

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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| 1. | Meeting:- | Sustainable Communities Scrutiny Panel |
| 2. | Date:- | 28 October 2010 |
| 3. | Title:- | Bereavement Services in Rotherham |
| 4. | Directorate:- | Neighbourhood and Adult Services |

5. Summary

The intention of this report is to update the Panel on the progress made with regard to Bereavement Services in Rotherham, since the inception of partnership between Dignity Funerals Ltd and Rotherham MBC in August 2008.

6. Recommendations

- The contents of this report be noted by the Panel
- That the Panel give consideration to an invitation to attend East Herringthorpe Cemetery and Crematorium to view the improvements first hand

7. Proposals and Details

In 2004, the Council commissioned a review of the Cemeteries and Crematorium Service. The purpose of this review was to identify the work necessary to position Rotherham as a provider of high quality and effective bereavement services.

Whilst the review identified some areas of strength (such as staff dedicated to delivering a high quality service), it also identified a number of weaknesses. These included:

- Office facilities not being fit for purpose
- Poor waiting facilities for families
- No parking facilities at East Herringthorpe cemetery and crematorium
- Poor facilities for family research
- Lack of computerised records

The council was unable to address these using existing resources. It was therefore decided in late 2004 that the council should investigate alternative means of securing the improvement, and at the 20th December meeting of the Cabinet Member for Housing and Environmental Services 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. Following a series of negotiations with various companies, Dignity Funerals Limited were identified as the council's preferred bidder and the contract was formulated.

The partnership with Dignity Funerals Ltd began on the 1st August 2008. Under the partnership agreement, Dignity are responsible for the delivery of all aspects of bereavement services that were previously delivered by the Borough Council. The Business Regulation Manager has been nominated by the Council to act as its representative in matters related to bereavement services.

To date, the partnership with Dignity has seen the following improvements realised with regard to bereavement services in Rotherham:

- 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 120 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 depot for grounds maintenance staff built to modern standards, including shower and mess facilities and secure provision for plant and machinery.
- The introduction of a 24 hour telephone line that customers can use to request bereavement services 365 days a year, a dramatic improvement on the previous 9am – 5pm, Mon – Fri availability of previous years, and recognition by Dignity that our customers and their needs are increasingly diverse.
- 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. Much of this has already been delivered at the East Herringthorpe site.

The following work is currently ongoing:

- Upgrading of the existing cremators to meet the essential requirements of new environmental legislation effective from 31st December 2012. It anticipated that this work will be completed by the end of 2010.
- A new IT system is being developed that will permit electronic access to archived burial and cremation records.
- Work is taking place on securing land to provide future burial space for the Borough. Initially this is being concentrated at the cemetery at East Herringthorpe and will involve consultation with local communities to ensure that their needs are met wherever possible.

It is felt that Bereavement Services in Rotherham are now of significantly higher standard than those in other areas of the country. One way in which this is illustrated is in relation to the provision of funerals for particular faith groups. In Rotherham, the Funeral Director can contact Bereavement Services at any time (using the 24 hour number) and request a burial for a member of the Muslim faith (for example). This is all that is required from the Funeral Director (and the family), who can then continue making arrangements with regard to other aspects of the service in the knowledge that the burial will be arranged by Dignity according to the requirements of their faith. Contrast this with the service provided in an authority similar to Rotherham who do not offer a short notice burial facility, and would require the family to make their own arrangements with regard to the lining of the grave.

The partnership with Dignity has delivered real improvements in Bereavement Services in Rotherham. Rotherham residents can now expect a modern, high

quality, efficient service at a cost that compares favourably with those in other authorities of a similar nature. Additionally, the council continues to receive the income from bereavement services due to the payment by Dignity of the annual fixed amount (currently £400,692).

Work is ongoing with Dignity to bring about further improvements in the service, which will provide further support and assurance to bereaved individuals at this most sensitive and emotional period in their lives. Areas for future development include:

- Development of the bereavement services element of the council's website,
- Provision of technology and equipment for electronic access to services,
- Additional grounds maintenance improvements,
- Development of a strategic plan with regard to the provision of future burial space within Rotherham,
- Improve links with faith and other community groups.

In order to fully appreciate the scale and quality of the improvements at East Herringthorpe, it is strongly recommended that members make a visit to the site. Should members wish to do this, such a visit will be arranged by the Business Regulation Manager at a time and date of their preference.

8. Finance

In order to realise these improvements, Dignity have invested in excess of £3.5m in the service. This level of investment would cost the Council around £230k per annum if this money was borrowed using prudential borrowing.

Whilst the bereavement services function was under the Council's control, the service returned a surplus of around £355K. In order to compensate the Council for this loss of revenue, Dignity guarantee a sum of £375K annually (linked to inflation) for the duration of the partnership (this is in addition to the capital investment). In 2010/11 Dignity will pay the council £400692.

Additionally, the Council will benefit from a share of any super profits generated by Dignity arising from higher than expected income producing in excess of a 20% internal rate of return. To date, the internal rate of return has not reached this level, largely to due to initial financial costs to Dignity during the construction phase.

The Council maintained responsibility for several redundant chapels, the approximate annual cost associated with the maintenance of these chapels is in the region of £10K. This cost is met within existing budgets.

Fees and charges for bereavement services are set by Dignity in accordance with the projections contained within the previously agreed financial model. The level

of fees reflects the costs incurred by Dignity in delivering the service. In addition to cost recovery, Dignity will of course seek to recover their investment in the service, and this will influence fees and charges to some extent.

