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| Committee: | Date: |
| Port Health & Environmental Services | 15 January 2019 |
| Subject: Period 1 & 2 (April - November) Cemetery & Crematorium Business Plan Performance and Risk Management update | Public |
| Report of: Director of Open Spaces | For Decision |

Summary

This report updates Members on the performance of the Cemetery & Crematorium during the period April to end November 2018. The Cemetery & Crematorium has continued to perform well and risk has been managed such that there has been no increase in the current risk scores. The Cemetery & Crematorium has extended its range of electrical equipment and machinery and work to extend the use of waste heat from mercury abatement is almost complete, both of which help reduce the Cemetery & Crematorium's negative effects of its own activities. Financially, income and expenditure are comparable with this period last year whilst operationally, burials are slightly down and cremations are slightly up over the same period.

Recommendations

Members are asked to

- Note the performance of the Cemetery and Crematorium during this reporting period.
- Approve the removal of the two 'green' risks from future risk reports to this committee as proposed in paragraphs 19 and 20.

Main Report

Background

1. The Open Space's Departmental Business Plan for 2018-19 was approved by your Committee on 22 May 2018. That plan included several specific actions and four Performance Indicators for the Cemetery & Crematorium.
2. The vision for the Cemetery and Crematorium is to provide the City of London Cemetery and Crematorium as a model cemetery and crematorium constituting both a site of excellence in bereavement services, a forerunner in cemetery conservation and the greatest choice of burial and cremation facilities in the UK. This together with the Department's vision and objectives inform and direct the work of the service.

Current Position

3. The Cemetery & Crematorium continues to perform well. During the four month period August - November 2018 there were 241 burials and 752 cremations. The gross income for the period August to end November is £1.588m.

4. Key achievements between August and November:

- Winners in the Equality and Inclusion Category of the CoL's 'Celebrating Our People Awards'. This was for the joint trainee initiative between the Cemetery & Crematorium and Community and Children's Services. This joint working enabled a profoundly deaf young man to undertake a Traineeship programme. This has progressed such that he is now employed part time within the Cemetery and Crematorium.
- The Superintendent has been interviewed for several publications regarding the City Corporations successful Grave reuse programme
- The cemetery is in the process of purchasing an all electric mini-bus and most of its road going vehicle fleet will now meet ULEZ requirements.
- Work to extend the use of waste heat from mercury abatement to heat all operational areas of the modern crematorium are almost complete.
- The cemetery is working with Epping Forest Division regarding rough sleepers outside the cemetery boundary.

Key programmes and projects

5. Three Departmental programmes and projects are of specific relevance to the Cemetery and Crematorium. These are shown in the table below together with details of progress made over this reporting period.

| Programmes & Projects | Progress update August – November '18 |
|--|--|
| Continuously develop the visitor offer across the Department in terms of content, processes, technology, customer service and cultural programming | Continue to offer heritage tours throughout the summer and participated in Open House London in September. Take-up of early funerals has increased since we extended the early time to 10am . |
| Progress the replacement of ageing cremators with new at the Cemetery and Crematorium | Gateway 3 / 4 report on the agenda for Project Sub Committee on 12 December and PHES on 15 January 2019 |
| Progress the Departmental Programmes including; Fleet, Energy Efficiency | A further electric vehicle is being purchased and we have extended our range of electric mowers/blowers and strimmers. |

