

Summary Sheet

Council Report

Improving Places Select Commission 3rd January 2018

Title

Dignity / Rotherham Metropolitan Borough Council Contract Update

Is this a Key Decision and has it been included on the Forward Plan?

This is not a key decision.

Director Approving Submission of the Report

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Ward(s) Affected

All wards

Executive Summary

On 1st August 2008, the Council entered into a 35 year contractual agreement with Dignity Funerals Ltd for the provision of bereavement services for Rotherham. This partnership led to the transfer of significant risks from the Council to Dignity, and saw Dignity take on the responsibility for the capital works and maintenance of the East Herringthorpe Cemetery and Crematorium along with the maintenance of the eight other Municipal Cemeteries located throughout the Borough. The Council retained the risk in relation to cemetery chapels, associated buildings and boundary walls on some cemetery sites. The partnership has resulted in a number of significant improvements in relation to the provision of bereavement services throughout Rotherham.

Dignity has sub-contracted the grounds maintenance elements of the service to Glendale Countryside Management Ltd (but Dignity retain the overall responsibility for the delivery of the service).

This report has been requested to provide more detailed information in relation to various aspects of the contract, service and performance management and builds on the report that was presented to IPSC on 30th November 2016.

Recommendations

That Members note the content of this report

That Members agree the proposals described in Section 16 of this report.

List of Appendices Included

- Appendix 1 Bereavement Services Service Improvement Plan 2004
- Appendix 2 Bereavement Services Internal Audit Report
- Appendix 3 Bereavement Services Performance Management Framework
- Appendix 4 Burial Fees 2017/18
- Appendix 5 Cremation Fees 2017/18
- Appendix 6 Benchmarking Information 2017/18
- Appendix 7 Proposed specifications for lined graves

Background Papers

Report presented to Improving Places Select Commission on 30th November 2016.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Not applicable.

Council Approval Required

No.

Exempt from the Press and Public

Not exempt.

Dignity / Rotherham MBC Contract Update

1 Recommendations

- 1.1 That Members note the content of this report
- 1.2 That Members agree the proposals described in Section 16 of this report.

2 Background

- 2.1 In 2004, the Council commissioned an external review of the Cemeteries and Crematorium Service. The purpose of this review was to establish the actions that would be required to ensure that the Council was a provider of high quality and effective bereavement services.
- 2.2 The review report was largely critical of the service that was provided, in particular the report concluded that the office accommodation was not fit for purpose, the waiting facilities were poor, there were no parking facilities and there was a need to modernise cremation plant in order to comply with legislation. In all, it was estimated that delivering the identified improvements would require a total investment of approximately £3 million. The estimated cost of the specialised equipment and building modification required to meet compulsory mercury emissions targets was estimated to approach £750,000, and there was also a requirement for other significant service improvement at the crematoria and the urgent need for new burial space. A copy of the 2004 Service Improvement Plan is attached to this report as Appendix 1.
- 2.3 The Council was unable to fund the required improvement work at that time. It was estimated that should the Council obtain the funds through prudential borrowing, the annual cost to the Council would be in the region of £230,000. It was therefore decided in late 2004 that the Council should investigate alternative means of securing the improvement. At the 20th December 2004 meeting it was decided that the Council carry out soft market testing to establish the efficacy of a unique solution involving the transfer of the Council's bereavement services function to the private sector.
- 2.4 Following the market testing and consideration of a number of potential options, the Council decided that a Partnership approach would be the most appropriate method of securing the investment and improvements and at its meeting on 15th December 2006, the Cabinet approved arrangements for the invitation of bidders to enter into a contract with the Council for the delivery of bereavement services in Rotherham.
- 2.5 After lengthy negotiations with a number of potential bidders, the Council appointed Dignity Caring Funerals Ltd. as its preferred partner in April 2007. A Preferred Bidder Agreement was signed by both parties on 21st May 2007.
- 2.6 In order to ensure that the views of the public were taken into account, a consultation exercise took place in 2007. This involved a review of the rules and regulations for bereavement services including engagement with interested parties. Members of the public, staff and other interested parties including

funeral directors, were asked for their views on what they would like from a bereavement services function. The results of this consultation exercise were reported to the Sustainable Communities Scrutiny Panel in September 2007 and formed the basis of the preferred bidder's submission.

2.7 On 1st August 2008, the Council entered into a 35 year contractual agreement with Dignity Funerals Ltd for the provision of bereavement services for Rotherham. Under the terms of the arrangement, and in order to satisfy HMRC rules, Dignity undertake the services on behalf of the Council. This innovative and unique partnership led to the transfer of significant risks from the Council to Dignity, with Dignity taking on the responsibility for the capital works and maintenance of the East Herringthorpe Cemetery and Crematorium along with the maintenance of the eight other Municipal Cemeteries located throughout the Borough. The Council retained the risk in relation to cemetery chapels, associated buildings and boundary walls on some cemetery sites.

2.8 The partnership has resulted in a number of significant improvements in relation to the provision of bereavement services throughout Rotherham, including:

East Herringthorpe Crematorium Facility:

- Upgrade of the existing cremators in the facility to meet the essential requirements of new environmental legislation.
- Improvements to the chapel including access to the waiting room, facilities for funeral directors and a covered canopy to the chapel exit.
- A new state of the art bereavement services administration centre including reception, interview room, records and archive section, location of an electronic Book of Remembrance and visitor parking provision.
- A new 80 space car park, with overspill provision for a further 40 vehicles, including improved arrangements for the disabled and other visitors to the crematorium.
- The development of the crematorium grounds to provide an extensive landscaped memorial garden offering increased memorial choice to the bereaved.
- A new grounds maintenance depot built to modern standards and including staff welfare facilities and secure storage of plant and machinery.