The Council is notified of Dignity's proposed fee structure close to the start of the financial year. Along with the proposed fees, Dignity are also required to provide benchmarking information that illustrates how Rotherham's fees compare with those in other similar local authorities. The most recent benchmarking information is attached as Appendix A. As can be seen, the costs for burials compares favourable with the group average, and whilst the cremation cost for an adult is comparatively high it is felt this is offset by lack of a charge for a child cremation (aged under 16).

9. Risks and Uncertainties

The Council recognises that there are significant risks associated with this partnership. In view of this, the Council held a joint workshop with representatives of Dignity on the 17th June 2010. As a result of this workshop, a number of risks to the Council and the partnership were identified and an action plan has been develop to reduce the likelihood of these risks adversely affecting the running of the contract or the delivery of the service. Measures introduced include:

- Improved scrutiny of the financial standing of Dignity Funerals Ltd, along with monthly examination of the project account. This is achieved by a monthly review of the project account by Business Regulation Manager. This information is shared with financial services who have agreed to review the account and notify the Business Regulation Manager should there be any concerns with regard to the operation of the account. In addition, quarterly credit worthiness / financial health checks are carried out on Dignity Funerals and Glendale Countryside (the grounds maintenance sub-contractor).
- Development of a Business Continuity Plan for the East Herringthorpe site, with consideration being given to service recovery in the event of a complete failure of the partnership. The business continuity plan for the site at East Herringthorpe has been developed by officers within NAS, and has been accepted by Dignity. There is now work ongoing to develop a strategy for the return of the service to council control in the event that there is a sudden loss of service provision by Dignity or Glendale's. Whilst the implications of this would be significant, the risk of it actually happening are considered to be low due to the safeguards built into the contract, and the improved monitoring of the financial standing of Dignity and Glendale's.
- Formal quarterly review meetings with Dignity to address, amongst other things, any performance and service delivery issues. These meetings will commence imminently now that management arrangements at East Herringthorpe have been confirmed. The first such meeting will take place before the end of October.

It is recognised that it is essential that the council effectively monitors the progress of Dignity towards delivering their obligations under the contract. It was agreed during the negotiation of the contract that the monitoring would take place in two phases – construction phase and service improvement phase.

In the early stages of the partnership, the construction phase was monitored in conjunction with specialist officers from the council's Environment and Development Services Directorate. This involved periodic site meetings and the production of monthly reports detailing progress with regard to the construction of the new buildings and other facilities.

The majority of the construction work has now been completed. The upgrade of the cremators remains ongoing and is scheduled for completion in late 2010, and the installation of a new boiler is expected to have been completed by mid 2011.

In order to monitor the service improvement phase, a comprehensive performance monitoring framework has been developed. This framework identifies Key Performance Indicators and provides a method by which the indicators should be monitored. The council can levy financial penalties on Dignity should they be found to be failing in the delivery of their obligations under the contract.

The performance monitoring framework (PMF) has been developed by the council and agreed with Dignity. Its implementation has been postponed however due to management changes within Dignity Funerals. The management arrangements at East Herringthorpe have now been confirmed and discussions are taking place regarding the implementation of the PMF. In addition to the PMF, Dignity and the council are in the process of agreeing timescales for the delivery of the various aspects of the contract (such as the electronic archiving of burial registers). It is expected that the PMF and the monitoring of other contractual obligations will be fully implemented by the end of October 2010.

In addition to formal performance monitoring, the council is also committed to seeking the views of service users and taking their comments into account. Unfortunately, the nature of the service does not lend itself to traditional methods of customer satisfaction testing (such as surveys / questionnaires). However, discussions have been taking place with the Service Quality team within Neighbourhoods and Adult Services with regard to alternative methods of customer testing. These will include:

- Reality checking of services such as fee enquiries, family research queries etc.
- Customer inspectors visiting the sites to check the standard of grounds maintenance, and general appearance of the cemeteries (an element of this testing was carried out in 2009 with positive results).

Additional satisfaction testing will be carried out with funeral directors, who have each been sent a postal survey. Funeral directors have been approached as it is these that have the main contact with Dignity during the funeral process, and it is

these that the service users are more likely to make comment to regarding their experiences during the funeral process. It is hoped that the results of this satisfaction testing will be available in time for the meeting.

Dignity do not carry out any formal customer satisfaction testing themselves, however the council are notified quarterly in relation to complaints about the service. The low numbers of complaints could be taken to indicate a general satisfaction with the service provided.

10. Policy and Performance Agenda Implications

The partnership with Dignity to provide bereavement services contributes to the delivery of corporate priorities as outlined in Strategic Objective 6 of the Directorate Service Plan by demonstrating that we are meeting the needs of our customers by making better use of our resources. Modernisation of bereavement services also supports the Council's PROUD policy theme and enhances personal dignity and respect in this most sensitive of service areas.

11. Background Papers and Consultation

In order to ensure that the views of the public were taken into account, a consultation exercise took place early in 2007. This involved a review of the rules and regulations for bereavement services – with members of the public, staff and other interested parties (e.g. funeral directors) 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.

Customer feedback on the bereavement services provided by Dignity has been positive, with several letters / cards being received thanking Dignity for the service they provide and commenting on the professional and sensitive way in which bereaved families have been dealt with.

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