Performance Indicators

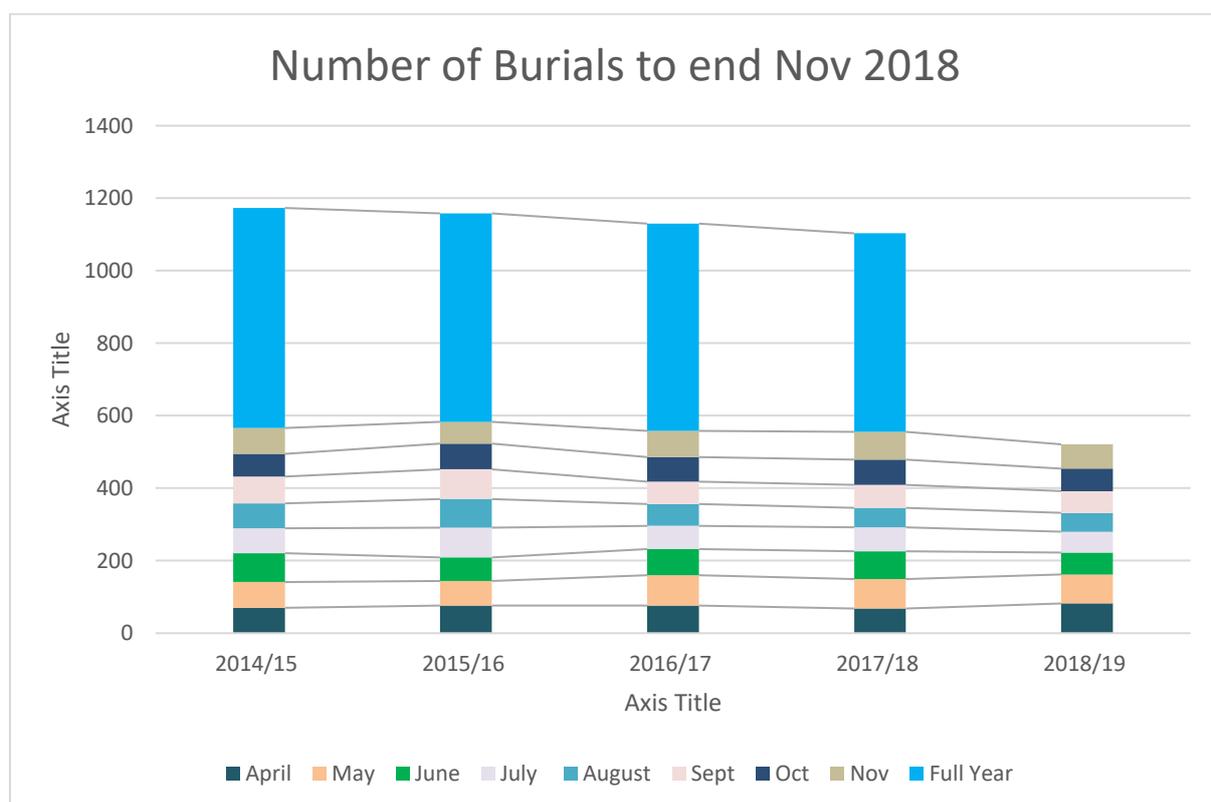
6. The business plan included twenty four performance indicators. There are four which are exclusive to the Cemetery and Crematorium:

| | 2017/18 Performance Target | April – Nov 2017 Performance | 2017/18 Actual (annual) | 2018/19 Performance Target | April – Nov 2018 Performance |
|--|----------------------------|------------------------------|-------------------------|----------------------------|--|
| Maintain our market share of burials in relation to the Cemetery & Crematorium's seven neighbouring Borough's. | 7.6% | 7.3% | 7.3% | 7.8% | 7.0% (To end October as data not yet available for full period) |
| Increase the number of burials. | 890 | 555 | 840 | 861 | 521 |

| | 2017/18 Performance Target | April – Nov 2017 Performance | 2017/18 Actual (annual) | 2018/19 Performance Target | April – Nov 2018 Performance |
|--|----------------------------|------------------------------|-------------------------|----------------------------|------------------------------|
| Increase the number of cremations. | 2,578 | 1520 | 2,491 | 2,528 | 1,597 |
| As a minimum, achieve local risk Cem & Crem income target. | £4,701,000 | £3,299,000 | £5,297,836 | £4,821,000 | £3,267,000 |