Municipal Cemeteries:

- A strategic plan identifying future burial requirements and the means by which the requirements are to be addressed based on community consultation.
- The identification of land within or adjacent to existing cemeteries appropriate for development for future burial use to meet the needs of local communities.
- Improved security and management of cemetery grounds to prevent crime, damage to buildings and infrastructure and to address anti-social behaviour.
- A management plan for the maintenance and development of cemetery roadways, pathways and grounds to meet vehicular access needs and the needs of pedestrians visiting the site.
- Development of cemetery grounds to provide areas of contemplation and memorial gardens offering improved memorial choice to the bereaved.

- 2.9 Dignity have sub-contracted the grounds maintenance elements of the service to Glendale Countryside Management Ltd (but Dignity retain the overall responsibility for the delivery of the service).
- 2.10 The Council's contract with Dignity was the first of its kind in the UK, and has received significant attention from other local authorities across the Country. Since 2008, Dignity have entered into agreements with a number of other local authorities and are responsible for the delivery of services across the UK, including:
- Bereavement Services throughout North Somerset Council area,
 - Craigton Crematorium (Glasgow),
 - Emstrey Crematorium and Cemetery (Shrewsbury),
 - Grenoside Crematorium (Sheffield),
 - Lichfield and District Crematorium (Staffordshire).
- 2.11 Although this contract has been operating for over nine years, a recent report by the Council's Internal Audit Division identified several risks associated with the management and delivery of the contract (see Appendix 2). In addition, a number of comments / concerns have been raised by Councillors and members of the public regarding the delivery of certain aspects of the contract.
- 2.12 This report seeks to address the risks identified by the internal audit review. In addition, the report provides an update in relation to the issues raised in the report that was presented to the Improving Places Select Commission on 30th November 2016 and summarises ongoing work that is intended to ensure that the contract with Dignity continues to deliver the outcomes required by the Council.
- 2.13 A number of issues have been raised by elected Members or members of the public. These have included: the financial aspects of the contract; performance management of the contract; annual reports; Maltby Cemetery; same day and short notice burials; memorial benches; fees and charges for services; grounds maintenance; lined graves; low cost funeral provision; specific concerns from funeral directors; and concerns about the legal position of the contract.

3 Financial aspects of the contract

- 3.1 In order to deliver the objectives of the agreement (outlined in Section 2.4 above), Dignity Funerals Ltd have invested over £3 million in Bereavement Services in Rotherham. Without this financial input, it would not have been possible to bring about the necessary improvements. These improvements included:
- Upgrade of the existing cremators in the existing facility to meet the essential requirements of new environmental legislation.
 - Improvements to the chapel including access to the waiting room, facilities for funeral directors and a covered canopy to the chapel exit.
 - A new state of the art bereavement services administration centre including reception, interview room, records and archive section, location of an electronic Book of Remembrance and visitor parking provision.

- A new 80 space car park, with overspill provision for a further 40 vehicles, including improved arrangements for the disabled and other visitors to the crematorium.
- A new grounds maintenance depot built to modern standards, and including staff welfare facilities and secure storage of plant and machinery.
- The identification of land within or adjacent to existing cemeteries appropriate for development for future burial use to meet the needs of local communities.
- Improved security and management of cemetery grounds to prevent crime, damage to buildings and infrastructure and to address anti-social behaviour.
- Development of cemetery grounds to provide areas of contemplation and memorial gardens offering improved memorial choice to the bereaved.

3.2 Unlike a traditional contracting arrangement where a contractor is paid to deliver a service to the contract commissioner, the Council does not make a physical payment to Dignity for the provision of bereavement services in Rotherham. However, in order to satisfy HMRC requirements, Dignity are deemed to be providing services on behalf of the Council. Therefore, in the Council's Statement of Accounts, the Council recognises all contractual income received by Dignity as its own, and recognises a notional payment to Dignity for the provision of the services, netting off to the guaranteed sum referred to in 3.3 below.

3.3 Whilst the bereavement services function was under the Council's control, the service budgeted in 2007/08 for a net surplus of £402,000. However, the service was not achieving its budgeted surplus target in the years prior to the service being transferred to Dignity. In negotiations with Dignity, in order to compensate the Council for this loss of revenue, they guaranteed a sum of £375,000 annually (linked to inflation) to be paid to the Council for the duration of the contract (this is in addition to the capital investment). Dignity increased this figure from £355,000, the actual surplus position, on condition that the contract length was extended from 30 to 35 years. Although this amount still resulted in a shortfall over budgeted income, it was considered to be an acceptable balance once the transfer of risks was taken into account.

3.4 In addition to the fixed amount, the Council may also receive income as a result of two other processes:

3.4.1 Exceptional Surplus

3.4.1.1 The Council will benefit from a share of any higher than expected annual profits generated by Dignity in the delivery of the contract: this is known as exceptional surplus. The payment made to the Council depends on the Equity Internal Rate of Return or Equity IRR, which represents the financial return to Dignity after taking into consideration the initial investment / debts generated as a result of delivering the contract.

3.4.1.2 The exceptional surplus provisions become relevant if the Equity IRR exceeds 20%. If the figure is between 20% and 25% then the Council will receive 40% of the exceptional surplus. If the

Equity IRR exceeds 25% then the Council will receive 60% of the exceptional surplus.

- 3.5.1.3 The Annual Report that Dignity will provide to the Council, referred to in Section 5 below, will provide sufficient financial detail to allow for the calculation of the Equity IRR. This information will then be used by the Council to assess the level of any payment that is due. Any such payments in relation to the exceptional surplus are made to the Council at the end of each contract year (ending 31st March).

