

**COMMITTED / UNAVOIDABLE GROWTH BID
BUDGET 2015/16- 2017/18**

Item Ref. No:
GRO/

TITLE OF ITEM: Tower Hamlets Multi-Faith Burial Ground

DIRECTORATE:

SERVICE AREA:

LEAD OFFICER:

FINANCIAL INFORMATION:

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs		30		
Other Costs		70		
Income				
To Reserves				
TOTAL		100		

*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

DESCRIPTION & JUSTIFICATION

Within the 2013-14 budget, the Council set aside £3 million of funding for the provision of a multi-faith burial ground. An Executive Mayoral decision (on 17 June 2013) subsequently authorised officers to enter into an agreement to acquire a site on a 125 year lease and to establish a management agreement for its operation.

Due to difficulties encountered in the planning process, it was considered unlikely that the original option will be able to progress, and rather than delay the process, Cabinet has agreed that the existing Agreement to Lease be terminated and alternative arrangements entered into at another existing cemetery.

As set out in the Cabinet report, it is anticipated that the Council will enter into an agreement that 200 burials will take place each year. The financial methodology proposed is that the Council will initially pay a capital premium to enter into the long-term leasing arrangements for the site. This funding will be financed from the existing capital provision. Depending upon the initial capital investment, the cemetery provider will levy a charge on the Council for each burial that takes place. The higher the initial lease premium, the lower the charge per burial.

The provider will initially levy a charge to the Council for each burial. As this charge is above the fee that Cabinet has agreed to charge to bereaved families there will be a net revenue cost to the Council, estimated at £70,000 per annum.

As outlined in the Cabinet report, the Council will need to manage the client function of the agreement. This will involve the review and approval of quarterly and annual accounts, together

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with on-going and reactive performance management at all levels. A sum of £30,000 is incorporated within this bid to cover these costs.

1. RISKS AND IMPLICATIONS:

Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.

The proposal is based on maximum usage of 200 burial plots per year. Should the demand for burial spaces exceed this provision there is a risk that the budget will be insufficient to provide for the net cost of providing the service.

Under the proposed agreement the Borough agrees to purchase the rights to 200 burial plots per year. If the demand for burial places is less than this provision then the Council will still be committed to acquire the agreed level of plots so will potentially need to finance the acquisition ahead of the fees being recovered from families.

2 VALUE FOR MONEY/EFFICIENCY

Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

There is a national shortage of burial spaces particularly in London. Private burial fees are very expensive and for many of the Borough's most vulnerable residents they cannot afford to purchase burial spaces privately. The proposed agreement procures a plot of land which can accommodate 3,000 burial spaces. Compared with private fees and the fees charged by other London Boroughs this agreement provides an affordable option which will be open to all residents of the Borough.