Burials

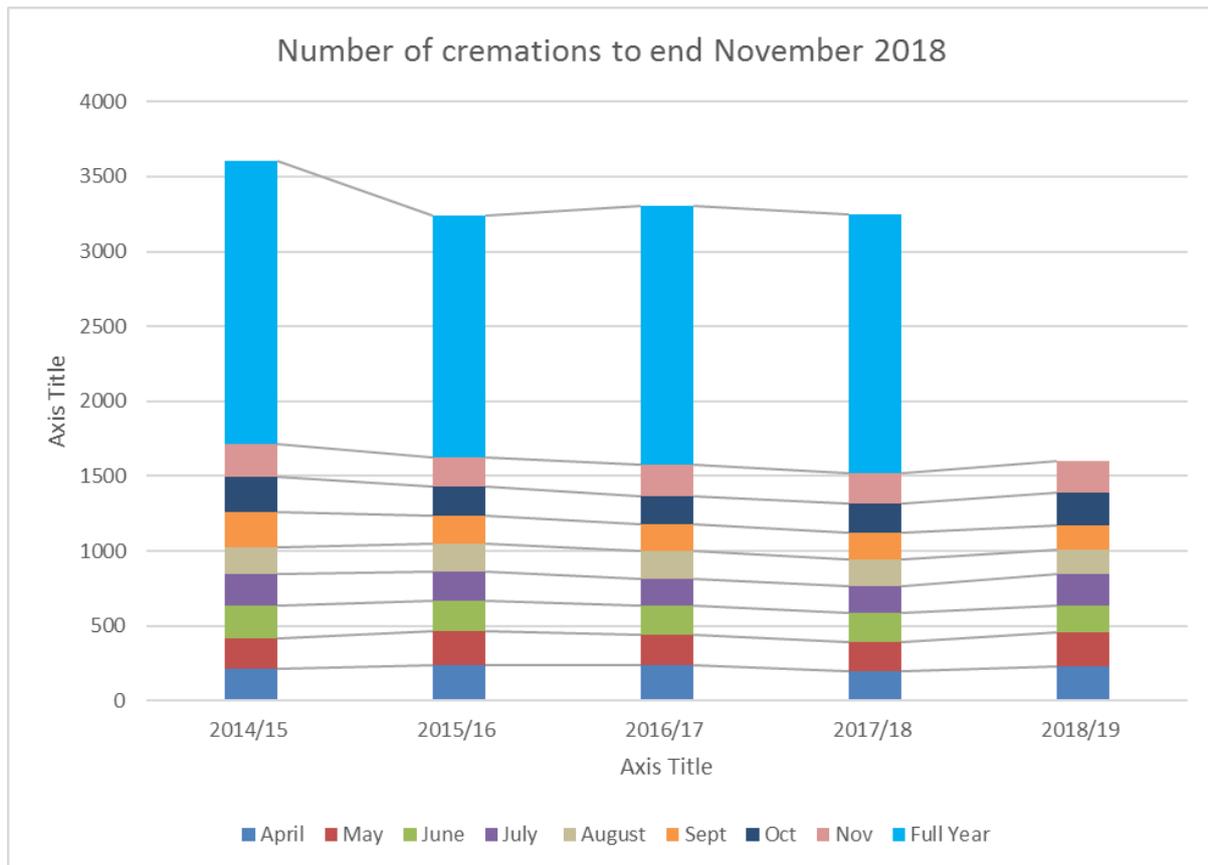
7. The number of burials at the cemetery is approx. 9% down for the same eight month period last year. The graph below shows the number of burials over the last 5 years during April to November and in total for the year.



8. The average number of burials per month from April to November is 65. Appendix 1 shows the average number of burials for the 8 month period over the last five years. The 5 year average over the period is 70 burials.

Cremations

9. The number of cremations at the cemetery is approx. 5% up on the figure for the same eight month period last year. The graph below shows the number of cremations over the last 5 years during April to November and in total for the year.



10. The average number of cremations per month from April to November is 200. Appendix 1 shows the average number of cremations for the 8 month period over the last five years. The 5 year average over the period is 201 cremations.

Finance

11. As costs continue to rise, the Superintendent continues to carefully manage his income and expenditure budgets at the Cemetery to ensure a high quality of service is maintained. At period 8 income is at 68% of budget and expenditure at 65%, this is comparable with previous years.
12. The Cemetery and Crematorium has funded several small projects that were not part of the CWP this year and plan to continue this practice while this is possible. This year those projects have been the cost of consultant advice on the cremator replacement project, the extension of the use of waste heat from abatement and the upgrading of the BMS system for heating control around the site. The Cemetery and Crematorium have also used some of the extra income to improve the electric fleet of vehicles and plant.
13. Appendix 2 provides a summary of the budget position. Members will note the continued strong performance with income levels comparable with this period last year. The Cemetery and Crematorium is projecting a managed over achievement of income in order to meet central costs and recharges and work towards the Cemetery and Crematorium's aim of achieving a break-even position across all budgets.

Risk

14. Risk is reviewed regularly by the Department's Senior Leadership Team as part of the ongoing management of the operations of the Department. It is also reviewed regularly by the Management Team at the Cemetery and Crematorium.

