

Aldershot Crematorium Refurbishment
FULL BUSINESS CASE
August 2023

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1 Strategic Overview and Background

This business case is organised around a five-case structure designed to systematically ascertain that each investment proposal is:

- supported by a compelling case for change – *the 'strategic case'*
- optimal value for money – *the 'economic case'*
- commercially viable – *the 'commercial case'*
- financially affordable – *the 'financial case'*
- achievable – *the 'management case'*.

1.1 Project Description

This Full Business Case (FBC) provides a rationale for undertaking a major refurbishment the Park Crematorium, Aldershot.

Following years of limited investment in the fabric of the building, the facility is now in need of extensive refurbishment, with significant repair and maintenance works required. With alternative local crematoriums having invested heavily in their offer in recent years, the Aldershot facility has fallen behind in a competitive market.

With an increasing population and mortality rate predicted over the coming years, and an increasingly diverse society, the facility needs to respond accordingly.

Investment in the asset is required not only to protect existing income levels, but to bring additional financial return for the Council, which will help to address the budget gap predicted in the medium-term financial plan. It will also provide the high-quality offer expected by our residents - a facility fit for the next thirty years. An Outline Business Case (OBC) proposing the commissioning of a detailed feasibility study was approved at Cabinet in September 2021 (REPORT No: OS2110).

The feasibility analysis proposed consideration of two options:

- Refurbishment of the existing facility
- Provision of a new facility located elsewhere on the existing site

In January 2022, crematorium specialists and a multi-disciplinary consultants, CDS, were appointed to undertake the feasibility study. The scope of this study included:

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- Analysis of opportunities to provide an improved service to residents, including the option of a major refurbishment or a new building on the existing site, whilst understanding the changing market and potential opportunities relative to costs.
 - A view on how best to achieve continuation of the cremation service during construction works.
 - Identification of further opportunities to provide a better facility for local residents, including additional services and sustainability improvements.

The output of CDS feasibility analysis was presented to RBC in March 2022.

The key conclusion of the study was that a new build on the existing site was not feasible due to two key restrictions. Firstly, the 1902 Cremation Act restricts building a new crematorium within 200 yards of a dwelling, nor within 50 yards of any public highway, nor in the consecrated part of the burial ground of any burial authority. In addition, the major of the site sits within a 'functional flood plain (Zone 3B), which prohibits development.

Following this study, the Council commissioned recognised national industry experts, Peter Mitchell Associates, to undertake a study to further understand the rationale for falling demand at the crematorium, and the extent to which this could be addressed through building improvements. A key conclusion of this report was that after proximity, the attractiveness of the building and grounds is the second most important consideration in a customer's choice of crematorium. Given the current state and constraints of the existing building, there is *'a significant opportunity to improve it to appeal to a wider market, protect and increase existing income levels and avoid further decline'*.

Output of both the CDS and Peter Mitchell feasibility studies were presented to Informal Cabinet on 22 September 2022. The following recommendations were made and approved in principle:

- RBC-Managed refurbishment option should be pursued (est. £2.2m), and other options e.g. new build on site, should be discounted. The refurbishment should:
 - Improve externals - replace roof, reduce chimney stack, clad the exterior, extend porte cochere.
 - Re-configure internals - office space, dedicated cool room, plant room, new toilets.
 - Support the green agenda and future proof for new regulations (EPC) – improved insulation, heat harnessing, new windows, etc.
 - Ensure DDA compliance
- Installation of a second fully-functional, abated cremator, (c.£900k)
- Provision of a temporary crematorium facility to ensure continuation of the service during period of refurbishment, (est. £425k)

- Not to pursue electrical cremators as the technology is not yet operationally optimal. Wait for future alternatives such as bio-gas, (existing cremators to be converted).
- Not to progress a separate lido feasibility analysis, investigating whether heat harnessed from the cremation process could be used to heat the lido pool.

Following this recommendation, the project team continued to engage with key stakeholders – including facility staff, funeral directors and celebrants – in order to confirm the final building requirements.

Architects, *Arcus*, were appointed in January 2023, to determine revised layout plans and progress the project to RIBA stage 4. Structural engineers, *Wilde*, and mechanical & electrical engineers, *Pope*, have been engaged. Indicative construction costs have been established.

A business case outlining the options for the approach and costs required to maintain the service during period of refurbishment were presented to senior officers and members in April 2023. The preferred recommendation to bring the old chapels at the Redan Road cemetery back to life to accommodate services during the main site refurbishment period was universally supported.

Planning permission for the refurbishment of the crematorium was submitted in June 2023, with approval granted at July DMC (Development Management Committee).

The project is now seeking full business case approval to enable the proposed works to be implemented.

The scope of the Full Business Case includes three key elements:

- Proceed with an RBC-managed major refurbishment of the existing crematorium building.
- Supply and installation of a second fully functional cremator with abatement and DeNOx capability.
- Alterations to Redan Road chapel to ensure the building is suitable to use for services during the refurbishment period.

1.2 Project Background

Aldershot Crematorium was opened in 1960 and is owned and managed by Rushmoor Borough Council.

The Park Crematorium is located in the south-east corner of the borough, adjacent to Aldershot Park and sits on 16 acres of land, (*see Appendix A*). The site contains a single large building, an 80-space car park, and grounds housing gardens of remembrance. The building contains a chapel that can currently accommodate up to 80 seated mourners, an area housing three cremators, a memorial room, waiting room, offices, toilets and a number of small ancillary rooms.

The venue is open five days a week, (Monday to Friday), and currently holds around 1,500 cremations a year.

The building was designed in a style typical of the period, and includes a pitched roof over the chapel, surfaced in copper, or copper-faced felt, and flat roofs over adjoining parts of the building. The southern wall of the chapel is mainly framed windows allowing views of the crematorium Garden of Remembrance. Christian symbolism is incorporated within the design of the chapel.

Since its construction, there have been various alterations to the building, primarily relating to the waiting room and crematory hall. The last major refurbishment was in 1996/1997 and since this time, whilst regular maintenance has taken place, there has been no major investment in the building.

Whilst the crematorium has an excellent reputation for customer service, and beautiful grounds, the building itself is deemed to be cold and uninviting.

In November 2021, Rushmoor Borough Council commissioned a condition survey which identified significant repair and refurbishment requirements in addition to the regular maintenance regime. Essential works have been commissioned to keep the building operational and do not include desirable works to improve the current offer.

Meanwhile, despite rising death rates, demand at Aldershot crematorium has fallen by over 20% in past five years. Despite this, operation of the facility continues to generate a healthy profit. Income for the 2022/23 financial year totalled around £1.64m, against expenditure of £1.1m, generating a profit of over £500,000.

Investment in the asset is required to protect existing income levels and improve a valuable service to local residents. *'Update the facilities at the crematorium in Aldershot'* is a priority identified in the Rushmoor Council Plan, 2023 to 2026.



Aldershot's existing crematorium

1.3 Project Objectives and Case for Change

There are a number of factors to take into account when considering the rationale for redeveloping the crematorium:

1.3.1 Condition of the existing building

The November 2021 condition survey identified a range of essential works required to be undertaken in the following 24 months. The cost of these works totalled over £380k and were classified as 'essential' to keeping the building operating at the existing level. They did not include 'desirable' works designed to improve the current offer.

A major component of the works is associated with the building's roof. The roof coverings have moved beyond their life expectancy and require full replacement, complete with repairs to the parapet walls, and replacement of the coping stones and cavity closers. This is major works and involves significant cost.

For a number of years, the repairs and maintenance programme has been responsive, rather than planned, and much of the plant and equipment is inefficient and needs replacing.

A number of health and safety concerns have been addressed in recent months – crumbling fascia, loose paving slabs, etc – and these issues will continue to worsen and become more regular.

The facility's three cremators were installed in 2001. In need of substantial repair, a few years ago cremator 3 became a donor-cremator supplying, (mostly now obsolete), parts to the other two. Following an incident during a cremation in June last year, cremator 2 was declared non-operational on health and safety grounds. An order for a replacement containerised cremator was made in October 2020, with the new cremator installed in January and operational from 1 February 2021. Procurement for a second cremator will be undertaken as part of this project. These new cremators are significantly more efficient and environmentally friendly than their predecessors.

Major refurbishment works to a crematorium site will always prove difficult as, by its very nature, the setting requires the maintenance of a tranquil, respectful environment. Equally, extensive refurbishment works will require the facility to shut for a period of time, impacting income.

1.3.2 National Demand for Cremation

Whilst the country's first public crematorium was opened in Woking in 1885, it was only after the second World War that the number of cremations began to rise rapidly. Currently, cremations account for around 80% of all funerals in the UK, and there are just over 300 crematoria nationwide.

The most important factor affecting demand for cremations is clearly the death rate. The number of deaths in the UK has fallen steadily since a peak in the 1980's but despite this, the Office of National Statistics predicts the number of deaths to increase significantly over the next 50 years.

1.3.3 Demand for cremation in Rushmoor

There are various factors that can influence where a bereaved family choose to hold a funeral service.