3.4.2 Performance Related Deductions

- 3.4.2.1 The Council has developed a Performance Management Framework that covers all aspects of the service delivered by Dignity. The Council has the discretion to levy a charge against Dignity should Dignity be found to be failing in any aspect of the contract.

- 3.4.2.2 Further details of the Performance Management Framework and the process by which the level of any charge is calculated is given in Section 4 of this report.

- 3.5 To date, the Council has not received any additional payment as a result of either of the processes detailed in Section 3.4 above.

- 3.6 The Council retains responsibility for the maintenance and security of the following:

3.7.1 Victorian Chapels within Masbrough, Moorgate, Haugh Road and Greasbrough Town Lane cemeteries.

3.7.2 Certain boundary walls / fences at Moorgate, Masbrough, Haugh Road and Greasbrough Lane cemeteries.

- 3.7 The Council's obligations in relation to these retained responsibilities are approximately £4,000 per annum. This is provided for within the revenue budget for Bereavement Services.

4 Contract and Performance Monitoring

- 4.1 An internal audit review of the Council's contract with Dignity in March 2017 recommended the development and implementation of a Performance Management Framework covering all aspects of the service provided by Dignity. Subsequently, a Performance Management Framework has been developed with reporting anticipated from the final quarter of 2017/18, a copy of which is attached at Appendix 3.

- 4.2 The framework is based on the key requirements detailed in the contract:

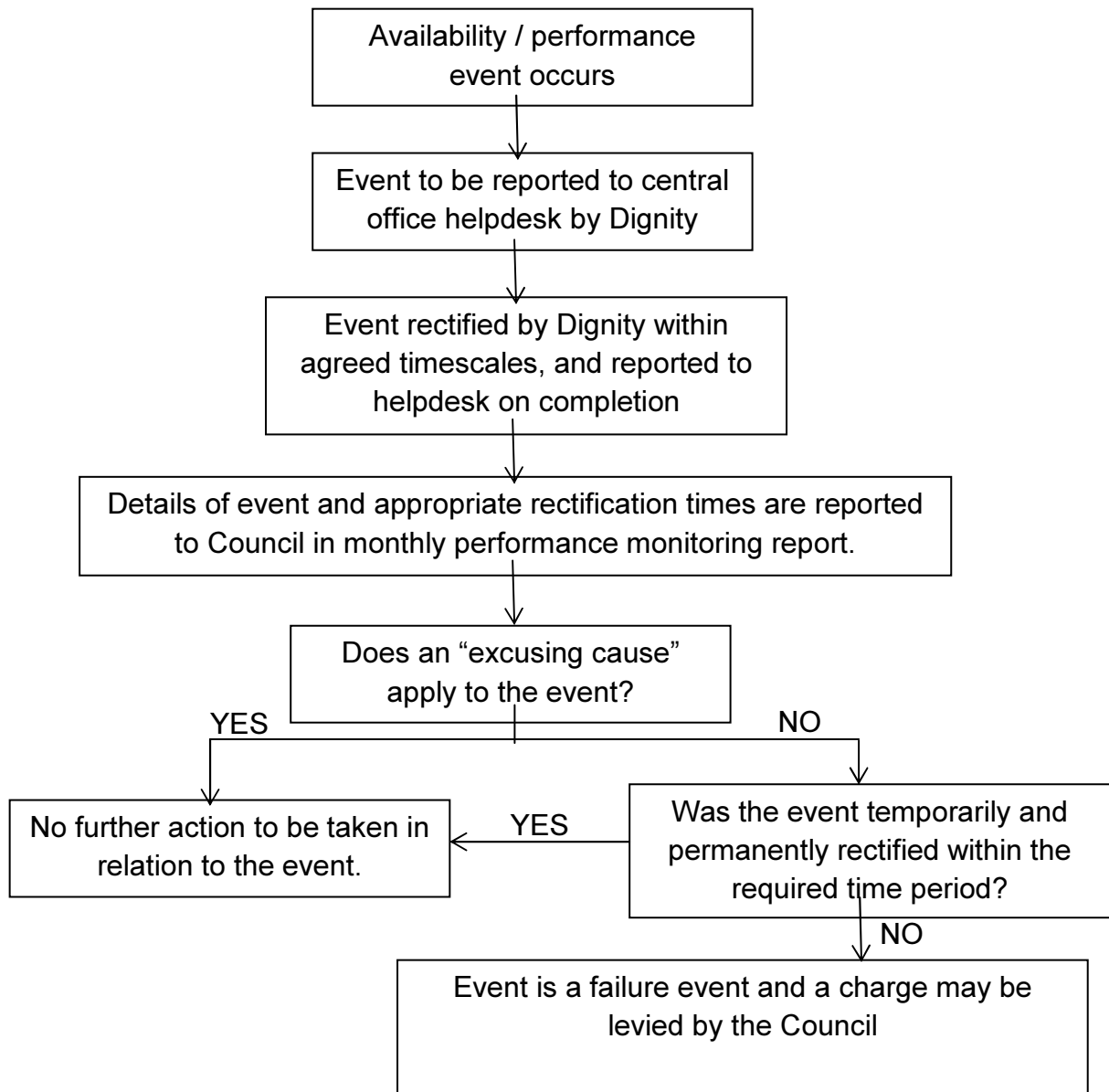
4.3.1 **Availability requirements:** These requirements relate to the availability of the services at each location that Dignity are responsible for, and include

matters such as opening times and operational periods, access, provision of utilities, lighting and legislative requirements.