15. There are five risks identified at the Cemetery and Crematorium. These are:
 - OSD CC 002: Financial failure (green, score 4)
 - OSD CC 003: Deterioration of buildings, plant and machinery (green, score 4)
 - OSD CC 009: Systems failure (amber, score 6)
 - OSD CC 010: Extreme weather (amber, score 6)
 - OSD CC 011: Tree and plant diseases (amber, score 6)

16. There are currently three amber risks and two green risks. There are no red risks.

17. None of the current risks scores have decreased or increased since last reported.

18. The detail of the individual risks is shown in Appendix 4. This also shows the actions that are being undertaken to reduce/ manage the current risk score to the target risk score.

19. It is proposed that the following two green risks are removed from future Committee reports.
 - OSD CC 002: Financial failure (green, score 4)
 - OSD CC 003: Deterioration of buildings, plant and machinery (green, score 4)

20. The current risk score for both of these is 'green' and the target risk score for both is green. For Financial failure the current and target score is the same. Details regarding these risks are included in Appendix 4. These risks will continue to be monitored and assessed. If there are any changes which result in an amber or red assessment, then reporting to this Committee will be reinstated.

| Risk | Reason for removal from Divisional Risk Register |
|----------------------------------|--|
| OSD CC 002: Financial failure | Current risk is green (4). Target risk is green (4) <ul style="list-style-type: none"> • Burial and Cremation numbers are consistent with previous years. • Annual charges are proposed only after benchmarking with neighbouring and competing facilities. • Successful introduction of reduced prices between 0830 and 1000 am Monday to Friday. • Grave reuse implemented and promoted. • Regular budget monitoring with Chamberlains Department and Open Spaces Director. |

| Risk | Reason for removal from Divisional Risk Register |
|--|---|
| OSD CC 003: Deterioration of buildings, plant and machinery | Current risk is green (4). Target risk is green (2) <ul style="list-style-type: none"> • Good communication through effective and regular City Surveyor & Open Spaces Department Client Liaison meetings. • Improved proactive and reactive maintenance work under new contract with Skanska. |

Corporate & Strategic Implications

21. The Business Plan identifies how the department's activities will support the aspirations of the organisation, as reflected in the Corporate Plan.
22. By delivering the Business Plan, the Cemetery and Crematorium will support the Corporation's strategic aims:
 - **Contribute to a flourishing society**
 - **Shape outstanding environments**

Implications

23. The Cemetery & Crematorium continues to provide an important service to the local community. Performance continues to be strong and all risks are being managed.

Conclusion

24. The Cemetery & Crematorium is meeting or exceeding the targets agreed by your Committee. The Superintendent will continue to progress works related to the replacement of the cremators, and this will be the subject of further reports to your Committee.

Appendices

Appendix 1 – Average number of burials and cremations per month for the period April to November from 2014/15 to 2018/19

Appendix 2 - Budget

Appendix 3 – Corporate Risk Scoring Grid

Appendix 4 – Risk Register

Background Papers:

- Open Spaces Business Plan 2018/19 – PHES Committee May 2018
- Period 1 (April-July) Cemetery & Crematorium Business Performance update – PHES Committee – September 2018