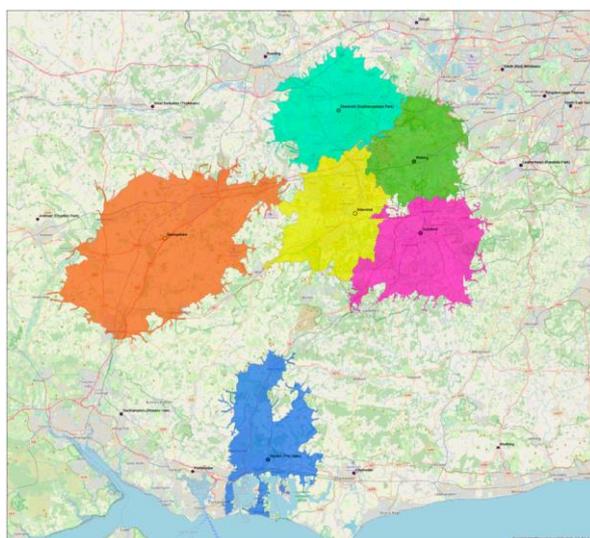
Contrary to the assumption of many, Funeral Directors play a very small role in influencing consumer choice (Competition Markets Authority report), and the cost of a cremation has little impact on customer choice.

Only 7% compare crematoria before deciding which to use (CMA Report).

The key drivers in the crematorium of choice are:

- *Proximity* – by far the single most important factor in people’s choice of crematorium. This places significant emphasis on a drive time catchment analysis with 81% of bereaved choosing their closest crematorium. As a rule of thumb, the industry works on the basis that the funeral party should not have to drive more than thirty minutes to a crematorium.
- *Attractiveness* - of building and grounds is the second most important factor in consumer choice.
- *Service Times* - Availability of preferred slots, (date and core time), not feeling rushed, and arriving and exiting without crossing with other mourners is essential.

Catchment analysis undertaken by consultant Peter Mitchell Associates (PMA), calculates the number of cremations Aldershot Crematorium should be conducting each year based on a maximum 30-minute drive-time (‘constrained’ catchment), and the nearest by distance, (‘natural’ catchment).



Constrained 30-minute drive time catchment



Natural catchment (minimum drive-time catchment)

The actual number of cremations held at Aldershot Crematorium in 2019 was 1,482. Data analysis suggests that the target number using the ‘constrained’ catchment was 1,554 (72 short), and 1,804 within the ‘natural’ catchment, (322 short).

PMA suggests a conservative target for cremation numbers following implementation of the recommended refurbishment would be 90% of the natural catchment i.e. 1,624 cremations per annum. **Consequently, a target figure of 1,650 cremations per annum following completion of the refurbishment has been used in all business plan calculations.**

As well as travel time and demographic considerations, a number of service level factors influence demand, including availability, service interval times, facilities offered, environment and pricing.

- *Availability of services* – the Aldershot Crematorium currently operates a maximum of 43 services a week (9 each day Monday to Thursday, and 5 on a Friday). Capacity is considered sufficient.
- *Service times* - Aldershot does not currently offer industry standard funeral times. Adoption of this could increase ‘core’ capacity from 1456 to 1764. There is evidence to suggest that there is minimal demand for services outside core industry standard hours e.g. Saturday/evenings. It is proposed to adopt core service times when the venue reopens post refurbishment.
- *Service interval time* - over the past decade, the average length of standard booking slots at UK crematoria has increased from 30 to 45 minutes, as people’s attitude to bereavements has changed. Now, most crematoria offer either 45 or 60 minute slots. The current practice at Aldershot is 45 minutes.
- *Pricing* – each year The Cremation Society of Great Britain publishes a Cremation Fee League Table. In January 2022, fees of the 314 UK crematoria ranged from £392 to £1,100. Aldershot’s fee of £926 was just outside the top quartile, (number 91), within £6 of the two closest local authority operated facilities, and £64 below Woking, and £99 below Basingstoke.

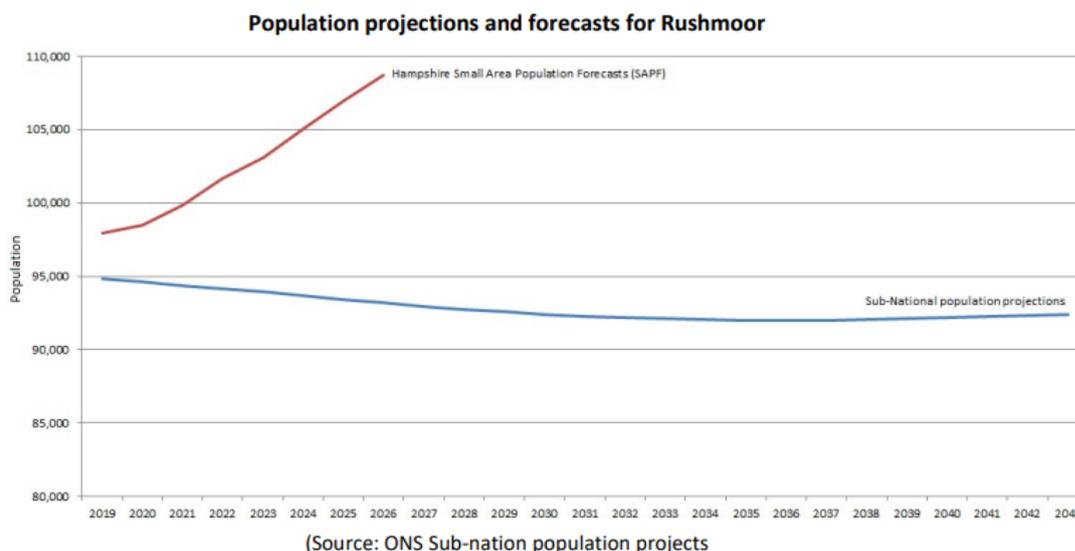
During the 2022/23 financial year, the Aldershot Crematorium hosted 1,552 cremations, (an average of 6 a day), charging £913 (+ a £56 Cameo Levy) for each one. This total of £1.42m makes up over 85% of the facility's total actual income of £1.64m, the remainder coming primarily from memorials sales.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Aldershot Cremations	1,714	1,728	1,482	1,511	1,407	1,552

1.3.4 Population Demographics

The Office for National Statistics produces Sub-National Population Projections (SNPP), which predicts Rushmoor’s population to fall slightly by 2043. However, Hampshire County Council produces the Small Area Population Forecasts (SAPF), which is based on future dwellings supply, including all large and small sites with planning permission or allocated in

local plans as at 1 April 2019. This projection forecasts the population in Rushmoor to rise steeply to 108,725 by 2026.



According to the population estimates produced by the Office of National Statistics, Rushmoor has a younger age profile than the average for both Hampshire & England. However, the borough does have a rapidly ageing population.

Projections for the 25 years from 2018 to 2043 shows the number of Rushmoor's over 65's rising from 14.5% of the total population (13,830) to 21.7% (20,050). This rise of 50% is considerably higher than both the average for Hampshire (33%) and England (31%).

A growing and ageing population - both inside the borough and in the surrounding districts – accompanied by an increased mortality rate nationally, suggests a likely increase in demand for bereavement services over the coming years.

1.3.5 Religious Beliefs

Religious beliefs can play a role in people's choice between cremation and burial. Most Muslims and Orthodox Jews for example choose burial rather than cremation, whilst most Christians, Hindus, Buddhists and Sikhs choose cremation.

Rushmoor has a large Nepali population, making up around 10% of the borough's residents. Nepali's are predominantly Hindu (81%) and Buddhist (9%), with only 5% of their population Muslim and consequently forbidding cremation. It therefore appears that religious beliefs

are unlikely to significantly impact the demand for cremations in the borough, and the facility is indeed regularly used by the Nepali community.

1.4 Internal and External Factors

Over the past five years, income has started to fall in line with decreasing demand for Aldershot crematorium. There are a number of contributing factors to this declining trend:

1.4.1 Direct cremations

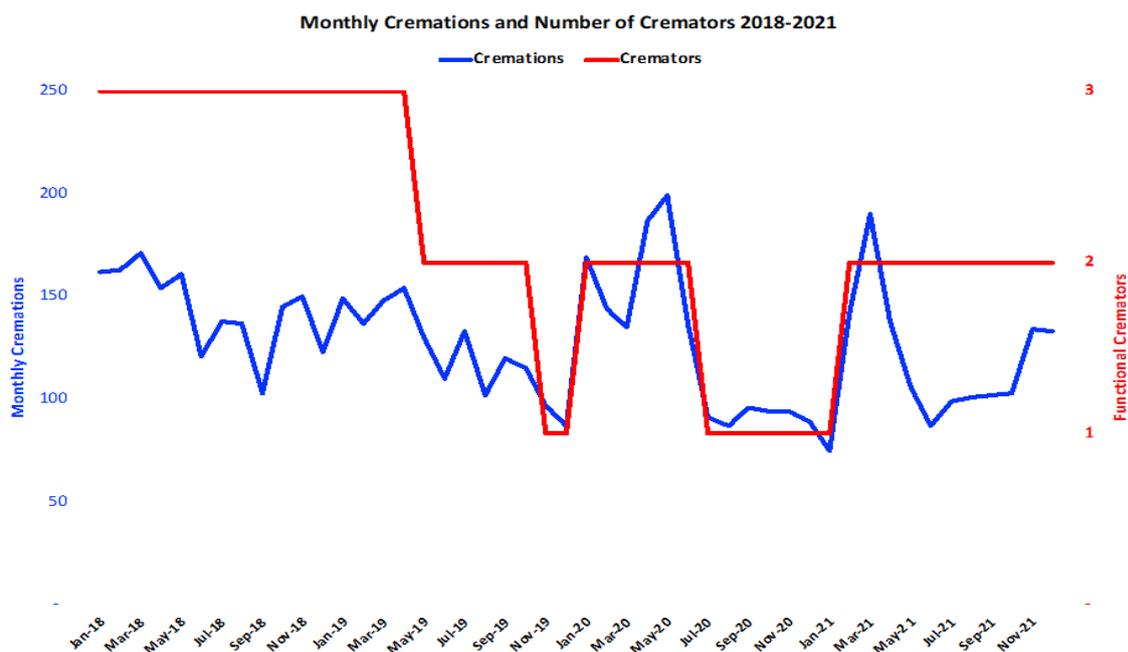
In 2021, direct cremations accounted for 10.9% of all cremations in the UK. Aldershot Crematorium conducted just 14 direct cremations in 2021, (1% of the total cremations), and currently don't offer a reduced fee for this service.

