

Report subject	Bereavement Services Business Plan - Phase 1
Meeting date	16 December 2020
Status	This report is a public document but the Business Plan & Appendices are exempt due to commercial sensitivity
Executive summary	<p>The Bereavement Service Business Plan 2021-26 presents a background to the service, an overview of the regional competition, current market forces and current industry trends.</p> <p>It identifies the impact the private sector has had on the regional market, future potential threats and opportunities within this market.</p> <p>It highlights opportunities for the service to increase its income streams through the introduction of alternative, innovative, efficient and sustainable solutions in response to both industry and customer demand, with a focus on continual investment, service improvement and diversification.</p> <p>Through consultation across the wider bereavement industry, the Council, customer feedback and the identification of future trends it presents a preferred option in moving the service forward.</p> <p>If approved the preferred option would be initiated over two phases</p> <p>Phase 1:</p> <p>Consolidating the service into a dual site single crematorium model, with initial investment into the infrastructure at Poole to further develop a high-end ceremonial and memorial venue, retaining the site's current reverence for the future.</p> <p>Additional investment into Bournemouth Crematorium would be required to provide better direct access to the crematory under the coffin conveyancing arrangement enabling greater flexibility on movement without interruption to services taking place. Introducing a more tailored pricing matrix for a range of services to meet the demands of current market forces, industry and customer feedback, focusing on a more transparent, flexible and mobile approach, responding to wishes of the bereaved and changing market trends.</p> <p>Continue to harmonise the teams across BCP, identify new and alternative burial provision, enhance our marketing plan, harmonise ITC systems, data and record storage, communication and media channels.</p>

	<p>Phase 2:</p> <p>Focus on developing a long-term solution for the continued use of the Poole Crematorium site as a location for the bereaved, following a further review after 18 months of the impact of the implementation of Phase 1 of the business plan.</p> <p>This will not exclude the installation of new cremators at Poole Crematorium, the further enhancement of the location as a ceremonial and memorial venue or the addition of alternative functions associated with bereavement.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> a) That Cabinet approve and adopt the Bereavement Services Business plan 2021-2026 b) That Cabinet approve the preferred option of a two phased approach to delivering the Bereavement Services Business Plan 2020-2026 <ul style="list-style-type: none"> i. Phase 1: To approve developing a dual site single crematorium model for Bereavement Services, with an initial investment into Poole Crematorium to enhance the venue as a high-end ceremonial and memorial location ii. Phase 2: To bring back to Cabinet within 18 months an investment plan for the long-term usage of Poole Crematorium as a continued site for the bereaved once the impact of the Phase 1 implementation has been fully evaluated. c) To approve the capital investment required to deliver the recommended options within Phase 1 of £559K, as outlined in section 6.3 of the Business Plan and to be funded through use of reserves and prudential borrowing.
Reason for recommendations	<p>To retain the Council's current market share in the local bereavement market, to mitigate against future competition, improve and diversify income streams and respond to feedback from the industry and the bereaved.</p> <p>To adopt a strategic vision and investment programme for the BCP Council Bereavement Service in order to seize on new market opportunities, respond to market demand and generate additional income streams which reduce the service's reliance on cremation income.</p>

	By developing the existing service provision in accordance with the recommendations, it is anticipated that the current reduction in income can be mitigated against.
Portfolio Holder(s):	Cllr Mark Anderson
Corporate Director	Kate Ryan, Corporate Director Community & Environment
Report Authors	Liz Hall, Bereavement Development Manager Andy McDonald, Head of Parks & Bereavement Services
Wards	Council-wide
Classification	For Decision