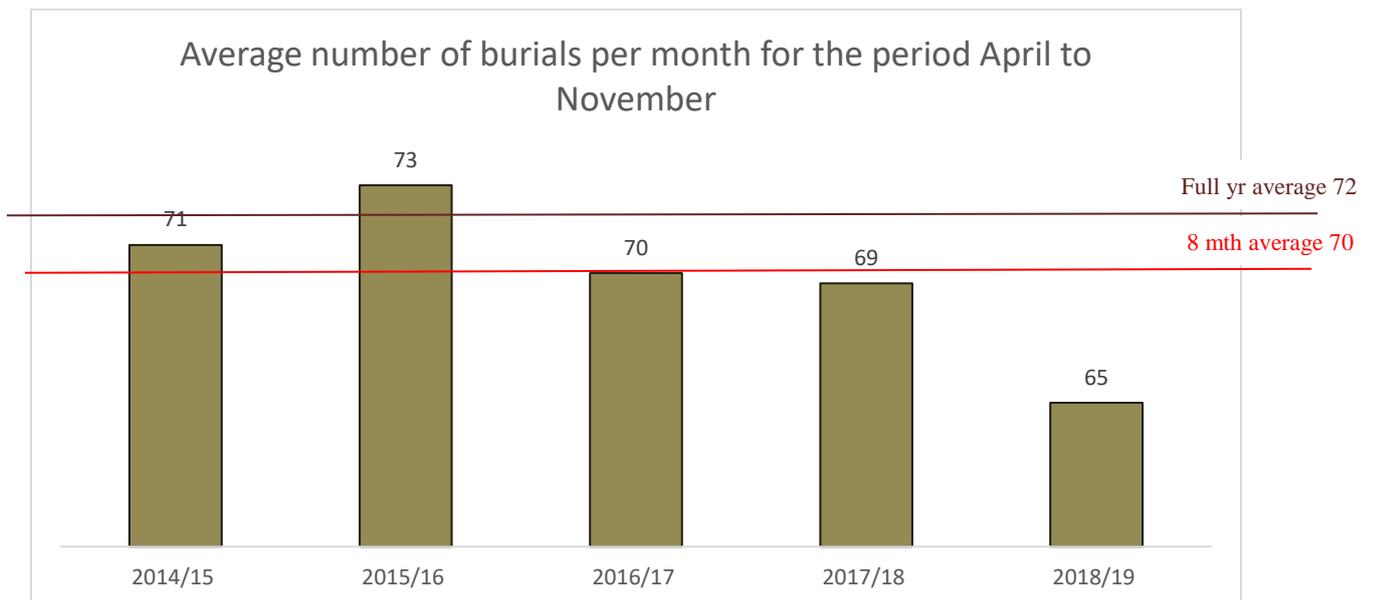
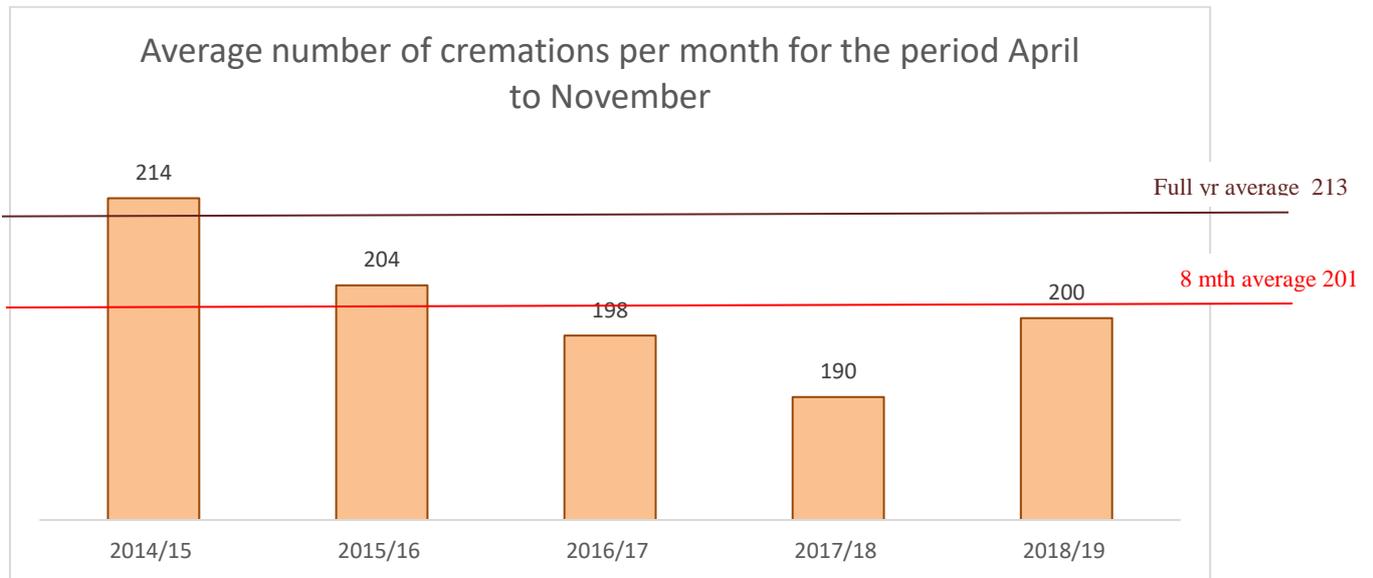
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Appendix 1 – Average number of burials and cremations per month for the period April to November from 2014/15 to 2018/19



Appendix 2

Department of Port Health & Environmental Services Local Risk Revenue Budget - 1st April - 30th November 2018