This number of cremations is substantially below other neighbouring crematoria, and there is therefore an opportunity for Aldershot Crematorium to substantially increase its share of the direct cremation market.

Year	Aldershot	Andover	Basingstoke	Easthampstead (Bracknell)	Guildford	Havant	Woking
	Local Authority	Private (Pure Cremations)	Private (Dignity)	Local Authority	Local Authority	Private (Southern Coop)	Private (London Crem Co)
2018	21 (1.2%)		43 (2.3%)				218 (12.5%)
2019	25 (1.6%)	2154 (90.7%)	88 (4.9%)	32 (1.6%)		284 (14.8%)	556 (27.4%)
2020	23 (1.5%)	4717 (86.3%)	390 (20%)	218 (9.1%)		601 (27%)	406 (21.6%)
2021	14 (1%)	8793 (91.3%)	395 (21%)	266 (14.6%)	47 (2.9%)	326 (14.6%)	163 (10.5%)

1.4.2 Cremator Loss

There is a clear relationship between a crematorium's capacity to cremate and the number of cremations undertaken. Aldershot's capacity to cremate was significantly reduced during 2020/21 when a second of the three old Edwards ACR cremators failed, leaving only one fully functional cremator. This significantly impacted number of services that could be provided for seven months at a time Covid deaths were high. As a consequence, Aldershot Crematorium was unable to keep up with demand leading to Funeral Directors and Celebrants using alternative crematoria during this period. Having procured a new FTIII cremator in November 2020, installation of a second fully functional, abated cremator to replace the aging ACR machine is essential and forms part of this project.



1.4.3 Competition – new crematoria and investment

The opening of new crematoria, and investment undertaken by competing facilities, has had a detrimental effect on cremation numbers at Aldershot over the past 30 years.

Year	Service Numbers	Crematorium Openings
1960	197	
1965	1111	Guildford Crematorium (1967)
1970	1769	Easthampstead (Bracknell) Crematorium (1972)
1975	1952	
1980	2074	
1985	2285	
1990	2315	
1995	2495	Basingstoke Crematorium (1998)
2000	1824	
2005	1677	
2010	1568	Havant Crematorium (2013)
2015	1648	Andover Crematorium (2018)
2020	1511	Guildford Crematorium - new (2020)
2021	1407	

The opening of Basingstoke crematorium in 1997 had a huge impact on the Aldershot facility, reducing cremation numbers by 30%.

The new facility in Havant, which opened in 2013, significantly reduced Aldershot's natural catchment area to the south.

Andover opening in 2019 has taken much of the direct cremation business opportunity.

Guildford Crematorium's £10m refurbishment in 2019 increased their service numbers by 148 in 2021, and will have contributed to Aldershot's decline, as will Bracknell Crematorium opening a second chapel in 2018.

Investment in the Aldershot facility is essential to retain its relevance in an ever increasingly competitive market, as well as to discourage private crematoria providers from entering the market.



Guildford's new crematorium

1.5 Strategic Fit

The Rushmoor Council Plan 2023 to 2026 identifies ten key priorities. *'Update the facilities at the crematorium in Aldershot'* is one of these priorities, with the plan confirming that, *'Aldershot Architects will be designing a major refurbishment of Aldershot Crematorium and we expect work to be completed in Winter 2024'*.

The Council's Asset Management Plan identifies Aldershot Crematorium as a physical asset for which the Council needs to meet its principal objectives, which include:

- *Hold Assets to maintain and grow revenue income to underpin the Council's operational activities and aspirations.* The proposed refurbishment will protect existing, and generate new, income. The investments in the chapels at Redan Road cemetery will bring this asset back to life, and provide an opportunity for income generation.
- *Create a portfolio that has environmental and sustainability credentials and helps reduce the Boroughs impact on the environment and response to the climate crisis.* The refurbishment proposed a number of initiatives – including solar panels, heat harnessing, improved insulation and rain-water harvesting - to improve the EPC credentials at the site and provide better green credentials.

The proposed refurbishment of Aldershot Crematorium at the original estimate of £3.6m has been included in the Council's capital programme, with the revenue implications of the capital expenditure accounted for in the Medium-Term Financial Strategy.

1.6 Options Appraisal

The scope of the Full Business Case includes three key elements:

- RBC-managed major refurbishment of the existing crematorium building.
- Supply and installation of a second fully functional cremator with abatement and DeNOx capability.
- Alterations to Redan Road chapel to ensure the building is suitable to use for services during the refurbishment period.

1.6.1 Major refurbishment of the existing crematorium building

The original feasibility study undertaken by CDS considered the opportunity to build a new facility elsewhere on the existing site. This option was discounted due to restrictions of the 1902 Cremation Act and the presence of the Blackwater Valley Food Zone.

A number of further options were then considered by Informal Cabinet in September 2022:

- Extensive Refurbishment within existing footprint
- Extensive Refurbishment with extension to the existing building
- Demolish and rebuild on existing site
- Do nothing
- Sell the site

A high-level business case, including indicative build costs and income predictions based on evidence provided by CDS was presented for each option. A summary of key findings is shown in *Appendix B*.

With a need to address the recent decline in cremations numbers, and the continuing deterioration of the building itself, 'do nothing' was immediately discounted as an option. Inaction would do nothing to address the negative impact on the Council's General Fund. It would also exacerbate the risk of a private crematoria operator entering the local market.

Sale of the site was also dismissed. The existing condition of the building would likely generate a relatively low sale price and, with operation of the facility providing a significant contribution to the General Fund, the option was considered unattractive.

A demolition and rebuild of the existing building was discounted due to the size of investment needed, and the dependency on an ambitious uplift in service number required to make the business case robust. An extension to the building would also require significant investment for a low financial return.

Of all the options, an extensive refurbishment within the existing building footprint was presented as the preferred choice, with a number of the financials recalculated to account for a significant portion of the contract administration work to be managed in-house by the Council. This option offered the lowest level of capital investment for the most realistic level of additional income, (justifiable uplift in service numbers), was considered the most cost effective with the most realistic business case and was endorsed by Informal Cabinet.

1.6.2 Supply and installation of a second fully functional cremator with abatement and DeNOx capability.

The crematorium has a large crematory hall housing three end-of-life Edwards ACR cremators, of which only one is currently functional. In addition, a temporary container is

located in the service yard at the side of the crematorium, housing an FTIII cremator, installed in January 2021. The FTIII cremator is operated using Facultatieve Technologies Ltd software.

Project scope includes removing redundant Edwards cremator equipment, moving the existing FTIII cremator currently housed in the temporary container within the yard to inside the crematory hall, alongside installation of a second cremator. Both cremators will be fully abated with DeNox capability.

Not replacing the three ACR cremators is not an option, with two now not functional and the third at end of life.

Accompanying the existing FTIII cremator with a second cremator sourced from an alternative supplier was considered, as was the sale of the two-year-old FTIII, to be replaced by two brand new machines. Soft Market Testing with key cremator suppliers undertaken in July 2023 discounted these options.

Options for future cremator technology were considered, including a comprehensive review of the pros and cons of gas versus electric cremators.

Electrical cremator technology is relatively new with this technology introduced to the market in 2018 and the first installation in the UK in 2020. Currently around 2% of all cremators in the UK are electric. There are a number of reasons for this slow adoption, which include their substantial size, (they are significantly larger than gas cremators and the Aldershot building would require an extension), their inability to operate alongside a gas counterpart, (of which Aldershot already has an FTIII), the availability of a suitable electricity supply, significant increase to cremation times impacting throughput and the number of services that can be carried out, as well as cost and lead times.

The option to further explore use of electric cremators was presented to Informal Cabinet in September 2022 and discounted, with a view that this market was too under-developed at present. It was also felt that the development of alternative technology, for example 'microwave' style cremators, may outpace the electric option in the coming years.

Consideration for adaptation of gas cremators for use with bio-fuels as the technology was developed was advocated, with FT since announcing the future launch of an FTIV 'hybrid' machine. The new cremator purchased as part of this project will have the capacity to be adapted for this new technology should it not be available to the market at procurement stage.

It is proposed to procure a second FTIII cremator to accompany the existing containerised machine. Both machines will be fully abated with DeNOx capability, in order to remove mercury and other contaminants from the process. The cremators will run off the existing

gas supply. FT have indicated that an upgrade to the existing machine will make it substantially more gas efficient, and this upgrade will be undertaken. Both cremators will also be capable of adaptation in the future to accommodate use of bio-fuels.

1.6.3 Alterations to Redan Road chapel to ensure the building is suitable to use for services during the refurbishment period.

In September 2022, Informal Cabinet committed to *'provide a temporary crematorium facility to ensure continuation of service provision during the period of refurbishment'*.

The original intention was to install a temporary facility on-site, a model successfully undertaken by Guildford during their newbuild project in 2019. However, following a number of meetings and quotations from the market leader in this field, *Alresford*, alternative plans were considered, primarily due to rising costs of this option post pandemic and Brexit.