4.3.2 Performance requirements: The performance requirements are detailed within the contract, and are intended to verify that Dignity are complying with their contractual obligations, and that the contract is delivering the specified outcomes and standards expected by the Council.

- 4.3 Dignity are required to undertake monthly monitoring against the Performance Monitoring Framework, and provide a report to the Council outlining any failures in relation to the availability or performance requirements. Such failures are termed 'events'. The report should provide details of the date/time that an event occurred, the date/time that Dignity reported the event to their central office helpdesk and the date/time that the event was rectified.
- 4.4 Subject to certain exemptions, if an event is not rectified within a specified period of time then it becomes a 'failure event'. An event would not be a failure event if an 'excusing cause' applies to the particular situation. Excusing causes are detailed in the Performance Management Framework.
- 4.5 The monthly report provided to the Council by Dignity must detail whether any of the events that are reported are considered to be failure events (giving details of the assessment that has been applied).
- 4.6 The contract contains a mechanism that allows the Council to levy a charge on Dignity should there be any failure events. The Council has absolute discretion in relation to the decision on whether a charge should be levied or not.
- 4.7 The calculation of any relevant deduction is undertaken according to the formula detailed in the Performance Management Framework.
- 4.8 At the end of each quarter, the monthly performance and/or availability deductions will be aggregated the amount of the deduction will be credited to the Council.
- 4.9 The flow chart on the following page summarises the performance management process.

Summary of performance management process



5 Annual reports provided by Dignity

- 5.1 Dignity have previously provided an annual report in relation to the delivery of the contract over the preceding 12 month period, this report was considered by the Improving Places Select Commission on 30th November 2016 and was the first report that had been provided by Dignity.
- 5.2 Although the report provided an update in relation to several key aspects of the contract, it did not provide the level of detail required by the Council.
- 5.3 In order to ensure that future annual reports contain all relevant information, the Council has agreed with Dignity that the following items will be included in the annual report:
- Customer satisfaction information, including details of compliments, complaints and any trends.
 - Dignity's performance against the Annual Maintenance Plan.
 - A statement in relation to arrangements for Business Continuity, Equalities and Diversity and Health & Safety.
 - Details of the self-assessment conducted in accordance with the Bereavement Charter.
 - Performance in relation to the Bereavement Charter Improvement Plan (developed following the self-assessment).
 - Update in relation to the Memorial Mason's Registration Scheme.
 - Report on memorial safety in cemeteries across the Borough.
 - Update in relation to performance against the Annual Preventative Maintenance Plan.
 - Review of burial capacity in each cemetery covered by the contract.
 - Annual Performance Monitoring Summary – to include details of the monitoring process, events, failure events and performance of sub-contractors responsible for delivering aspects of the service.
 - Update in relation to the annual plan for grounds maintenance.
 - Update in relation to the annual management plan for each cemetery.
 - Details of any significant service developments.
 - Details of the strategic plan for ongoing service improvements.
 - Details of annual building condition assessments.
 - Updates in relation to staffing.
 - Update and details of cremator compliance checks, statutory inspections, and audits / inspections by regulatory agencies.
 - Details of benchmarking exercise undertaken in relation to the setting of fees.
 - Financial performance of Dignity in relation to the contract – to include details of burial / cremation volumes, sales income and sufficient information to allow the calculation of the Equity Internal Rate of Return.
- 5.4 The first such annual report will be provided in February 2018 (to coincide with the fee setting process), and then annually thereafter. The Council and Dignity may however agree to vary / amend the contents of the report as maybe appropriate from time to time.

6 Maltby Cemetery

- 6.1 Land adjacent to several cemeteries within Rotherham has been acquired by the Council and identified for future burial use. This will allow burials to take place in Rotherham for the foreseeable future.
- 6.2 However, capacity in certain cemeteries is becoming limited with no adjacent land to expand the cemetery in to, including Maltby Cemetery which is bordered on all sides by residential properties or the public highway. Capacity at Maltby Cemetery will only allow a further five of six years of burials.
- 6.3 The Council has undertaken several reviews of land availability in the Maltby area, however it has not been possible to identify any suitable land. Although there are several areas of green space within Maltby, these are either in private ownership or have been identified as recreational or housing land.
- 6.4 Work is ongoing in relation to the identification of suitable land in Maltby, and it is proposed that a full report on available options is produced in the Spring of 2018, and that this report is considered by Members with a view to agreeing a course of action that will see the provision of additional cemetery facilities in Maltby as soon as possible.

7 Same day/short notice burials

- 7.1 Efforts are made to accommodate same day burials wherever this is required for cultural or religious reasons, where this is not possible then the burial will take place the following morning. This is on condition that the required paperwork is provided by 12 noon on the day that the request is made.
- 7.2 The current times that burials can take place are as follows:
- Winter 9:00am to 2:30pm.
 - Summer 9:00am to 3:00pm.
- 7.3 This includes weekends and Bank Holidays, albeit an additional charge is made for burials at these times, being applicable to all burials in any grave plot in the Borough.
- 7.4 The rationale for the times being set at the hours they are, relate to the length of time of useful daylight during the summer and winter months, and the availability of staff who are able to work beyond their contracted working hours in order to facilitate a later burial. Sufficient time needs to be allowed for the mourners to leave the cemetery after the interment and for the cemetery attendants to close and backfill the grave once the mourners have left. The cemetery then needs to be locked up at the stated times by the cemetery wardens. The grounds maintenance staff that fulfil this role commence work early in the morning, and may be unavailable at short notice later in the afternoon. Dignity are therefore only able to guarantee that appropriate staff will be available at the times stated above.
- 7.5 Members of the Muslim community have raised concerns regarding the timings that burials can take place. The current time limits often present difficulties as the timings for prayers are fixed, and often conflict with the latest time that a burial can take place.