(Expenditure and unfavourable variances are shown in brackets)

| | Latest | Budget year to date (Apr-Nov) | | | Actual year to date (Apr-Nov) | | | Variance Apr-Nov | Forecast for the Year 2018/19 | | | |
|--|-------------------|-------------------------------|--------------|--------------|-------------------------------|-----------------|--------------|---------------------|----------------------------------|--------------|------------|------|
| | Approved | | | | | | | | LAB | Forecast | (Over) / | Note |
| | Budget 2018/19 | Gross Expenditure | Gross Income | Net Income | Gross Expenditure | Gross Income | Net Income | | £'000 | Outturn | Under | |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | | | |
| Open Spaces (City Fund) | | | | | | | | | | | | |
| City of London Cemetery and Crematorium | 1,646 | (2,093) | 3,262 | 1,169 | (2,015) | 3,267 | 1,252 | 83 | 1,646 | 1,989 | 343 | 1 |
| TOTAL PORT HEALTH AND ENVIRONMENTAL SERVICES COMMITTEE LOCAL RISK | 1,646 | (2,093) | 3,262 | 1,169 | (2,015) | 3,267 | 1,252 | 83 | 1,646 | 1,989 | 343 | |

Notes:

1. Although income at the Cemetery is currently on target with the expected position at the end of November 2018, the Superintendent is concerned that income has slowed against last year's actuals and expects that total income will be around £50K below last year's total of £5.3m, leading to a favourable variance of £343,000 at year-end. Expenditure for the year is lower than the expected position, owing to delays with the purchase of a new Electric Vehicle and a large piece of grass-cutting equipment

Appendix 3:

City of London Corporation Risk Matrix

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom left (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right below, a green risk is one that just requires actions to maintain that rating.

Likelihood criteria

| | Rare (1) | Unlikely (2) | Possible (3) | Likely (4) |
|--------------------|--|--|---|---|
| Criteria | Less than 10% | 10 – 40% | 40 – 75% | More than 75% |
| Probability | Has happened rarely/never before | Unlikely to occur | Fairly likely to occur | More likely to occur than not |
| Time Period | Unlikely to occur in a 10 year period | Likely to occur within a 10 year period | Likely to occur once within a one year period | Likely to occur once within three months |
| Numerical | Less than one chance in a hundred thousand (<10-5) | Less than one chance in ten thousand (<10-4) | Less than one chance in a thousand (<10-3) | Less than one chance in a hundred (<10-2) |

Impact Criteria

| Impact Title | Definitions |
|--------------------|--|
| Minor (1) | Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives. |
| Serious (2) | Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives. |
| Major (4) | Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people objectives: Failure to achieve a strategic plan objective. |
| Extreme (8) | Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective. |

Risk Scoring Grid

| | | Impact | | | |
|------------|--------------|------------|-------------|-------------|-------------|
| | | Minor (1) | Serious (2) | Major (4) | Extreme (8) |
| Likelihood | X | | | | |
| | Likely (4) | 4 Green | 8 Amber | 16 Red | 32 Red |
| | Possible (3) | 3 Green | 6 Amber | 12 Amber | 24 Red |
| | Unlikely (2) | 2 Green | 4 Green | 8 Amber | 16 Red |
| | Rare (1) | 1 Green | 2 Green | 4 Green | 8 Amber |

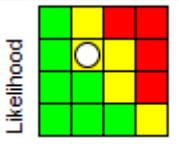
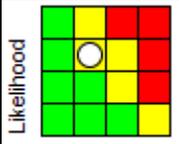
Risk Definitions

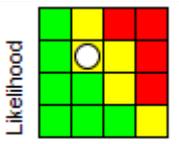
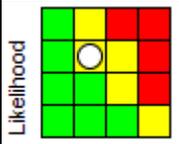
| | |
|--------------|--|
| RED | Urgent action required to reduce rating |
| AMBER | Action required to maintain or reduce rating |
| GREEN | Action required to maintain rating |

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014

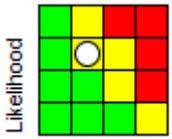
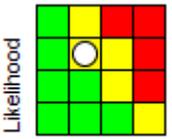
Appendix 4 - C&C Detailed Risk report