Options to hold services off-site, to continue to operate during phased works, and complete closure of the site were considered, with the pros & cons and a business case comparison presented for each, see *Appendix C*.

Following consultation with key stakeholders, a proposal to fully restore the two small chapels at Redan Road Cemetery in order to host services during the main crematorium refurbishment was agreed.

This option provided a number of key benefits:

- The site is only 1.8 miles, (7-minute drive), from the existing crematorium.
- The cemetery is an appropriate tranquil setting
- Whilst the chapel is small, it can accommodate up to 60 people which would satisfy over 90% current services.
- Whilst services can be held at Redan Road Cemetery, cremations can continue to be undertaken in the containerised cremator at the crematorium.
- There is adjacent free on-street parking for around 50 cars.
- It is preferable to refurbish an existing building, than erect and dismantle a temporary one.
- Refurbishment of Redan Road Chapel involves investing in an existing council asset, with much of the work required already in Property Services budget planning.
- After use as a temporary chapel, the chapels will be ready for alternative income generation use going forward.
- Services held off-site will provide an opportunity to accelerate the refurbishment on site, as there is reduced need to consider timing of works and noise levels relative to service times.

- This option will avoid the complexity and long lead in time of a temporary marquee facility.

1.7 Environmental Sustainability and Climate Action Considerations

Environmental sustainability has been considered throughout the design phase.

An independent carbon footprint report has been commissioned from 'Carbon Footprint Limited'. The report will assess the carbon emissions associated with the operation of the updated facility, including both cremator and building emissions. This work was commissioned in August 2023.

The following elements are being reviewed as part of the major refurbishment as well as ongoing operations:

1.7.1 Waste

All waste arising from the site both through strip out and construction will be recycled, where appropriate. This includes the copper roof, which will be reclaimed, where possible.

1.7.2 Energy / Insulation / Environment

The refurbished crematorium will incorporate the following sustainability features:

- Heat harnessing will reuse energy generated by the cremators to supply the building's hot water requirements.
- Installation of solar panels on the building's roof will ensure that the crematorium will receive the majority of its electricity from solar energy.
- Lighting will all be low energy with sensor switches in rooms where irregular use takes place. Where possible, windows and sky lights will be implemented for natural light to further reduce electrical requirements.
- The building structure will be upgraded to include improved wall and roof insulation as well as replacement doors.
- Rainwater harvesting will be used to provide a water supply for the grounds and landscaping.
- Electric car charging points will be installed in the car par.

1.7.3 Operations

It is proposed that both cremators are fully abated with DeNOx capability in order to remove mercury and other contaminants from the process. The cremators will run off the existing gas supply, and a technical upgrade to the existing cremator will be undertaken to make it significantly more gas efficient than at present. This efficiency will be integral to the newly procured cremator. Both cremators will also be capable of adaptation in the future to accommodate use of bio-fuels.

Electrical cremators were introduced to the industry in 2018, with the UK's first installation at Oxford in October 2020. As at December 2022, a total of 25 electric cremators were in operation across England, Germany and the Netherlands, eight of which are in UK, representing around 2% of all machines. The installation of electric cremators at Aldershot was considered as part of the feasibility study. However, after analysis (*see Appendix D*), the concept was not progressed for a number of reasons, outlined in section 1.6, above.

Co-Op Funeralcare are the first UK company to offer Water resomation as an alternative cremation process. This process uses a mix of potassium hydroxide and water to break down human remains in what is billed as a more sustainable option. The process takes around five hours. The deceased's bones that remain are powdered and then returned to loved ones in an urn in a similar way to cremated remains. Resomation has not been progressed by the Council as the process is still very new in England and the impact to local water utilities is unknown, (there is currently no industry standard to regulate the disposal of the green-brown liquid that remains after the process). Equally, the length of process is considerably longer at 5 hours, compared to an average of 2.5 hours for a gas cremation, leading to operational implications.

1.8 Equality and Diversity Impact Assessment

The proposed scheme will meet all equality and diversity considerations by ensuring that:

- the refurbished Crematorium is fully DDA compliant.
- the building features are of non-denomination and therefore accommodate all faiths and beliefs.

There are no known Equalities Impact Implications arising from this report.

Separately, an environmental impact assessment has been undertaken. This can be found in *Appendix E*.

2 Economic Case

2.1 Economic Appraisal

The overall scheme costs for the have increased from those presented to Informal Cabinet in September 2022. There are a number of reasons for this which are summarised below:

Scheme Element	Cost estimate as at Sept 2022	Current cost estimate (Aug 2023)	Difference	Rationale
Main Refurbishment	£2,200,000	£3,536,951	+£1,336,951	<p>A period of significant inflationary cost rises impacting material and labour costs.</p> <p>Additional repairs identified following technical design and further survey analysis e.g. requirement to underpin back of building, additional steels in crematory hall, replacement concrete window surrounds and lintels.</p> <p>New scope includes additional items such as water feature, replacement of pitched roof (limited life of existing, so prudent to replace now), furniture, rainwater harvesting and additional solar panels.</p> <p>Some additional project cost through RIBA Stage 5/6/7 not previously accounted for.</p>
Supply and Install of Cremators	£900,000	£900,000	-	No change to date, but further collaboration with FT will clarify.
Provision of temporary facility during refurbishment	£425,000	£288,644	-£136,356	Change in approach to restore existing asset (Redan Road chapels) rather than install a temporary marquee.
TOTAL	£3,525,000	£4,725,595	+£1,200,595	-

This change in project costs has implications for borrowing requirements, which is further detailed in Section 3.

2.1.1 Refurbishment of Aldershot Crematorium

A breakdown of the total refurbishment cost of £3,536,951 is provided below:

Spend Category	Estimated Spend
Demolition and Alteration	£116,494
Substructure	£100,000
Superstructure	£1,024,940
Internal finishes	£226,125
Fittings	£34,170
Services	£302,250
Inflation Allowance	£121,969
External works	£77,250
Landscaping works	£20,000
Provisional Sums *	£258,250
Utility changes	£5,000
Preliminaries & OHP	£487,008
Removals & Storage	£18,000
External Works	£17,500
IT Costs (Obitus/TV/CCTV)	£20,000
Feasibility	£182,000
Project Support through Riba 5/6.	£186,000
Furniture	£35,000
Contingency 10%	£304,995
Construction Total	£3,536,951

**includes cold store and asbestos works*

These costs have been taken from the cost plan issued by Arcus, the appointed architects, on 31 July 2023, and include:

- all known build costs and fees (as per RICS Q2 2023 schedule of rates)
- Interior fit-out and loose furniture
- 10% contingency
- Inflation Allowance 4.6% (BCIS June 2023)
- Preliminaries at 17.5%, and Overhead and Profit (OHP) at 5%, totalling charges of 22.5%

The costs above include fees spent to date on feasibility during 2022/23, and ongoing works in 2023/24.

2.1.2 Restoration of Redan Road Chapel

Spend Category	Estimated Spend
Demolition and Alteration	£14,760
Superstructure	£5,450
Internal finishes	£15,970
Fittings	£23,100
Services	£34,624
Landscaping works	£2,000
Provisional Sums	£20,000
Private Ambulance costs	£30,000
Road Improvements	£30,000
External Works	£17,500
Operational Support	£44,000
IT	£25,000
<i>Contingency 10%</i>	<i>£26,240</i>
Construction Total	£288,644

NB. It is assumed that all cremations will take place on the same day so no overnight holdover provisions are required for the coffins.

In addition to these capital costs, there will be a number of revenue implications which are covered in section 3.3, below.

Of the total project cost of £4.726m, it is proposed that c.£4.196m will be funded by borrowing., with the remainder paid from ringfenced Council budgets. Business case calculations have assumed a fixed borrowing rate of 5% over a 30-year payback period.

A key output from the Peter Mitchell Associates analysis was the predicted number of services achievable each year following completion of the refurbishment. A figure of 1,650 was estimated, (90% of the natural catchment area), and this figure has been used in the business case calculations.

2.2 Additional Benefits

The primary benefit of the proposed refurbishment scheme is the provision of fully modernised crematoria fit for the 21st century that will provide a first-class facility for residents. The scheme will attract a greater number of services each year, which will lead to

the facility generating a greater income for the Council, and providing a significant increase in the contribution to the General Fund.

The scheme will also deliver a number of additional benefits, including:

- Supplementary income generation through secondary spend associated with the increase in cremation business e.g. memorial sales.
- Improving the EPC rating of the building. The aspiration is to achieve a 'B' rating post refurbishment, with the crematorium currently rated as 'D'.
- Ensuring the building is DDA compliant.
- Reducing emissions through the installation of two fully abated cremators with DeNOx, which supports the Council's ambition to be carbon neutral by 2030.
- Restoring the old chapels at Redan Road Cemetery will create a new community asset, and provide an additional future source of income, (potentially through use as a second chapel).

3 Financial Implications

3.1 Scheme Cost

Following approval of the Outline Business Case in September 2021, funding of £75,000 was approved to complete a Feasibility Study to consider various development options at the crematorium, including refurbishment options or a new build on the existing site.

In total, £32,000 was spent delivering the feasibility work, with the output presented to Informal Cabinet in September 2022.

In November 2022, a sum of £100,000 was provisioned via the Capital Project Programme Board to support the project through the design and planning process from RIBA stage 2 through to stage 4. A further £50,000 drawdown was approved in May 2023.