- 7.6 In addition, the requirement for bereaved families to make appropriate arrangements in time for a burial at 2:30pm places additional stress on them at what is already a very difficult time.
- 7.7 A review of the services provided in other Council areas has revealed that the times in Rotherham are more restrictive than in other parts of the country.
- 7.8 On the 7th November 2017, the Council's Licensing Manager met with representatives of the Muslim community to review issues of concern. There was a general view that the service provided in Rotherham does not meet the cultural and religious requirements of the Muslim community.
- 7.9 It was agreed that the Licensing Manager would formally raise the following matters with Dignity:
- 7.9.1 A proposal to amend the latest time that burials can take place as follows:
- Winter 9:00 am to 4:00 pm.
 - Summer 9:00 am to 5:00pm.
- 7.9.2 That consideration be given to Dignity accepting the paperwork for a burial after 12pm on the day of the burial if the Council's Registrars Service confirms to Dignity that an appointment has been made with them to register the death. The paperwork must however be provided to Dignity in an appropriate period of time prior to the burial taking place.
- 7.10 It was not possible to provide an update in relation to this matter prior to the drafting of this report, however a verbal update will be provided to the meeting.
- 7.11 The provision of same day/short notice burial facility in Rotherham was the subject of a legal review. In addition, the Council's Corporate Equality and Diversity Officer has reviewed the current arrangements and raised several elements of concern. Further detail in relation to this issue is provided in Section 23 of this report.

8 Memorial benches

- 8.1 In previous years, wooden benches were made available to residents of Rotherham at a relatively low price. However, a great many of these benches have fallen into disrepair due to both the constant exposure of the bench to the elements and also from a lack of maintenance on the part of the bench owner.
- 8.2 As a result of this, Dignity now no longer offer wooden memorial benches in any of the cemeteries for which they are responsible. Instead, Dignity offer a custom made granite bench that is installed on a plinth with an inscribed plaque fixed to the bench.

- 8.3 The current cost of a granite bench in East Herringthorpe Cemetery ranges from £2,077 to £3,105. There is then an additional payment of £1,216 for the placement of the bench. The bench is provided for 100 years.
- 8.4 There is the option of leasing a bench for a 10 or 20 year period and the cost of the bench remains the same; however the placement fee is reduced to £305 for a 10 year lease and £608 for a 20 year lease.
- 8.5 For comparison, the cost of leasing a five foot long 'poly wood' bench in a Doncaster cemetery for a 10 year period is £1,320, approximately a third of the cost of a bench in Rotherham, but for a tenth of the period of time. This illustrates that the services provided between Councils differ significantly, and that the cost of the memorial bench in Rotherham is, over time, a far more cost effective and lasting memorial than that offered in Doncaster.
- 8.6 The cost of a funeral in Rotherham is typically between £3,500 and £4,000, including funeral director fees. In order to lessen the impact of additional financial expenditure at the time of bereavement, Dignity offer interest free credit on all memorials over £1,200. This facility has allowed many people to access a wide range of high quality memorials when they would otherwise have been unable to do so.
- 8.7 The contract requires Dignity to provide a range of *affordable* memorial options. Dignity have therefore been approached and asked to give consideration to other options.
- 8.8 Dignity are currently giving consideration to the provision of 'communal' benches that have either 6 or 12 plaques on them. The cost of the plaque would be charged per individual, but the cost of the bench would be split either 6 or 12 ways (depending on the type of bench). It is considered that this option would provide a far more affordable memorial option.
- 8.9 At the time that this report was drafted, it was not possible to provide an update in relation to the proposal in Section 8.8, however it is expected that an update will be available in time for the meeting.

9 Fees and charges for services

9.1 In March 2017, Dignity made the Council aware of the fees that they were proposing to charge in the 2017/18 financial year. These fees are attached at Appendix 4 and Appendix 5 to this report.

9.2 The fees for the core services are as follows:

Adult Burial	£2,268
Adult Cremation	£943
Child Burial	no charge
Child Cremation	no charge
Lined grave (adult)	£3,413

9.3 All of these fees represent an increase of 7% on those charged in the previous year. This percentage increase being calculated to ensure that Dignity are able

to recoup their investment in the service in Rotherham and allow payment to the Council of the contractual fixed amount, in addition to generating a profit to the company. The annual rate of inflation at the time of the increase was 2.7%.

- 9.4 No benchmarking information was provided with the proposal to increase the fees, therefore the Council formally requested this information from Dignity in line with the requirements of the contract. This information was incomplete, and a series of discussions then took place with Dignity in order to identify and obtain suitable comparator information for the proposed fees. This exercise was completed at the end of May 2017. The data compares all available data from fifteen local authorities that are most similar to Rotherham in terms of population, area density, employment levels, social make up and types of households. This, most similar group, comparator information is attached to this report as Appendix 6.
- 9.5 The benchmarking information demonstrates that the fees charged in Rotherham are above the average of those fees charged by other Councils in the 'most similar group' across all of the core services provided. The cost of an adult burial is third highest of the group, whilst an adult cremation in Rotherham is the highest in the group. Child burials are the lowest cost in the group, whilst child cremations are the equal lowest fees within the group.
- 9.6 However, it must be noted that some Councils provide different levels of service to that in Rotherham. As an example, in Rotherham the exclusive right of burial is for 100 years, whilst in Kirklees it is 50 years with extra fees for an additional 50 years.
- 9.7 The most up to date national average cost of an adult burial was £1,704 in 2016, and £673 for an adult cremation in 2015.
- 9.8 Council officers have approached Dignity and queried whether the fees could be reviewed. In response to this, Dignity confirmed that the fees had been agreed by head office, and will have taken into consideration inflation, the level of investment in Rotherham and the need to make an annual payment of £481,000 to the Council under the terms of the contract.
- 9.9 Dignity are under no contractual obligation to revise the fees that have been set. However, the fee setting process has been reviewed and the findings of this review have shown that there is scope for the Council to utilise existing contractual mechanisms to influence the fee setting process. Further detail on this is given in Section 15 of this report.