Background

1. BCP Council, Bereavement Service includes:
 - a. Bereavement Services
 - i. Two Crematoria
 - ii. 9 Cemeteries
 - iii. We also have a liability to maintain 8 closed parish cemeteries across BCP Council.
 - b. Dorset Coronial Service
 - i. Coroners Service,
 - ii. Dorset Public Mortuary
2. The councils serving Bournemouth and Poole have been providing burial services since 1878 and cremation services since 1938 and 1985 respectively, with Christchurch providing burial services since 1858.
3. There is no statutory duty on a local authority to provide burial or cremation facilities, but if they do so, the management is governed by the Local Authorities' Cemeteries Order 1977 and the Cremation Regulations 2008. Local authorities are defined as burial authorities and/or cremation authorities and given the power to provide services by virtue of the Local Government Act 1972.
4. There is a statutory duty for the Council under the Public Health (Control of Diseases) Act 1984 to make funeral arrangements for a person who has died within the boundary lines of the authority where relatives are unwilling or unable to pay, or where relatives cannot be found.
5. Local authorities have a legal duty to maintain cemeteries for 75 years after closure to new burials.

6. The national death rate is on average around 1% of the population with over 80% of deaths resulting in cremation funerals, which has become the preferred option across the UK.
7. Within the BCP conurbation 88.5% of funerals undertaken are cremation, with 11.5% opting for burial.
8. The geographical market served by Bereavement Services includes Dorset and West Hampshire (New Forest). There are 6 additional crematoria across this region, two within Southampton and one each in Romsey, Salisbury, Weymouth and Lytchett Minster.
9. There are approximately 14,000 deaths per annum across this region and BCP Council Bereavement Services facilitated the cremation or burial of 5884 people in 2018
10. Therefore, BCP Council facilitates a significant number of funeral bookings where families do not reside within the BCP conurbation.
11. BCP Council undertook 4660 cremations in 2019, placing it as one of the busiest crematorium operators in the UK.
12. The Service operates from several geographical sites across the three towns of Bournemouth, Christchurch and Poole via a number of key buildings and physical assets.
13. Over the last six years the service has seen a steady decline in the number of cremations and burials taking place. The increase in private competition in an industry that was previously dominated by local authority operated crematoria has had a significant impact on the level of income received.
14. This main impact on income has occurred since the opening of the privately-operated Crematorium located at Lytchett Minster in 2017, with further increased competition within the local market anticipated in the coming years with the opening of an additional facility to the east of the conurbation in New Milton, which has already been granted outline planning permission.
15. Despite this fall in income, the service currently remains financially viable, however if we do not respond to the increasing competitive market, then the service budget pressure will continue to increase and the service could become a net cost to the General Fund.
16. The service needs to avoid any further decrease in its market share and focus on build on attracting new customers within its market encompassing Dorset, Hampshire and the New Forest.
17. In order to effectively compete in the current and future market environment BCP Council's bereavement service needs to be committed to be a modern, innovative, sustainable and accessible service with a long-term commitment to investment and continual improvement.
18. Consultation has been carried out through:
 - a. The funeral directors Liaison group
 - b. The funeral directors respective trade associations
 - c. Directly with the funeral directors.
 - d. With the wider industry centres of excellence

- e. Through engagement throughout the Council both with officers and Politically
- 19. The Business plan has also been critically reviewed and recommendations given by:
 - a. Centre for Death & Society (University of Bath)
 - b. The Association of Public Service Excellence
- 20. The possibility of potential partnership (Joint venture or other service enhancement) and/or outsourcing has been explored, in which an open mind remains for the future.
- 21. The Business Plan focusses on how to develop the cremation and burial service to increase income and improve efficiency leading to increased financial viability. It outlines the service background, overview of market trends and competition and most importantly outlines opportunities to be developed in order to increase income and improve service provision to meet customer demand.
- 22. To enable us to effectively compete in an area that provides customers with a variety of choice and meets their needs and requirements at their time of need. Our recommendations include:
 - a. A dual site single crematorium model for the conurbation
 - b. Develop new and alternative burial sites
 - c. Increase commercial activity by developing a business marketing and commercial strategy
 - d. Provision of additional burial space and offering a more environmentally sensitive option of disposal
 - e. Provision of a tailored pricing model
 - f. Choice of service durational times
 - g. Choice of ceremonial venues and expansion of direct cremation model
 - h. Choice of modern and sustainable commemorative schemes
- 23. With increasing competition in the region, it is unlikely that the service will return to the same cremation booking levels as previously experienced prior to 2017. Therefore, it is imperative that together with the opportunities outlined in the Business Plan that an effective marketing strategy is developed in order to promote the service with a strong web and social media engagement reaching out to families and funeral businesses both within the BCP conurbation and those that do not reside within the BCP conurbation.
- 24. The Mortuary and Coroner service will be out of scope of the Business Plan due to its complex and unique arrangement with Dorset Council.