An indicative capital spend profile of the project is outlined in the table below:

Item	2022/23 <i>Actuals (£)</i>	2023/24 (£)	2024/25 (£)	2025/26 (£)	Total (£)
Feasibility	32,000				32,000
Design and Planning		150,000			150,000
Cremators – supply and Install		300,000	600,000		900,000
Restoration Redan Road		288,644			288,644
Construction Aldershot			3,049,955	304,996	3,354,951
Total (Exc VAT)	32,000	738,644	3,649,955	304,996	4,725,595

It is proposed to ensure that the temporary facility at Redan Road Cemetery is operationally ready by February 2024, so that services can be held concurrently with the existing operation for a number of weeks prior to closure of the main site. Consequently, all costs associated with the Redan facility have been included in 2023/24.

An order for the second FTIII cremator will need to be placed in October 2023, with 30% required to be paid at point of order and the remainder on completion of installation. Hence the spend profile is across both 2023/24 and 2024/25.

For financial modelling purposes, it is assumed that works commence on site at the main crematorium in April 2024, with completion in March 2025. In practice there is a reasonable

chance that this period of refurbishment may be completed sooner, however, this will not be confirmed until appointment of the principal contractor and an agreed programme of works is in place. A 10% fee retention has been assumed for 2025/26.

The approved Capital Programme includes a figure of £750,000 for this scheme in 2023/24, and this sum is sufficient to cover the above estimated spend profile during this financial year. Additional approvals will be required for 2024/25 and 2025/26.

3.2 Capital Funding Sources

Two sources have been identified to help fund the c.£4.726m required to deliver the scheme:

- **Cameo fund** – In 2005, Defra introduced a requirement for the cremation industry to remove mercury from 50% of cremations. Crematoria that are unable to ‘abate’ in this way would pay an annual surcharge (currently £59 per cremation) to the ‘Crematoria Abatement of Mercury Emissions Organisation’ (CAMEO) for 50% of its annual cremations. The same figure for the remaining 50% would be paid into a reserve fund with spend ringfenced to activities that achieve abatement. The installation of the new fully abated cremators with DeNOx as part of the Aldershot scheme is an appropriate use of this fund, which will hold over £500,000 by the end of the 2023/24 financial year.
- **Civil Parking Enforcement (CPE) account** – Having delivered on-street civil parking enforcement on behalf of Hampshire County Council, (the Highways Authority), for a number of years, Rushmoor have accumulated an operational surplus in the Civil Parking Enforcement (CPE) account. This budget is ring-fenced to deliver various off-street parking improvements, and payment for the road resurfacing works and creation of parking spaces on site at the temporary site at Redan Road Cemetery is an appropriate use of funds, (c.£30,000).

All remaining project costs will need to be funded through borrowing.

	2022/23 (£)	2023/24 (£)	2024/25 (£)	2025/26 (£)	Total (£)
Cameo Funds		325,000	175,000		500,000
CPE Account		30,000			30,000
Borrowing	32,000	383,644	3,474,955	304,996	4,195,595
Total	32,000	738,644	3,649,955	304,996	4,725,595

3.3 Project Revenue Implications

The full borrowing costs and other revenue impacts are captured in the table below:

Item	2022/23 (£)	2023/24 (£)	2024/25 (£)	2025/26 (£)	Full Year (£)
MRP – Redan Road			9,621	9,621	9,621
MRP – Aldershot				130,232	130,232
Interest - Redan Road*	0	14,432	14,432	14,432	14,432
Interest – Aldershot*	736	5,486	179,234	194,484	195,348
Short-term staffing costs**			50,000		
Total	736	19,918	253,287	348,769	349,633

* MRP over 30 years – Interest at 5%.

Additional resource required to transport bereaved between sites.

NB: The minor differential in interest costs for the main site between 2025/26 and a full year is due to the actual short-term borrowing costs for the feasibility study in 2022/23 being at a lower interest rate than the 5% fixed rate assumed for the full 30 years.

4 Commercial Case

4.1 Operation and Financial Viability

4.1.1 Budget implications

The table below predicts the number of services and impact on income generated pre, during and post refurbishment of the Aldershot Crematorium.

A number of assumptions have been made to support the calculations:

- There will be a 20% reduction in the number of services held at the Redan Road site during the period of refurbishment. This assumption is based on:
 - The Redan Road chapel is only able to accommodate seating for 57 mourners, rather than the current maximum of 80, and this may reduce demand.
 - A reduction in the number of services held each day is intended, with a maximum of six. It is intended to allow one hour, rather than the current 45 minutes, between services to ensure mourners don't meet on this more restricted site.
 - The facility will be functioning with only one fully operational cremator, and usage needs to be managed.
- The price of services held at the temporary Redan Road site will be reduced by 20% i.e. from £1,049, (£990 + £59 Cameo) to £840, (£781 + £59 Cameo).
- Income post refurbishment has been based on 1,650 services per year. An increase in supplementary income through secondary spend e.g. memorial sales has been modelled on the increase in cremation business.
- From 2025/26, once the refurbishment of the main Aldershot site is complete, the charge for a service will be £1,099, (all of which will be retained as the CAMEO levy will no longer be payable).
- Operating expenditure of the facility will reduce by £100,000 pa on completion of the refurbishment, (see section 4.1.4.).

	Current Facility Actual	Current Facility Budget	Temp Facility at Redan Road (12-month build)	Refurbished Scheme (Post Build)
	2022/23	2023/24	2024/25	2025/26
Number of services p.a.	1520	1410	1200	1,650
Total Expenditure	£1,106,395	£1,102,070	£1,152,270	£1,000,000
Total Income	£1,642,314	£1,604,950	£1,248,000	£2,053,350
Net Income	£535,919	£502,880	£95,730	£1,053,350
Net Income - <i>excluding support costs</i>	£764,959	£765,000	£357,850	£1,315,470
Increase in Net Income v 22/23 Actual		£0	-£407,109	£550,511
Increase in Net Income v 23/24 Budget			-£407,150	£550,470

The closure of Aldershot Crematorium, and the relocation of services to the refurbished Redan Road Cemetery chapels, will result in both a loss of income and increased running costs during the period of refurbishment. There will consequently be an additional call on the General Fund in 2024/25, which is estimated to amount to c.£407k, and this will need to be incorporated into the MTFs for consideration as part of the 2024/25 budget setting process. This deficit excludes the costs associated with borrowing during this period, (MRP and interest totalling c.£203k) c£50k of which relates to additional capital costs over and above that already approved and will also require an adjustment to the MTFs.

Once the Aldershot Crematorium refurbishment is complete, the revenue expenditure associated with operating the crematorium are anticipated to reduce by c.£100k pa, with predicted additional cremation services and ancillary income providing an increase in income of c.£450k pa. The additional operational profit of the crematorium is therefore forecast to be c.£550k pa from 2025/26 onwards.

Revenue costs relating to the total capital expenditure have been estimated to amount to c.£350k in a full year, with MRP calculated over 30 years and interest at 5% pa.

The net effect of these revenue implications is therefore a forecast annual increase in contribution to the General Fund of c.£200k from 2025/26 onwards.

Income calculations post-refurbishment are based on cremation numbers of 1,650 pa. This estimate appears reasonably conservative and, should business exceed this level, income will clearly increase. With the charge for a cremation service assumed at £1,099 by 2025/26, every additional 100 services a year will generate in excess of £100k additional contribution

to the General Fund. Operational capacity is unlikely to ever prove an issue with over 2,700 cremation slots available each year, (over 1,750 of these at 'core times' ie 10am to 3pm).

4.1.2 Financial viability

The table below shows that over a 30-year borrowing period, and with an assumed average interest rate of 5%, the simple payback period of the project is forecast to be 21 years.

	Current Facility Actual	Current Facility Budget	Refurbished Scheme (Post Build)
	(2022/23)	(2023/24)	(2025/26)
Estimated Number of services p.a.	1,520	1,410	1,650
Net Income	£535,919	£502,880	£1,053,350
Increase in Net Income to General Fund v 23/24 Budget			£550,470
Capital Cost Impact – Simple Payback Return			
Capital Cost from borrowing			£4,195,595
MRP + Interest			£349,633
Revised Increase in Net Income 25/26 onwards v 23/24 Budget (after MRP and interest)			£200,837
Simple Payback Period			21 Years

Following completion of the initial feasibility study, the financial viability of the scheme was presented to Informal Cabinet in September 2022. At this time, the payback period was calculated at 9 years. The increase in the estimated cost of the project, alongside the significant increase in interest rates since this time, has had an adverse effect on the financial viability. In addition, the programme plan has been extended from 6 to 12 months, which has decreased the level of income predicted to be achieved in 2024/25.

However, predicted increases in cremation fees over the next two years have now been incorporated in the figures, and as a result, predicted income is now higher than originally anticipated.

There is also potential for income to be increased still further, through the marketing and implementation of direct cremations as a new service offering. If successful, this will positively impact the payback period and contribution to General Fund. This service can only be provided once two fully functional cremators are in place.

The current financial forecast also excludes any additional income generated from future use of refurbished facility at Redan Road Cemetery, either as a second chapel or a community building.

