The Council has a statutory duty under the provisions of Section 46 of the Public Health (Control of Disease) Act 1984 to undertake the funeral of a deceased person, who died in the Borough of Cheltenham and where no other arrangements have been made or are about to be made.</p> <p>Therefore, in the absence of any cremation facilities in Cheltenham, arrangements will need to be put in place to ensure this statutory duty is carried out regarding the above.</p> <p>Where the Council is contractually obliged it will seek to honour contractual obligations to funeral directors and families in relation to bookings already taken.</p> <p>Regarding any implications for staff, consultation will need to be undertaken with those affected.</p> <p>Contact officer: donna.marks@tewkesbury.gov.uk</p>

HR implications (including learning and organisational development)	<p>If the cremation process is temporarily discontinued at the existing crematorium site, there may be employment implications for the staff involved. It is my understanding that in the short term, staff can be redeployed to other duties, or may be able to be seconded to other sites. However, their services will still be required to operate the new crematorium which is due to open in Spring 2019 and there are training and transitional service demands which make it unlikely that staff will need to be laid off.</p> <p>Arrangements will be made to consult with those affected by this situation.</p> <p>Contact officer: clare.jones@publicagroup.uk</p>
Key risks	<p>See Appendix 1</p> <p>In summary, the key risks relating to the current situation are:-</p> <ul style="list-style-type: none"> • Impact of the cessation of local cremations on bereaved families and the capacity to deliver cremations in the locality, particularly over the peak winter period; • Health and safety of staff and the wider public, particularly those attending services at the crematorium; • Reputation of the authority; • Financial – there is a risk of a significant in-year revenue shortfall.
Corporate and community plan Implications	<p>None arising directly from this report. The new crematorium project is well advanced and will proceed to completion in 2019, providing a more resilient service which better meets the needs of bereaved families in the catchment area served by the facility.</p>
Environmental and climate change implications	<p>Marginal – there will be a temporary impact due to an increased requirement for transport to remote service/cremation locations.</p> <p>Mercury abatement may be in place at other crematoria, which would be a positive environmental implication.</p>
Property/Asset Implications	<p>If Cabinet approves the shutdown of the cremation operation, it will be necessary to review contractual arrangements for maintenance in order to help mitigate the Council's financial position.</p> <p>Officers will also review the performance of the contractor to identify whether there are any reasonable grounds for a claim for damages relating to lost income.</p>

1. Background

- 1.1** Members will be aware of the longstanding reliability problems in relation to the two cremators at the Council's crematorium. These were installed under a project which ran from 2009 to 2011, during which period the contracted company Crawfords went into liquidation, resulting in the unsatisfactory commissioning of the new plant, many aspects of which have since been found to be of poor quality.
- 1.2** A total of 12 local authorities installed plant using the same company and significant problems have been reported with the majority of these installations.
- 1.3** Every local authority affected has since decided to replace the defective plant or build a new cremation facility.
- 1.4** In addition to trying to keep the service operational with the current poor quality equipment, Cheltenham's response to this difficult situation has been to commission a new two chapel crematorium facility to the east of the current cemetery site, which is being financed principally by borrowing, underwritten by an increase in charges to cover both interest and repayment of capital. The Council's charges remain comparable with those of other crematoria in the region.

2. Reasons for recommendations

- 2.1** The Council needs to make an urgent decision about whether or not to continue with its current cremation service, against a backdrop of increasingly frequent reliability problems, which risk unacceptable impacts on bereaved families, as well as having health and safety and reputational impacts for the authority.
- 2.2** Staff have worked tirelessly to try and keep services available, but this has had a consequential impact on workloads, including a frequent requirement for unscheduled weekend working.
- 2.3** The officer led CBCMG has been meeting on a regular basis to review the situation and to ensure prompt action whenever issues have arisen. However, it is increasingly clear that risks are escalating and that our maintenance contractor has been struggling to keep our cremators operational. This includes issues with the timeliness of response and their effectiveness in dealing with repairs required.
- 2.4** At the time of writing this report, we continue to operate with just one cremator, which is experiencing regular reliability issues, most recently including cutting-out due to burner issues, possibly as a result of gas / oxygen mix problems. This can be affected by a range of matters, such as gas pressure problems, damper and spark plug issues, as well as software set-up issues.
- 2.5** As a result, it was the unanimous view of the CBCMG on 27th September, that notwithstanding the financial impact, Cabinet should be recommended to put into effect a phased shutdown of the cremation process at the Cheltenham crematorium, dealing with existing bookings as long as this can be completed safely.
- 2.6** The primary reasons for this decision were in order to minimise the risk to bereaved families of disruption to service arrangements booked through funeral directors, and to avoid an escalation of health and safety concerns for staff and others attending the site. New bookings for services had already been suspended.
- 2.7** Arrangements have been put in place to honour services booked at Cheltenham, but with a cremation at Gloucester, in the event that there is a complete failure of cremator 2 at Cheltenham.
- 2.8** Gloucester City Council has very helpfully offered to take up to four cremations a day should this be required. The Council will liaise with families through their chosen funeral director, should this

