

Commercial Business Case for SMB

Funeral Service Provision

1. Executive Summary

This report examines and then demonstrates the viability of a permanent facility for the interment of ashes to serve Exeter and the wider Devon communities. Our report is based on the availability of Full Body Burial space which, is projected to run out by 2024 based on the current demand.

The current facility in Higher Cemetery for the permanent interment of ashes is near capacity and is not the most efficient use of the land, the proposed Columbarium has the capacity for 606 niches. “A **columbarium niche** is a vault in a wall or structure specifically designed to hold cremation urns”. A recent survey with local funeral directors confirmed that a permanent facility for the interment of ashes would be a welcome addition to the current service offering and were supportive of this project.

Based on our findings we conducted an internal review, design review and site visit with Officers, the service lead Director, service lead Portfolio holder and the Leader. The design chosen was from Rud Sawers architects, as below.



The Columbarium would create a surplus for the council and is designed to be an outstanding facility for respectful and peaceful, contemplation along with personal reflection for lost loved ones.

The estimated build cost for the Columbarium is £367,300 based on, a detailed design and QS costing review.

The Sales of niches can be carried out directly by the council as is now, and via the funeral providers.

In addition to these costs Exeter currently charges £391.00 to place a headstone on a family plot, our proposal would be to reduce this to £200 as a one of payment, this payment would cover any ongoing maintenance.

The estimated build costs from the costs consultants are £367,300.

The projected timeline of all of the niches is 6 years, the proposal is that each funeral service provider is offered 30 niches (10 funeral service providers across the city) and 306 sold directly through the council's funeral service provision through, proactive promotion of this service through the Exeter Services web site.

The columbarium building is designed to be constructed off site to minimise disruption at site, the construction phase at site would be June to August for the foundations, as this generally avoids peak visiting.

It is our recommendation that irrespective of whether the facility is to be built in phases or in one programme that the scheme is tendered via a Traditional Form of Contract as one project to ensure continuity of materials and to avoid unjustifiable price inflation for the latter phases.

2. Summary of the current service

The current service provides for the interment of ashes within a 1sq metre area for the burial of ashes and whilst this is functional it is an inefficient use of space and currently sold for £1200.00 the Columbarium will accommodate 12 niches in the same footprint (albeit vertical) and will provide £12,000.00 income for the same area sq.

3. The Commercial Case

Existing customers:

The city of Exeter has a growing population circa 131,000 although this figure is increasing daily as each new home is sold additionally we serve Devon and to some extent Cornwall and Somerset, the population of Devon is circa 800,000 and again is growing fast. Data from the discussions with funeral service providers indicates that 90% of funerals in Exeter are now Cremation, this figure is above the UK average at 76%. Annually around 1,000 people die in

Exeter, therefore our customers are estimated at 900 per year within Exeter and 7000 across Devon, in total a potential of 7900 each year.

Potential new customers

New customers are directly as a result from the growth of the population and the reduction of Full Body Burials as our land becomes full.

4. The Strategic Fit

Evaluation Criteria	Yes or No
Meets ECC Corporate Plan	Y
Meets Exeter Vision	Y
Meets our residents needs	Y
Meets our business needs	Y
Project meets carbon neutral targets	Y
Borrowing costs are covered each month	Y
Provides a surplus each month	Y
Overall Risk	Medium
Resources available (spare capacity)	Low
Demand established	Low

5. Options Analysis

SWOT analysis of options

1. Do nothing
2. Purchase new land
3. Provide a Columbarium
4. Extreme alternatives using existing land for burials?

1 - Do Nothing

Strength, no additional costs during the first four years	Weaknesses, no future provision funeral services, no income for ongoing maintenance
Opportunities, no upfront work required	Threats, exposure to future maintenance costs to maintain our three sites Bad publicity when space runs out

2 – Purchase new land

Strength, it provides for full body burials as well as ashes	Weaknesses, it uses land that could be used for development which with a growing city is a risk.
Opportunities, it will allow us to future proof our full body burials	Threats, it will impact on our finances as new land to replace our current facilities would cost in excess of £20 million as most of the land available is set aside for development or has environmental constraints

3 – Provide a Columbarium

Strength, it meets the needs of the current service servicing 90 percent of our customers requiring cremation	Weaknesses, we do not see any current weaknesses as the columbarium meets the needs of the city
Opportunities, the design and build of a columbarium allows us to fully meet the need of our customers whilst maximising the land	Threats, we could see some objections from the public and funeral directors however our discussions to date are in favour of this provision

4 - Extreme alternatives using existing land for burials such as Northbrook

Strength, allows us to use existing land	Weaknesses, full body burials are not good for the environment and losing our green spaces would go against the councils drive to provide green spaces
Opportunities, we could create a natural burial service which over time perhaps 20 years could become mature wood land	Threats, we could see negative public feedback if we tried to create a natural burial site on our green spaces This land is hilly or flood plain and not suited to burials

1 - Preferred option and SWOT Analysis

Preferred Option is to build a columbarium.

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2 Service Capacity

The existing service provided by Parks and Open Spaces are well equipped to manage this service without additional resources. We have engaged with a Stone Mason to both maintain and engrave the columbarium plaques for each niche, the cost of the engraving pays for the maintenance, the general maintenance of the surrounding area is part of the open spaces commitment.

3 Risk Management

We could see risks to the construction phase through weather although this has been mitigated through off site construction, we have already contacted the funeral directors to mitigate the risk of not selling the niches, our conversations have been very positive with one funeral director confirming the design is beautiful.

In order to mitigate the risk of non-sales through the city council we will be actively promoting the new scheme through the ECS web site and social media.