Rows are sorted by Risk Score

| Risk no, Title, Creation date, Owner | Risk Description (Cause, Event, Impact) | Current Risk Rating & Score | | Risk Update and date of update | Target Risk Rating & Score | | Target Date | Current Risk score change indicator |
|--|---|--|----------|---|---|------------------|-------------|---|
| OSD CC 009 Systems Failure 01-Jun-2016 Gary Burks | Cause: IT systems including telephony fail Effect: Unable to operate as per normal. Unable to access Gower system. Unable to speak to funeral directors, doctors and internally across the site Impact: Burials and cremations may have to be cancelled/no bookings can be taken. Burials in the wrong graves. Loss of income. Reputational damage |  Likelihood Impact | 6 | Current risk score and target score remain unchanged. 07 Dec 2018 |  Likelihood Impact | 6 | 31-Mar-2019 |  Constant |
| Action no, Title, | Description | Latest Note | | | Action owner | Latest Note Date | Due Date | |
| OSD CC 009 a Business continuity | Review continuity plans on a regular basis and following significant systems failures Ensure staff are familiar with 'alternate operations' as detailed in the continuity plans IS partners aware that C&C is recognised as a 'critical' service and failures are treated as a priority. | Wifi now installed, there have been a number of problems affecting the wider corporation but the Cem and Crem have continued to operate. Manual systems for funeral bookings are still in place. | | | Gary Burks | 07 Dec 2018 | 31 Mar-2019 | |

| Risk no, Title, Creation date, Owner | Risk Description (Cause, Event, Impact) | Current Risk Rating & Score | | Risk Update and date of update | Target Risk Rating & Score | | Target Date | Current Risk score change indicator |
|--|---|--|----------|---|---|----------|-------------|---|
| OSD CC 010 Extreme weather 21-Jun-2016 Gary Burks | Cause: Strong winds causing significant tree damage within the cemetery and crematorium landscape Effect: Roads closed, exclusion of the public, disruption to funerals Impact: Significant cost to division and possible loss of income/ negative publicity |  Likelihood Impact | 6 | Current and target risk score remain unchanged. 07 Dec 2018 |  Likelihood Impact | 6 | 31-Mar-2019 |  Constant |

| Action no, Title, | Description | Latest Note | Action owner | Latest Note Date | Due Date |
|-----------------------------|---|---|--------------|------------------|-------------|
| OSD CC 010 a Wind damage | <p>A significant storm could (and has in the past) cause significant damage to tree stocks and buildings meaning that for a short period of time the cemetery roads could be closed and block, and one or more buildings could be out of action. This is managed through:</p> <ul style="list-style-type: none"> • Tree inspections • Maintain staff with chainsaw qualifications | <p>Ongoing action.</p> <p>Trees are surveyed and inspected with advisory works carried out. A group of staff within the cemetery team are trained in the operation of chainsaws for clearing fallen trees.</p> <p>No change, with 3,500 trees around the site, the risks associated with high winds remain.</p> | Gary Burks | 07 Dec 2018 | 31-Mar-2019 |

| Risk no, Title, Creation date, Owner | Risk Description (Cause, Event, Impact) | Current Risk Rating & Score | Risk Update and date of update | Target Risk Rating & Score | Target Date | Current Risk score change indicator |
|--|--|--|---|---|-------------|---|
| OSD CC 011 Tree and plant diseases 21-Jun-2016 Gary Burks | <p>Cause: Tree Disease or infestation</p> <p>Effect: Loss of tree stock or exclusion of the public from certain areas of the cemetery</p> <p>Impact: Partial closure of site or loss of mature trees and the affect that this would have on the landscape</p> |  <p>6</p> | <p>Current and target risk score remain unchanged</p> <p>07 Dec 2018</p> |  <p>6</p> | 31-Mar-2019 |  Constant |
| Action no, Title, | Description | Latest Note | Action owner | Latest Note Date | Due Date | |
| OSD CC 011 a Tree surveys | <p>Regular monitoring of trees</p> <p>Engagement of specialists where required</p> | <p>Ongoing action</p> <p>Inspections and treatment programme is in place and monitoring is being carried out.</p> <p>No Change</p> | Gary Burks | 07 Dec 2018 | 31-Mar-2019 | |