10 Grounds maintenance

- 10.1 The majority of bereavement services complaints received by Dignity and the Council relate to an inadequate standard of grounds maintenance.
- 10.2 In order to address these issues, Dignity has introduced a performance management process in relation to the delivery of services by their grounds maintenance subcontractor.

- 10.3 An officer has been appointed within Dignity to undertake monitoring of the contractor against the requirements of the performance framework, and it has been agreed that the findings of this monitoring process will be detailed in the annual report that is presented to the Council in February each year (see section 5 above).
- 10.4 In addition, the Council's Contract Performance Management Framework includes key performance measures and criteria that relate to the delivery of an effective grounds maintenance service.
- 10.5 Performance against this standard will therefore be monitored by both Dignity and by the Council, and will be supported by more effective customer satisfaction assessment processes than are currently in place.

11 Crematorium chapel and adjoining buildings

11.1 Work has commenced on the external refurbishment of the Crematorium building at East Herringthorpe. This is part of Dignity's rolling maintenance and capital investment programme, and is due for completion by Christmas 2017.

11.2 The external work includes:

- The replacement of the pitched roof,
- Repairing of the flat roof on the buildings adjoining the crematorium,
- Replacement of the external fascia boards.

11.3 Once the external work has been completed, the internal phase of the refurbishment work will commence.

11.4 The exact details of the internal work that will be undertaken has not yet been confirmed, but it is likely to include:

- Creation of an additional waiting area at the entrance to the crematorium,
- Amendments to the internal layout of the crematorium to facilitate easier and more streamlined access to the chapel,
- The installation of a mezzanine balcony at the rear of the crematorium (with additional seating provided),
- The installation of a replacement sound / music system within the crematorium chapel,
- Refurbished Book of Remembrance Room,
- Refurbished Flower / Tribute Room,
- Refurbished and additional toilet facilities within the crematorium and adjoining buildings.

11.5 The internal phase of the work is substantial and is expected to take several months. Due to the type of work that is being undertaken, it is necessary to close the crematorium to the public during the period that the work is being undertaken.

11.6 The cremators will remain in operation during the internal phase of the building work, however the chapel will not be accessible to members of the public.

- 11.7 Dignity are developing proposals for the provision of temporary facilities that can be used during the period that the internal building work is taking place. The nature and type of temporary facilities have not yet been confirmed, but it may mean that committal services take place off site and the deceased is then transported to the East Herringthorpe for cremation.
- 11.8 Further details on the proposals will be provided by way of a verbal update at the meeting, with a formal report being presented giving full details of the proposals once they are known.

12 Provision of lined graves

- 12.1 The contract requires Dignity to provide a burial service that takes into account the different needs and cultural requirements of various faith groups. Therefore, although not specifically referred to in the contract, there is an expectation that graves will be provided which meet the needs of the Muslim community of Rotherham.
- 12.2 Approximately three years ago, there was significant dialogue between Council officers, local Councillors, Dignity representatives and local faith leaders in relation to the provision of lined graves. This resulted in a specification being developed that met the needs of the local community, at a reasonable cost. This specification has not been amended since it was agreed.
- 12.3 The provision of the graves for the Muslim community is not something that is easy to compare between local authorities. The construction of the grave varies considerably from one local authority to another, as does the period of time that the right of burial is purchased for. The method of construction in Rotherham is to a relatively high standard, this was due in a large part to the specific requests of the Muslim community in Rotherham. Lower cost options are available in other Council areas but the construction of the grave is to a much lower standard, in some areas they are simply a standard grave shored up with plywood.
- 12.4 The current cost of a lined grave (including interment charge) is £3,413. This provides the exclusive right of burial into the grave for a period of 100 years. By way of comparison, the cost of a lined grave in Sheffield is £3,777 (90 year lease). However, in Sheffield there is the option to purchase a grave with an exclusive right of burial for a 50 year period. This reduces the cost of the lined grave to £2,992. This illustrates the difficulty in making direct comparisons between local authorities, and also shows that the prices in Rotherham are not overly excessive when the totality of the service is considered.
- 12.5 The community are clear that they consider the costs in Rotherham to be excessive, and have likened the costs to a 'Muslim Faith Tax'. Although in comparison to other Council areas, the costs are not considered to be excessive, there is the clear perception that they are.
- 12.6 It would appear that this perception is very much influenced by the levels of dissatisfaction with other elements of the service (such as burials timings) and the lack of communication with the community in relation to the fees that are

charged (members of the community said that they did not understand why the fees were set at the level that they are, or what they are paying for).