4.1.3 General Fund Impact

The impact of the project on the Council's General Fund over the coming years is shown, below:

Impact in 2024/25 whilst using temporary facility at Redan Road

	Current Facility Actual 2022/23	Current Facility Budget 2023/24	Temporary Facility at Redan Road 2024/25
Estimated Number of services p.a.	1,520	1,410	1,200
Net Income (exc support costs)	£764,959	£765,000	£357,850
Decrease in Net Income v 23/24 Budget			£407,150
Additional Revenue Cost of Temporary Service Provision			£407,150 (12 Months)

Impact in 2025/26 and future years of refurbished Aldershot Crematorium

	Current Facility Actual 2022/23	Current Facility Budget 2023/24	Refurbished Scheme 2025/26 & T/A
Estimated Number of services p.a.	1,520	1,410	1,650
Increase in additional Net income v 23/24 Budget			£550,470
Capital Costs – Interest and MRP (30 years)			£349,633
Increased GF Budget Requirement / Saving (-) Compared to 2023/24 Budget			-£200,837
Increased GF Budget Requirement / Saving (-) Compared to 2023/24 Budget - over 10 years			-£2,008,370

4.1.4 Ongoing Building and Revenue Costs

There are a number of approved Aldershot Crematorium budget lines for 2023/24 that are likely to be impacted as result of the proposed refurbishment:

- £16,300 - General repairs and maintenance
- £3,090 - Water
- £33,140 - Electricity
- £87,070 - Gas
- £20,890 - Operational Equipment
- £46,990 - Cameo Levy
- £11,000 - Container

Maintenance costs of the existing cremators are currently c.£15,000 pa and paid for from the Operational Equipment cost code. Going forward, FT have confirmed the cost of a basic maintenance agreement is likely to be roughly the same.

In addition, all cremators require re-lining every few years, depending on their level of usage. The cost is currently c.£35,000 per cremator for a partial reline every five years, and c.£75,000 per cremator for a full reline every ten years. Again, the costs going forward will be similar for the new cremators.

The option of an 'all-inclusive' maintenance agreement to include all cremator relining and maintenance requirements is available from FT, and the benefits of this arrangement will be assessed as the cremator procurement process is progressed.

However, with predicted basic cremator maintenance costs broadly in line with current levels, no change has been accounted for in this business case.

It is difficult to fully determine the overall effect of the refurbishment on ongoing revenue costs. However, at a high level, the following impacts are predicted:

- Decrease in the cost of gas used by the cremators, (the new machines will be considerably more efficient).
- Decrease in gas bills due to heat harnessing by the cremators.
- Solar panels will reduce the demand on the external electricity supply.
- There will no longer be a requirement to contribute to the CAMEO scheme.
- There will no longer be a need to rent a container for yard to house the cremator.
- Additional costs to maintain the water feature are estimated to be c.£550+ per year.
- The proposed pre-grey external cladding will turn to natural grey in time due to the impact of the sun. Maintenance of cladding will require a new layer of oil every 3 to 5 years. Given the size of the building, this cost is estimated to be c.£3,000 per application.

Overall, a £100,000 saving has been assumed on revenue costs each year.

Whilst the temporary facility at Redan Road Cemetery is operational, there will be additional energy and wi-fi costs associated with that building. For the purposes of this business case, it is assumed that the costs of operating the Redan Road site are similar to those incurred at the main Aldershot site. Consequently, the operational expenditure in 2024/25 remains aligned to that in 2023/24, with a slight increase (£50k) in order to cover additional staff requirements needed to support transportation of coffins from Redan Road to Aldershot Crematorium.

4.2 Procurement and Legal Considerations

4.2.1 Refurbishment of Aldershot Crematorium

A Principal Contractor will be appointed to implement the agreed refurbishment scheme at Aldershot Crematorium. Contractor procurement to deliver the agreed works package(s) will be carried out in accordance with council procurement rules and, given that there are no directly applicable frameworks, will involve a restrictive advertised process.

Appointed contractors will be used to help define and document the work packages to support the tender process for the Principal Contractor. It is proposed that procurement is undertaken using a traditional approach with CDP (Contractor Designed Portions) in a lump, fixed sum basis using a JCT intermediate contract.

4.2.2 Restoration of Redan Road

Procurement will be managed by the Council's Principal Building Surveyor and will be undertaken via a number of work packages using existing framework agreements.

4.2.3 Supply and Installation of Cremators

In July 2023 the Council undertook a Soft Market Testing (SMT) exercise to '*appoint a suitably qualified supplier to supply, install and maintain crematory equipment at the crematorium, alongside carefully de-commissioning any existing redundant cremator equipment in co-ordination with the Principal Works Contractor, (yet to be appointed)*'. This process invited three major cremator suppliers – Facultatieve Technologies (FT), IFZW and Matthews Environmental Solutions – to engage. Following initial conversations, the latter two suppliers withdrew from the process. With an FTIII cremator already on-site, the

decision was made – in liaison with Portsmouth County Council procurement services – to directly award the contract to FT utilising the YPO Framework.

4.3 Social Value

The Public Services (Social Value) Act 2012 requires the Council to consider how the services it procures might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental well-being from public sector contracts over and above the delivery of the services directly required at no extra cost.

Rushmoor Borough Council's Social Value Policy outlines a number of social, economic and environmental aspirations:

- Helping the VCSE sector in Rushmoor to become more sustainable.
- Delivering more targeted employment and skills opportunities for Rushmoor Residents.
- Engaging with SME businesses in Rushmoor and the EM3 area about supply chain opportunities and public sector procurement processes.
- Ensuring that all goods, works and services Rushmoor procures are sourced Ethically.
- Supporting Rushmoor Borough Council's commitment to become carbon neutral by 2030.

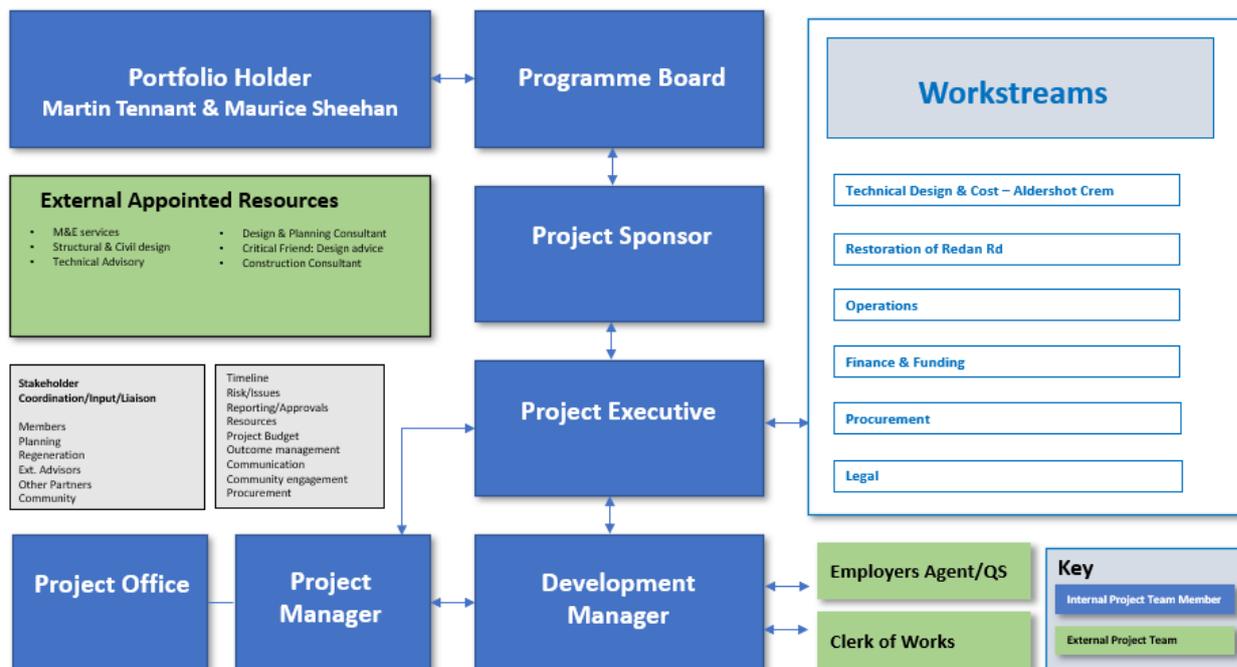
The project to refurbish the crematorium and restore the chapels at the Redan Road Cemetery involve the procurement of a wide range of suppliers and various sized contracts. The above aspirations are at the heart of all procurement decisions, with the major contracts agreed in liaison with Portsmouth Procurement Services. Local suppliers will be used where possible, and opportunities for the Principal Contractor to employ Rushmoor residents and use local sub-contractors if required, will be explored.

Environmental Sustainability and Climate Action Considerations are considered in Section 1.7, above.

5 Management Case

5.1 Project Structure

The structure employed to manage the project, including both internal and external resources, is outlined, below:



5.2 Programme/ Project Plan

RIBA Stage 3 has recently been completed, with the project currently at RIBA Stage 4: Technical Design. The proposed project plan timescales are outlined below:

<i>Deliverable/ Milestone</i>	<i>Date</i>
Planning Approval – Aldershot Crematorium refurbishment	<i>July 2023</i>
Submission of Building Regulations – Redan Road Cemetery site	<i>July 2023</i>
Planning approval – Redan Road Cemetery site	<i>August 2023</i>
Submission of Building Regulations – Aldershot Crematorium	<i>August 2023</i>

Commencement of formal tender process – Principal Contractor	<i>October 2023</i>
Planning approval – Temporary office facility at Aldershot Crematorium	<i>November 2023</i>
Procurement – Principal Contractor Appointed	<i>January 2024</i>
Temporary facility at Redan Road Cemetery fully operational	<i>Feb / March 2024</i>
On Site Construction Commences *	<i>Late Spring 2024</i>
On Site Construction Complete *	<i>Winter 2024/Early 2025</i>

**Subject to Principal Contractor procurement and proposed programme plan*

5.3 Land acquisition, Planning and other Consents

An application for the extension of planning permission for the existing FTIII cremator temporarily housed in a container in the crematorium’s service yard was taken to Development Management Committee on in April 2023. Planning permission was granted and now expires on 26 April 2025.