Options Appraisal

- 25. Please refer to section 6.1 of the Bereavement Service Business Plan 2021 -26
- 26. This section is commercially sensitive and does not form part of the Cabinet Report

Summary of Financial Implications

- 27. In delivering the recommended option, Phase 1, BCP Council requires an investment of to be funded through reserves & prudential borrowing

- a. £419k capital to upgrade Poole chapel and grounds and to carry out building modification to Bournemouth Crematorium.
 - b. £80k capital investment in nitrous oxide abatement equipment
 - c. £60k capital investment in a single IT system
 - d. £63k revenue increase to provide strong business marketing and commercial strategy
 - e. £26k revenue increase to repay the borrowing for the proposed capital investment
 - f. £15k revenue increase to pay for staff support for flexible cremation slots
 - g. £105k revenue reduction in relation to operational expenditure
28. Please refer to section 6.3 of the Bereavement Service Business Plan 2021 -26 for more detailed financial analysis.
29. This section is commercially sensitive and does not form part of the Cabinet Report
30. The initial report from Competition Market Authority (CMA) investigation into the funerals industry was released in September 2020. Further recommendations will be made by CMA which may have an impact on how the service is delivered and the fees that can be charged.

Summary of legal implications

31. There is no statutory duty on a local authority to provide burial or cremation facilities, but in doing so, they are governed by the Local Authorities' Cemeteries Order 1977 and the Cremation Regulations 2008. Local authorities are defined as burial authorities and/or cremation authorities and given the power to provide services by virtue of the Local Government Act 1972.
32. There is a statutory duty under the Public Health (Control of Diseases) Act 1984 to make funeral arrangements for a person who has died within the boundary lines of the authority where relatives are unwilling or unable to pay or where relatives cannot be found.
33. Legal advice has been sought to determine the level of exemption sought due to the commercially sensitivity nature of this report.

Summary of human resources implications

34. It is anticipated that existing staff resources will be fully utilised to deliver the `New` service and will be retrained as/if necessary
35. The plan will result in the harmonisation and rationalisation of service across BCP Council
36. The dual site single cremation model may require a change to existing terms and conditions for staff.
37. The recommended option includes an increase in marketing and commercial activity, which will require an additional resource to deliver and forms part of the financial evaluation
38. Future service modelling may identify a need to alter the current staffing structures and operating models.
39. Consultation will occur with Human Resources of all stages of delivery

Summary of sustainability impact

40. A full Decision Impact Assessment has been undertaken, ID 150 resulting in a `green` level of approval for the changes being proposed.

Summary of public health implications

41. This plan continues to enhance and support the work that Bereavement Services undertakes within the community in delivering a range of services, which provides the most appropriate closure at a time of highest emotion.

Summary of equality implications

42. A full Equality Impact Assessment has been undertaken
43. No key significant impacts have been identified.

Summary of risk assessment

44. These are summarised in Section 7 of the Bereavement Services Business Plan 2021-2026
45. The key risks are:
- a. To do nothing
 - b. Impact of any future Competitions Market Authority recommendations on pricing which is mitigated within the plan
 - c. An additional increase in competition with further erosion of the services market share which is mitigated within the plan
 - d. The delivery of a dedicated marketing and commercial strategy
 - e. The introduction of a universal IT System

Background papers

46. None

Appendices (Commercially Sensitive)

47. BCP Bereavement Services Business Plan 2019- 2024 (Commercial in Confidence)
- a. Financial Analysis
 - b. Competitor Analysis
 - c. Commercial Marketing- Outline report
 - d. Industry Feedback and Consultation Summary
48. CMA Report
49. CDAS recommendations
50. APSE recommendations