- 12.7 One issue that has not been addressed previously is that there is a general lack of clarity over the specification and expectations in relation to lined graves in Rotherham. In order to address this, the Council and Dignity have agreed to undertake a review of lined grave options that are available in other Council areas. This will then produce a number of options that will be presented to Community Representatives in Rotherham (along with corresponding pricing information) who will then be asked to confirm their preferred specification. This will then become the template that is used for all lined graves in Rotherham.
- 12.8 This review work is still in the early stages, but is planned to be complete in time for the commencement of the fee setting process in February 2018. At the current time, there are three further options that are being considered in addition to the current model. Diagrams of the options for lined graves are attached at Appendix 7, and relate to:
- 12.8.1 A block lined grave with mortared joints built on a concrete slab base. Concrete sections will then be placed over the grave and the grave will be covered with soil prior to being turfed / seeded in due course. This is the current model.
- 12.8.2 A grave with timber lined walls and limestone chips placed directly onto the soil at the base of the grave. Concrete sections will then be placed over the grave and the grave will be covered with soil prior to being turfed / seeded in due course.
- 12.8.3 A grave with four upright posts at each corner, into which concrete sections will be placed along each of the walls of the grave. The base will consist of limestone chips being placed directly onto the soil at the base of the grave. Concrete sections will then be placed over the grave and the grave will be covered with soil prior to being turfed / seeded in due course.
- 12.8.4 Two pre-cast concrete sections being placed into the grave with limestone chipping base directly onto the soil. Concrete sections will then be placed over the grave and the grave will be covered with soil prior to being turfed / seeded in due course.
- 12.9 It has been agreed that periodic liaison meetings will take place between the Council, Dignity and representatives of the Muslim community in Rotherham. The schedule of such meetings will be agreed early in 2018.
- 12.10 In September and October 2017, the Strategic Director for Regeneration and Environment along with senior Councillors, undertook visits to three other Councils (Derby, Nottingham and Bradford) to assess the delivery of Bereavement Services in their areas relating to Muslim burials. Other than a review of the fees and construction of the graves, the site visits did not reveal any significant models to follow, or any better offers of services, compared to the high quality service offered in Rotherham.

13 Dignity's low cost funeral proposal

- 13.1 The costs in relation to burials are fixed, however Dignity have introduced a number of options in relation to cremations.
- 13.2 The standard service involves a full committal service at the crematorium chapel lasting 30 minutes with associated attendees and music. The deceased is then taken from the chapel after the mourners have left and transferred to the crematory. Following cremation, the remains are contained within a polytainer to be presented to the funeral director/family. The fee for this service is currently £943 and includes all relevant medical certification and environmental levies.
- 13.3 Dignity offer a service that is almost identical to the one described above, the only exception being that the committal service must take place on Tuesday, Wednesday or Thursday at 9am. These times are not often used, and as a result Dignity are able to offer the service at a price of £802.
- 13.4 There is one other option provided by Dignity, this is referred to as an unattended cremation. These cremations take place Monday to Friday at either 8am or 8:15am. The funeral director delivers the deceased to the crematorium, where they are received by a member of staff and transferred to the crematory. The key difference with this service is that the family are unable to attend the service, and are not to be informed of the time that the cremation is due to take place. The service is the same in every other respect, however the cost is reduced to £499.
- 13.5 Dignity reserve the right to amend the timing of the unattended service at short notice (this is why the family are not to be informed of the timing of the cremation), this may occur for example if it would be a more effective use of staff to arrange for the cremation to take place later in the day (when there is a vacant slot for example).
- 13.6 The unattended service is targeted at families that have previously had a committal service at another venue, and do not wish to follow this with a committal at the crematorium.

14 Views of local funeral directors

- 14.1 A number of meetings have taken place with local funeral directors who have voiced concerns in relation to their experiences with Dignity. The majority of the concerns related to administrative processes, and the lack of consistency between the current manager and a previous manager.
- 14.2 These issues have been raised with Dignity and a response has been provided to the funeral directors that raised the concerns. Dignity have now addressed the issues relating to the administration of the service, and have a stable management team in place that will assist in a consistent approach being taken.
- 14.3 It has been agreed that periodic liaison meetings will take place between the Council, Dignity and local funeral directors. These meetings will take place quarterly, the next such meeting being in January 2018.

15 Legal review of the Council's contract with Dignity

- 15.1 In order to evaluate the effectiveness of the contract in delivering the outcomes desired by the Council, it was considered appropriate to seek an independent legal review of the contract. The Council instructed Ward Hadaway Solicitors to undertake this review.
- 15.2 Following their initial review, Ward Hadaway concluded the following:
- 15.2.1 There are options available to the Council to use existing contract mechanisms to address specific areas of concern and potentially to deliver improved service performance. There is also an option to seek formal variations to the existing contract to deliver changes and potential improvements. The Council would have to consider the allocation of Dignity's costs in such circumstances where a variation is to be sought, costs may simply be passed on to the service users and may also impact on the Guaranteed Sum payable by Dignity to the Council leaving Dignity in a cost neutral position.
- 15.2.2 It is accepted that there is generally a good working relationship with Dignity. In order to ensure appropriate contract management which complies with Council audit requirements, the Council must adopt more robust contract management arrangements. In the first instance this will mean utilising the existing contract mechanisms and may also involve some negotiation with Dignity to change certain aspects of the agreement such as Key Performance Indicators applicable to the Services.
- 15.2.3 It may be that in order to achieve 'buy in' from Dignity in relation to the change in approach, the Council needs to put a position forward that recognises that the Agreement has not been fully performance managed to date and that Dignity may well have benefitted from that where specific contract obligations have not been enforced but that they will be. The parties could agree to draw a line and agree a new 'bedding in' period in relation to full contract management and to work with Dignity to implement new structures, measures and information provision.
- 15.2.4 There is an obligation under the contract for a Project Liaison Group to be maintained throughout the period of the Agreement. This would be the appropriate forum for the parties to discuss any formal proposed changes to the agreement in the first instance and indeed any informal changes to the Council's approach to the management of the agreement.

16 Proposals

- 16.1 The report is for information only, and therefore none of the following options/proposals are presented as recommendations, more as areas for discussion.
- 16.2 **Financial Aspects, Exceptional Surplus:** Dignity will provide the Council with sufficient financial detail in the Annual Report to assess the level of Equity IRR payments to be made at each financial year end.