Planning permission for the major refurbishment of the main site was submitted in June 2023 and approved in July 2023. Full details are available through the link, below:

[23/00461/FUL | Extension of the porte cochere, alteration to fenestration \(including materials\), and removal of existing cloister | Aldershot Park Crematorium Guildford Road Aldershot Hampshire GU12 4BP \(rushmoor.gov.uk\).](#)

A planning application for the installation of a temporary shipping container within the grounds of Redan Road Cemetery was submitted in July 2023. The container is to house grounds maintenance equipment used by Council contractors, Serco, recently removed from the chapel building to facilitate refurbishment. Planning permission was granted in August 2023.

5.4 Stakeholder Engagement and Consultation

A number of sessions have been held with key stakeholders - Members, Funeral Directors, Celebrants and the Bereavement Services team - to obtain input to proposed operational and building improvements and ensure buy-in to the scheme. Engagement will continue throughout the programme of works.

In March 2023, a letter-drop to around thirty residential properties bordering the crematorium site was undertaken, outlining the intention to refurbish the building, confirming pre-planning application advice was being sought, and inviting any questions. The standard consultation process with adjoining properties was also undertaken as part of the formal planning application process.

Regular meetings with the Project Sponsor take place for the Project Executive and Project Manager to update project status.

Discussions have been undertaken with various Member groups, with plans shared and feedback incorporated. Regular update meetings are held with the relevant portfolio holders in order to update on progress and address issues raised.

5.5 Project Assurance

The Council's Capital Projects Programme Board, alongside the Project Sponsor, perform the Project Assurance role. These parties are responsible for monitoring all aspects of the project's performance, independent of the Project Team. They may represent the business, user, audit, financial, legal, and/or technical aspects of the project delivered.

Responsibilities include:

- ensuring user/operational needs and expectations are being met and managed
- ensuring service risks are identified and controlled
- monitoring expenditure and time schedule
- ensuring the products delivered meet the required Business Case
- constantly reassessing the value-for-money solution
- ensuring a fit with the overall programme or service strategy
- ensuring the right people (users) are being involved in specifying requirements for the end-solution
- ensuring an acceptable solution is being developed
- ensuring the project remains viable
- ensuring the scope of the project is not 'creeping up' unnoticed
- ensuring the focus on business need is maintained
- ensuring internal and external communications are working effectively
- ensuring adherence to quality assurance standards (e.g. conformance to specification)

5.6 Monitoring and Evaluation

Project spend, scope, resource, plan and political status are monitored and reported via Monthly Highlight Reports to the Capital Projects Programme Board every six weeks.

The technical team responsible for delivery of the proposed scheme will be subject to quality assurance and delivery sign off. All invoices will be reviewed prior to approval.

Fortnightly project meetings are undertaken with the full project team, including the appointed consultants.

Post implementation, service numbers will be monitored by the Aldershot Crematorium Bereavement Services Manager so that benefit realisation can be tracked.

6 Risks, Constraints, Issues and Dependencies

A detailed 'Risk & Issues Register' is maintained within the full project documentation and regularly updated.

6.1 Risks

There are a number of risks associated with delivering a major refurbishment, including effects of the interruption to the existing service during the build period, return on investment and payback period, and costs not accounted for at the outset.

Project delays - either with the main site refurbishment or Redan Road site readiness – may mean the overall plan slips and the planned on-site start date of April 2024 is missed.

Tender documents for the procurement of a principal contractor are due to be issued in October, with submissions received in December 2023. Whilst Soft Market Testing has indicated supplier interest in the project, there is a risk that competitive responses are not forthcoming and there is a lack of market interest.

Given the current economic climate, variations in inflation and interest rates need to be considered a key risk.

In addition, there are a number of significant risks associated with not going ahead with the refurbishment scheme, including:

- Reputational risks, as the Council is unable to provide a fit-for-purpose bereavement service for residents, particularly with only one fully functioning cremator at present.
- Competitor risks, as alternative providers located within adjacent boroughs become the 'crematorium of choice' for Rushmoor residents. There is also the risk of private operators looking to enter the local market.
- Financial risks, as expenditure on the repair and maintenance of the building and equipment increases, and income reduces as business is lost.

Risks will continue to be monitored throughout project delivery.

6.2 Issues

No known issues at the time of writing this report

6.3 Dependencies

A number of dependencies have been identified in delivery of the project:

- The refurbishment will ideally take place during the Summer months when longer daylight hours and improved weather will enable the process to be expedited. In addition, the numbers of funerals taking place at this time of year tend to be lower, and interruption to business will therefore be minimised. However, timing and length of the programme works, (including start date), will be heavily dependent on the procurement process and appointment of principal contractor.
- Sufficient interest from the construction market will be required to ensure that the Principal Contractor procurement process is completed in a timely manner. To support this, a Soft Market Testing exercise was undertaken in August 2023.
- Final costs will not be fully understood until the procurement process for the principal contractor has been completed and bids submitted.
- The appointed cremator contractor (FT) will be required to work closely with the principal contractor and coordinate a programme of works. There is likely to be significant phasing of activity.
- The chapels at Redan Road Cemetery needs to be restored and all operational processes in place before work at Aldershot Crematorium can commence.
- There is a need to continue to collaborate with key stakeholders, (Funeral Directors and Celebrants), to ensure the smooth transfer of services to the Redan Road site.

6.4 Constraints

- Whilst the refurbishment works are undertaken, Aldershot Crematorium will only have access to one fully-functioning cremator. Should this machine fail, an alternative solution will be required in order to keep the service operational.
- A contingency plan is therefore being established with Guildford and Easthampstead Park crematoriums, in order that these facilities are in a position to support the Council's cremation requirements should such a situation occur.

7 Recommendations and Next Steps

7.1 Summary

The Aldershot Crematorium is in need of significant investment, with large-scale repair and maintenance works required.

With demand for cremation facilities in the borough predicted to increase in the coming years, a major refurbishment of the facility is needed to protect existing income, control costs, and provide a quality service to the borough's residents.

The operation of the crematorium currently generates a healthy profit for the Council, (in excess of £500,000 in 2022/23). With a number of competing local facilities investing heavily in recent years, Aldershot's share of the market is under threat.

The total estimated project costs to complete the proposed scheme are £4.726m. With c.£530k available from existing budgets, there is a borrowing requirement of c.£4.2m.

Project costs will be repaid through a predicted increase in the number of cremation services held at the facility following completion of the refurbishment. On project completion, the net effect of the revenue implications is a forecast annual increase in contribution to the General Fund of c.£200k from 2025/26 onwards.

During the period of refurbishment, services are proposed to be delivered from the to-be restored chapels in the grounds of Redan Road Cemetery. Throughout this period, increased costs and reduced income will result in an operational deficit in the 2024/25 revenue budget amounting to £407k. In addition, borrowing costs over and above that included within the MTFs, estimated at £50k, will also need to be considered as part of the 2024/25 budget setting process.

The FBC seeks a decision to approve the total funding requirement of £4.726m, enabling the project to progress. Should principal contractor costs exceed this figure following tender responses, the project team will return to Cabinet with revised estimates.

A recommendation to Council is also sought, requesting an increase in the capital programme of c.£1.152m, over and above the £3.574m already agreed.

Whilst there are a number of risks associated with delivering a project of this nature, the risks of not going ahead with a scheme – reputational, financial and competitor related – are arguably greater.

A proposed high-level approach to delivery suggests a fully refurbished facility could be delivered and operational by end 2024 / start 2025.

7.2 Recommendations

The project is recommended to ensure that the Council is able to provide an excellent bereavement service for residents, and generate additional income to help address the budget gap predicted in the medium-term financial plan.

The following decisions are required to enable the project to proceed:

- Approval of a total funding requirement of £4.726m, broken down as follows:
 - Refurbishment of Aldershot Crematorium - £3.537m
 - Supply and installation of a new fully functional cremator to accompany existing, with abatement and DeNOx capability - £0.9m
 - Refurbishment of the chapels at Redan Road Cemetery to be used as a temporary facility during the main works - £0.289m
- Agreement of an additional capital allocation of £1.152m for the project, over and above the £3.574m already agreed as part of the existing Capital Programme
- Note the impact on the 2024/25 budget which will require additional costs of c£457k to be incorporated into the MTFs for consideration as part of the 2024/25 budget setting process.
- Note also, that from 2025/26 onwards, surplus funds of c£200k will be available to contribute towards future revenue budgets.

8 Conclusion

Work has been undertaken to understand and establish the return-on-investment model for the major refurbishment of Aldershot Crematorium. A temporary facility is proposed to operate from the chapels at Redan Road Cemetery for the duration of the works.

The scheme is identified as a deliverable within the Council Business Plan, and will ensure the crematorium can continue to provide a quality service to residents. The scheme is forecast to not only protect existing income levels, but generate additional income for the Council.

Subject to Full Business Case approval, the project team will proceed to delivery and implementation of the refurbished Crematorium.