situation arise.

3. Alternative options considered

3.1 The following alternatives were considered and discounted:-

- Continue taking a restricted number of bookings and try and get cremator number one operational again – discounted due to concerns about the overall condition of the cremators and concerns about the ability of the maintenance contractor to respond effectively within acceptable timescales, putting more bereaved families at risk of a disrupted service;
- Stop cremating immediately – discounted as there was not considered to be an immediate health and safety issue and there would be significant disruption to booked services, which at the time totalled around 80.

4. Consultation and feedback

- 4.1** Funeral directors have been kept fully informed about the technical challenges the authority has been grappling with and they in turn have been asked to keep families informed where they have services booked between now and the end of October. A meeting is due to take place with funeral directors on Thursday 4th October, to help assess how we can best manage the impacts arising from the proposed phased shutdown of the cremation process at Cheltenham. This will include options for service delivery from November until the new crematorium becomes operational – currently expected in Spring 2019.
- 4.2** In the meantime, officers are discussing with Willmott Dixon, our contractor for the new crematorium, whether the operational date might be able to be brought forward, on the understanding that cremations must be capable of being handled via a dignified and respectful process.

5. Performance management –monitoring and review

- 5.1** Officers will attend the next meeting of O&S with the Cabinet member to allow members to ask questions about the revised arrangements and any other matters arising.

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Appendices	1. Risk Assessment
Background information	Report to Overview and Scrutiny – 23rd April, 2018 - Cremator problems update

Risk Assessment

Appendix 1

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
CR98	If we fail to make the cremators reliable and are unable to cremate due to failure of the equipment over a sustained period of time, cremations will have to be transferred to another crematorium and may need to be suspended, resulting in lost income and reputational damage to the authority.	Mike Redman	Long term risk	4	4	16	Reduce	Due to continuing issues with both cremators, we have had to limit throughput to 4 per day. Cremator 1 is offline due to a section of flue burning through. There are also refractory issues that need addressing again. Cremator 2 has issues with a previous weld repair that needs to be addressed. None of the various alarms/detectors we have in place have sounded indicating the working environment is not immediately dangerous with regards to staff. Reserve cremation arrangements are in place should a failure of cremator 1 be realised.		Ben Jenkins	Yes
CM01	If the Council stops offering cremations, there is a risk that in the peak winter months there may be a shortfall of capacity locally, resulting in	Mike Redman	August 2018	4	3	12	Reduce	Work with local funeral directors to identify alternative options for bereaved families, including burials and remote cremations.	Oct 2018	Ben Jenkins	

	reputational damage to the authority							Note: There is no legal obligation for CBC to provide a cremation service.			
CM02	If health and safety concerns or technical issues result in an unplanned shutdown of cremator 2, there is a risk of service disruption, causing stress to bereaved families and reputational damage to the authority	Mike Redman	August 2018	4	5	20	Reduce	The CBCMG decided to recommend that Cabinet institutes a controlled shutdown of the cremation operation	9 Oct 2018	Mike Redman	
CM03	If the crematorium can no longer be used for cremations, there is a significant in year financial risk to service costs, as a result of income shortfall	Mike Redman	August 2018	4	5	20	Reduce	Investigate options for revised service provision in conjunction with local funeral directors Consider feasibility of bringing forward operation of the new crematorium in conjunction with our contractor	Oct 2018	Ken Dale	
CM04	If our advisors are of the view that the health and safety risks at the crematorium cannot be effectively mitigated, this will result in an immediate shutdown with significant disruption for bereaved families and funeral directors	Mike Redman	August 2018	4	3	12	Reduce	Due to the increasing unreliability of the cremation plant, Cabinet is recommended to effect a phased shutdown, with no new bookings for cremations at the current site	Oct 2018	Mike Redman	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close