| Risk no, Title, Creation date, Owner | Risk Description (Cause, Event, Impact) | Current Risk Rating & Score | | Risk Update and date of update | Target Risk Rating & Score | | Target Date | Current Risk score change indicator |
|---|---|---|---|---|----------------------------|------------------|-------------|-------------------------------------|
| OSD CC 002 Financial failure 18-Aug-2015 Gary Burks | <p>Causes: Reduction in the number of burials, cremations and grave purchases. Increased unexpected expenditure due to building, plant or machinery failure. Charges too high for local market. Unanticipated high recharges. Insufficient burial space, cremators cannot be operated, poor budget monitoring, increased competition from other providers</p> <p>Event: Net agreed budget position not met at year end.</p> <p>Impact: Financial and reputational impact. Reduction in quality of service.</p> | | 4 | Current and target risk score remain unchanged. 07 Dec 2018 | | 4 | 31-Mar-2019 | Constant |
| Action no, Title, | Description | Latest Note | | | Action owner | Latest Note Date | Due Date | |
| OSD CC 002 a Burial management | <p>This work is on-going:</p> <ul style="list-style-type: none"> The review of remaining and additional burial space informs operational planning. Fees comparisons with neighboring/competitor facilities used to inform annual fees and charges "Whole life" costs considered when setting fees and charges Effective relationships developed with funeral directors. Monitor any significant changes in competition or ownership of nearby crematoria | <p>The 'Burial Space Plan for the City of London Cemetery' Report to Port Health and Environmental Services Committee in March 2016 set out current availability and a plan for the next 15 years provision and beyond including the new space created by the Shoot and reuse of graves.</p> <p>With the opportunity that grave reuse gives, the cemetery capacity can be extended indefinitely.</p> <p>New Fee structure introduced to encourage more take-up of reuse graves. Lower fee introduced for early morning cremations. Regular review and monitoring of the fees and charges of surrounding cemeteries and crematoria.</p> <p>No Change</p> | | | Gary Burks | 07 Dec 2018 | 31-Mar-2019 | |
| OSD CC 002 b Effective maintenance management | <p>This is ongoing:- Continue to work with City Surveyors to ensure that planned and preventative maintenance and CWP works for buildings and cremators is effective.</p> | <p>Cem & Crem Superintendent continues to work with City Surveyors, City Procurement and industry experts to take a cremator replacement project through the Gateway process.</p> <p>Gateway 3/4 report going to Project Sub Committee in December and PHES in January</p> | | | Gary Burks | 07 Dec 2018 | 31-Mar-2019 | |

| OSD CC 002 c Budget management | Regular monitoring of income and expenditure and budget adjustments made where appropriate and necessary | Regular and ongoing budget monitoring continues. The Superintendent and his team monitor aged debt, income and expenditure reporting and escalating all significant risks to Chief Officer and Chamberlains. A recent Audit of the cemetery and crematorium income and expenditure recorded no specific red or amber risks. No Change | | | Gary Burks | 07 Dec 2018 | 31-Mar-2019 | |
|---|---|---|---|--|----------------------------|------------------|-------------|-------------------------------------|
| Risk no, Title, Creation date, Owner | Risk Description (Cause, Event, Impact) | Current Risk Rating & Score | | Risk Update and date of update | Target Risk Rating & Score | | Target Date | Current Risk score change indicator |
| OSD CC 003 Deterioration of buildings, plant and machinery 19-Aug-2015 Gary Burks | Causes: Inadequate proactive and reactive maintenance; failure to identify and communicate maintenance issues Event: Operational or public buildings become unusable. Plants and trees die. Impact: Service capability disrupted; ineffective use of staff resources; damage to corporate reputation; increased costs for reactive maintenance | Likelihood Impact | 4 | Current and target risk score remain unchanged. 07 Dec 2018 | Likelihood Impact | 2 | 31-Mar-2019 | Constant |
| Action no, Title, | Description | Latest Note | | | Action owner | Latest Note Date | Due Date | |
| OSD CC 003 b Building R&M | Continue to develop relationship with City Surveyors and ways of working to ensure CWP works are delivered Regular meetings with CS's Property Facilities Managers The Superintendent was engaged in the development of the 2017 R&M specification and tender documents | Liaison meetings with CS Department have been regular and CWP work has been carried out to a high standard, Cremator maintenance is good and understanding of the cemetery and crematorium business needs has improved. Currently buildings and plant are operating well. CWP list being monitored to ensure activity such as redecoration and refurbishment doesn't slip beyond its required timeframe. No change | | | Gary Burks | 07 Dec 2018 | 31-Mar-2019 | |