CONTACT DETAILS:

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Project Approval (Board Decision)	<<insert name>>
Date	<<insert date>>

9 Appendices

Appendix A – Existing Site Plan



Appendix B – Summary of CDS Feasibility Study Findings

	Do Nothing	Option 1: Refurb	Option 2: Minor Extension	Option 3: Dem & Rebuild	New Build on existing Site	Sell the Site	Option 4: RBC Managed Refurb
Indicative Cost of Construction	0	£4.5m	£5.9m	£8.0m	N/A	N/A	£3.1m
Length of Construction	N/A	10 Months	12 Months	16 Months	N/A	N/A	<10 Months
Size	603 m2	603 m2	890 m2	803 m2	N/A	N/A	603 m2
Number of services p.a.	1,200	1,500	1,766	2,046	N/A	N/A	1,650
Total Income	£1,263k	£1,579k	£1,859k	£2,154k	N/A	N/A	£1,737k
Change in financial performance from 2021/22 actual	£-100k	+£316k	+£596k	+£891k	N/A	N/A	+£474k
Change in financial performance from 2022/23 budget	£-431k	£-15k	+£265k	+£560k	N/A	N/A	+£143k
Simple Payback Period	N/A	31 years	15 years	13 years	N/A	N/A	9 years
Capital Costs – Interest and MRP (40 years)	N/A	£225k	£300k	£416k	N/A	N/A	£144k
Increased GF Budget Requirement / Saving (-) Compared to 2022/23 Original Budget	£431k	£240k	£35k	£-144k	N/A	N/A	£1.5k
Increased GF Budget Requirement / Saving (-) Compared to Original Budget – over 10 years	£4.3m	£2.4m	£350k	£-1.4m	N/A	N/A	£15k

	Do Nothing	Option 1: Refurb	Option 2: Minor Extension	Option 3: Dem & Rebuild	New Build on existing Site	Sell the Site	RBC Managed Refurb
Key Benefits	No capital cost to RBC	Expensive for maintaining current service numbers	Best value for money on CDS options in terms of cost per m2	Highest financial return option	Opportunity to build new on par with competing sites	Reap capital benefit from sale	Cost Effective with realistic business case
Key Issues	Income will continue to decline			High cost / high risk as predicated on significant service uplift. Risk planning not granted	Site constraints	Loss of RBC income Sale price likely to be low given current state of facility	RBC internal resource capacity
CDS SWOT Scoring	-24	-9	+13	+17	N/A	-32	N/A
Continue to progress	NO	NO	NO	NO	NO	NO	YES
Rationale	Cannot afford to lose income at current rate, which will continue to decline and have a significant effect on the General Fund.	Require greater clarity over financials and understanding of value reengineering options	Require greater clarity over financials but low net return for high level of investment. High forecast costs per sqm.	Business case too dependent on revenue (optimistic uplift in number of services which seems hard to justify). Assumes Aldershot will attract services outside Natural and MDT catchments	1902 Crematorium Act and flood risk prohibits opportunity on current site. (NB Also explored land at Aldershot Park but deemed unsuitable/ high risk of objection from Sports England)	Unattractive proposition for private investors (unless at low sale price) Also, the crematorium is a high earning asset for RBC	Lowest Capital Investment for most realistic level of additional income, (justifiable uplift in service numbers). Increased income is sufficient to cover Capital Financing Costs.

Appendix C – Option Analysis

Pros & Cons

Temporary Facility	Redan Road Chapel	Close site	Phased Works
<p>PROS</p> <ul style="list-style-type: none"> • Highest income generation for services • Avoidance of other local crematoria becoming choice for services, if site remains fully open • On site staff will still be able to do their day-to-day jobs • Service and cremation remain on same site • Two cremation techs (Sam & Olly) will be able to manage the transportation of the coffins 	<p>PROS</p> <ul style="list-style-type: none"> • Cost effective solution with services staying in Aldershot • On site staff will still be able to do their day-to-day jobs • Better to refurbish an existing building than erect / dismantle a new one • Refurbishment of chapel already in Property Services budget planning • After use as a temporary chapel, ready for alternative income generation use going forward, (second chapel?) • Services held off-site will provide an opportunity to accelerate the refurbishment on site as there is reduced need to consider timing of works and noise levels relative to service times • Avoid the complexity and long lead in time of a temporary marquee facility. 	<p>PROS</p> <ul style="list-style-type: none"> • Construction works can be completed at a faster pace • Out of hours construction works can be avoided • Reduced complexity of overall project 	<p>PROS</p> <ul style="list-style-type: none"> • Services can continue and avoid closure • Avoid expenditure on temporary facility or relocating to another site
<p>CONS</p> <ul style="list-style-type: none"> • Highest cost option (c.£900k) • Significant ground works will be an added complexity to manage and increase cost • Best site involves removal of some trees • Proposal for relocation of memorial rose beds could be rejected, or if approved cause issues with families • Services will be taking place on site, very close to construction activity. Will need to alter construction timings accordingly 	<p>CONS</p> <ul style="list-style-type: none"> • Reduced capacity – chapel only holds max. 60. Likely to lose some of the bigger funerals. • Some compromises with the building due to limited size e.g. no bearers room/vestry, hall of remembrance. • Likely need to reduce charge for services by greater amount • A view that some mourners would prefer a service and cremation at the same / existing site • Parking requirements may not be fit for purpose • Clashing of services and burials, (30/40 burials a year at Redan Road) 	<p>CONS</p> <ul style="list-style-type: none"> • Long-term family users of the crematorium will have to defect to competitors. Hard to get back. • No income generated from services • Reduce operational staff requirement during refurb period 	<p>CONS</p> <ul style="list-style-type: none"> • Phasing of works likely to take significantly longer than other options • Some of the construction will need to take place out of hours / weekends, which will be more expensive • Regular pausing of works due to noise • When certain key areas are being refurbished e.g. chapel, there will be limited / no income

Appendix D – SWOT Analysis of Electric Cremators

Strengths

- Electrical cremation reduces CO2 emissions by c.50% if on grid electricity and up to 80% if on a green electricity tariff
- Electric cremation releases 33% less NOx emissions
- There is less risk to fires due to the operation of the machine
- Maintenance costs of electric cremators are considered to be lower long term due to the reduction in heat fluctuation which reduces stress on the refractory lining of the brickwork.

Opportunities

- Supports the councils objective to be carbon neutral by 2030
- There is the opportunity to go onto a green electricity tariff
- Gas prices are increasing at a greater rate than electricity.
- If future legislation is to change where all crematoriums must switch away from gas or switch to a greener gas, then the council will have already addressed this.

Weaknesses

- Electric cremators currently have a much higher unit cost than Gas
- Electric cremators require significantly more space due to the requirement for separate filters, fans and abatement system. This will require an extension to existing building.
- The length of cremation times is much longer for electric – 2 to 2.5 hours, impacting operations and requiring longer hours for staff
- A STATS upgrade may be required which may require the digging up of roads, causing disruption. The upgrade may also come at a high financial cost
- The lead times for purchasing electric cremators are estimated to be >9 months

Threats

- Future cremator technology advancements, which may be cheaper, smaller and faster. For example, Existing Gas cremators can be upgraded to bio fuel technology

Appendix E – Equality Impact Assessment

Equality Impact Assessment	
Title of EIA	Aldershot Crematorium – Proposed Major Refurbishment
Date of EIA	22 August 2023
Department/Service	Operations
Focus of EIA	The Council is looking to undertake a major refurbishment of the existing crematorium building to improve the service offered to residents and ensure that the building is regulatory compliant.
1.Previous EIA and outcomes	
What actions did you plan last time and what improved as a result? (If there is no previous EIA write Not applicable)	
N/A	
2.Equality analysis and potential actions	
Assessment of overall impacts on those with the following protected characteristics and what potential actions could be undertaken to mitigate impact.	
Age	Neutral Impact. N/A
Disability	Positive Impact. The project will improve access for disabled users and aspires to provide a building that is fully DDA compliant e.g. wider doorways, accessible toilets.
Gender Reassignment	Negative Impact. No specific gender-neutral toilets proposed, however the accessible toilets are not gender specific.
Marriage or civil partnership	Neutral Impact. N/A
Pregnancy or maternity	Neutral Impact. N/A
Race	Neutral Impact. N/A
Religion or belief	Positive Impact. There will be no permanent signs representing specific faiths. Any symbolism will be changeable / removeable as required by the user. The large cross currently located above the building entrance will be removed as part of the refurbishment.
Sex	Neutral Impact. N/A
Sexual orientation	Neutral Impact. N/A

3. Assessment of overall impact and potential actions

- Improved disabled access through a DDA compliant building with wider doorways, accessible toilets, etc.
- The site will no longer display symbolism connected to any particular faith.
- Limited impact to Gender Reassignment. The site does not currently offer gender neutral toilets, and the proposals do not include provision to do so. However, the accessible toilets will not be gender specific.

4. Consultation & community feedback

What consultation has taken place or will take place with each identified group?

Age	As part of the planning application, nearby residents have been informed of the proposed plans.
Disability	
Gender Reassignment	Regular consultation on the project plans has been undertaken with celebrants, funeral directors and on-site staff, with feedback incorporated into the design.
Marriage or civil partnership	
Pregnancy or maternity	
Race	
Religion or belief	
Sex	
Sexual orientation	

5. We understand the Council requires this Equality Impact Assessment and we take responsibility for its completion and quality.

Completed by: Project Support Officer	Samuel Norris – Project Admin Apprentice	Date 4 July 2023
Signed off by: Project Executive	David Phillips – Project Executive	Date 22 August 2023