This is a new way of storing ashes and potentially will take time to be an accepted method of storing ashes, but with the opportunity to have a peaceful contemplation space will likely override any perceived reluctance. Press have already responded well to this proposal during a recent BBC radio broadcast, the risk not to build a columbarium is much greater.

4 USP / Market Advantage / Competition

There are not many things in life that are certain however this demand is, the need for respectful services that are designed for the interment of ashes is a national requirement. As the local authority we are required to undertake these services.

This columbarium will be the first in the South West for Local Authorities and is a new way of storing and providing quality and respectful interment of ashes, it also provides a respectful space for reflection, it provides a tranquil space for services and will be full of energy from the array of plants chosen for their calming nature, the green space in front will be set aside for memorial benches to sit and contemplate.

The design and build of a columbarium will be a first for Devon and a first for a local authority (from the research to date), it provides ECC with a competitive advantage and maximises the sq. area of land as the niches are vertical.

5 Financial Case:

1 - Sunk Costs:	Consultancy Fees £3,600
2 - Fixed Costs	Planning application costs, Legal & Procurement
3 - Variable costs	Delays through archology finds
4 - Opportunity costs	If we do nothing, we will still have the costs to maintain the cemetery at Higher with no income potential leaving ECC with ongoing maintenance costs with no income to offset. There will be a lost opportunity to continue to provide burial space for lost loved ones.
5 - Total Cost	£367,300 – Detailed cost review – Claire Hodgson
6 - Minimising costs	Off-site construction and choosing appropriate times to carry out foundation works will ensure ceremonial events will be avoided.
7 - Pricing Strategy	We will want to be using a pricing strategy that helps our customers to obtain respectful space to inter ashes that are affordable and provide value for money. Data demonstrates that the current Exeter Crematorium costs are amongst the highest in the country currently 15 th highest charges in the UK. Prices will vary year on year to remain competitive within our fixed costs.

6 Legal Case

ECC are required to provide burials when requested to do so or when no relatives or estate has been established.

7 Recommendations

To continue to provide respectful burial facilities, by building a columbarium for the interment of ashes at Higher Cemetery which are peaceful and respectful and return a surplus to the city in line with our commercial strategy.

8 Monitoring & Review

The project has been thoroughly researched for both social impact, environmental impact and sound business planning, the project will be monitored through and until capacity has been reached with plans being put in place to grow the demand at other city locations in Topsham and Exwick, our review team, including the operations officer and service lead will work with finance for continual review and monitoring with reviews set at every 4 months.

9 The Business Plan

Introduction:

A review of the provision of funeral services provided by Exeter City Council (ECC) identified a reduced capacity for full body burials at the three council run sites at Higher, Exwick and Topsham cemeteries. Based on the current demand we would not be able to carry out Full Body Burials beyond 2024 apart from the graves, which have already been reserved.

Our review identified a need for redesigning the way ECC undertake ashes burials to ensure the remaining land within the cemeteries are used in the most efficient and respectful way.

Recommendations:

The recommendation is that we provide this new and innovative service to support cremations as the move to cremation from Full Body Burial is growing. To ensure we provided the correct solution we undertook an internal review and agreed to design a Columbarium, six designs were proposed. A selection committee was selected from Officers, Directors and Councillors, the chosen design is proposed as this has full support from the service lead, responsible director and the portfolio holder, and further discussions at the three locations have taken place with the Leader Phil Bialyk who also approved the scheme.

Options considered during the review for funeral service are detailed within the SWOT Analysis as above, they are:

- Do nothing
- Purchase new land
- Provide a Columbarium
- Extreme alternatives using existing land for burials

Construction phase planning:

The design of the columbarium has been funded through the transformation fund, the project will be a tender process through procurement based on the selected design procured by purchase order in accordance with procurement guidance. The construction will be in two main phases the construction of the foundations and the construction of

the columbarium, the phase two construction has the ability to be in several separate phases to avoid disruption to the existing services. We will be deploying off site modular construction to ensure quality of service and equability of finish, a detailed construction plan will be fully developed as part of the tendering process.

Financial planning

Our cost model has been develop in cooperation with the finance team modelling the NPV.

Business Case Data

The UK average for cremation is 78% however Exeter's percentage is more like 90% for cremation as confirmed by the funeral directors within the city.

The city has a population of approximately 131,400 at 2019 and across Devon circa 795,000, this is important as many Devon residents choose Exeter as their last resting place.

The burial service review was very clear, in that funeral services provided by the city are first class, we have an excellent range of services supported by a range of professionals who demonstrate compassion, respect and the desire to support our residents at these most challenging of times.

Carbon Footprint (Environmental) Implications:

The current UK government ambitions for Net Zero Carbon by 2050 means that all new developments need to understand the embodied and operational carbon impact and undertake measures to mitigate and offset these emissions throughout its lifecycle.

It is proposed that a whole life carbon assessment is undertaken using OneClick LCA and the RICs whole life carbon database to allow benchmarking against known material impacts and the accurate identification of carbon hotspots. The process will also highlight opportunities for reduction through the application of material option appraisals at key points during the design and construction. In line with best practice, the assessment will be carried out at a minimum of two different points in time to allow accuracy in claims for reduction and offsetting.

The aim of the whole life carbon assessment is to reduce embodied carbon emissions at the source by the specification of low carbon materials within the construction (e.g. reducing quantities of cementitious material as far as practicable). The application of options appraisals will help identify appropriate low carbon replacements whilst capturing other key factors such as structural integrity, availability, feasibility etc. Ultimately this will allow accurate offsetting of any residual carbon through local and/or carbon sequestration projects delivery a low impact net zero carbon development.

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