- 16.3 **Financial Aspects, Financial Related Deductions:** The Council will levy charges against Dignity in relation to failure events against the Performance Management Framework reported on a monthly basis to the Council.
- 16.4 **Performance Management Framework:** Reporting against the Performance Management Framework will begin in the final quarter of 2017/18.
- 16.5 **Annual Report:** Dignity will provide an improved Annual Report covering the requested information detailed in Section 5 of this report. The Annual Report will be provided by February 2018.
- 16.6 **Maltby Cemetery:** Options identifying suitable land for burials will be produced during Spring 2018 and presented to members to consider future action.
- 16.7 **Same day/short notice burials:** The Council continues to work to examine this issue and will provide a verbal update prior to examining potential options.
- 16.8 **Memorial Benches:** It is proposed that options to provide communal memorial benches is considered to reduce costs, however, a verbal update will be provided.
- 16.9 **Grounds Maintenance:** It is proposed that the provision of grounds maintenance will be measured against the criteria described in the Performance Management Framework.
- 16.10 **Crematorium chapel and adjoining buildings:** Following the completion of the external works, a report will be written to put forward proposals in relation to alternative provision of services during the period that internal improvement works are underway.
- 16.11 **Provision of lined graves:** A review of lined grave options will be completed by February 2018 and scheduled liaison meetings with representatives of the Muslim community will begin early in 2018.
- 16.12 **Funeral Directors:** It is proposed to ensure that periodic liaison meetings take place with funeral directors, starting in January 2018, to inform progress of the contract with Dignity.
- 16.13 **Legal Review:** It is proposed that the Project Liaison Group is established to discuss feasibilities of formal changes that might improve contract delivery whilst not affecting costs to service users.
- 16.14 It is proposed that the Councils financial services are engaged in the process of financial monitoring of the contract.

17 Consultation

- 17.1 Extensive consultation took place during the development of the contract, this included:

- other local authority bereavement services
- local faith groups
- elected representatives (Councillors, MPs)
- staff affected by the proposal (including Trade Unions)
- service user representatives (such as Friend's Groups etc.)
- funeral directors
- members of the public

17.2 All responses were considered and informed the ultimate development of the proposals and subsequent contract documentation.

17.3 Further consultation with representatives of the Muslim community and elected members took place in relation to this report.

18 Timetable and Accountability for Implementing this Decision

18.1 This report is for information only, no decision is requested.

19 Financial and Procurement Implications

19.1 This report introduces no additional financial or procurement implications.

20 Legal Implications

20.1 There are no specific legal implications that are introduced by this report.

21 Human Resources Implications

21.1 This report introduces no additional human resources implications.

22 Implications for Children and Young People and Vulnerable Adults

22.1 There are no specific implications in relation to Children and Young People and / or Vulnerable Adults that are introduced by this report.

23 Equalities and Human Rights Implications

23.1 Dignity are required to undertake their obligations under the contract in a way that ensures that there is no discrimination on the grounds of culture, ethnic or national origins, gender, disability, age, sexual orientation, political or religious beliefs, socio-economic status, or any other matter.

23.2 Adherence to these requirements is assured by means of monitoring of complaints and other information that may indicate whether the service is being provided.

23.3 In addition, the requirement for Dignity to commit to the Council's Equality and Diversity Policy is detailed in the Performance Management Framework.

23.4 However, during the compilation of this report, it has become evident that Dignity may not be complying with the Public Sector Equality Duty that is incumbent on the Council.

23.5 This is a particular concern in relation to the setting of fees, and the delivery of burial services (particularly short notice burials) as it would appear to be the case that an Equalities Impact Assessment has not been completed in relation to either of these aspects of the service.

23.6 It is therefore critical that such an assessment is undertaken without delay, and that the findings of this assessment are used to inform any decisions in relation to the setting of fees and changes to services in the coming months.

23.7 The next fee setting process is due to commence in February 2018 – an Equalities Impact Assessment will be conducted as part of this process.

23.8 An Equality Impact Assessment will also be undertaken in relation to the delivery of the short notice burial service, with particular attention being paid to the restrictions that are placed on the timings for burials.

24 Implications for Partners and Other Directorates

24.1 This report introduces no additional implications for partners or other directorates.

25 Risks and Mitigation

25.1 Contract Management

25.1.1 The contract with Dignity is self-monitoring: it is for Dignity to monitor its own performance and report to the Council accordingly. However the Council has the option to undertake its own monitoring should this be required.

25.1.2 The officer responsible for the management/monitoring of the contract has yet to be confirmed, however this role is being undertaken by the Licensing Manager in the interim period.

25.1.3 In order to ensure that the aims of the contract are being achieved, the Council has developed a Performance Management Framework described in Section 4 above. It is considered that the effective implementation of this framework will mitigate any risk associated with the requirements on Dignity's to deliver on all aspects of the contract.

25.2 Commercial Failure of Dignity Ltd.

25.2.1 As a commercial organisation, Dignity are susceptible to commercial and financial pressures that may result in the failure of the company.

25.2.2 Such a failure would have an extremely detrimental impact on the delivery of the service within Rotherham.

25.2.3 In order to mitigate this risk, the Council undertakes regular financial monitoring of Dignity Funerals Ltd. and Glendale Countryside Ltd. in order to allow for the early identification of any financial instability in either company that may mean that the survival of the company is at risk.

26 Accountable Officer(s)

26.1 Damien Wilson, Strategic Director Regeneration and Environment

26.2 Ajman Ali, Interim Assistant Director, Community Safety and Street Scene

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