

**Committee:** MERTON AND SUTTON JOINT CEMETERY BOARD

**Date:** 23 July 2009

**Agenda item:**

**Wards:** Borough Wide Merton and Sutton

**Subject:** Cemetery Extension and Influenza Pandemic planning and planned cemetery works

**Lead officers:** Mark Robinson, Grant Miles

**Lead member:**

**Key decision reference number:**

**Recommendations:**

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1. That the Board's members decide whether to proceed with the cemetery extension and request the managing authority to provide a loan of up to £2m
  2. That the Board's members decide whether to approve that the project proceeds to the design stage and requests the managing authority to provide loan funding in 2009/10 for the estimated capital cost of £150k with the revenue costs being met by the board.
  3. That the Board's members agree the timetable if they decide to proceed with the works.
  4. That the Board's members note the issues in relation to the influenza pandemic.
  5. That the Board's members decide how to rectify the issue relating to replacement of the concrete beams on section B.
  6. That the Board's members decide whether to defer the refurbishment of the waiting room/toilet block and railings.
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**1. Purpose of report and executive summary**

- 1.1 This report outlines the rationale for the proposed extension to Merton & Sutton Joint Cemetery (MSJC), highlighting both the local concerns that are currently driving the requirement to secure additional burial capacity and the opportunities, particularly in terms of income generation, that such an investment could bring.
- 1.2 This report outlines the investment, infrastructure and logistical requirements and an outline timetable for the delivery of one of these parcels (of 1.75 hectares) as an extension to the existing cemetery that in itself will offer additional capacity for a period of over 14 years based upon current service demands.

## **2. Details**

### **2.1 Introduction & Context of cemetery extension**

Members have reviewed a number of reports previously outlining the need to extend the land available for burial as existing land suitable for burial is near to exhaustion. Preliminary work has been undertaken using the Council's procurement arrangements for building services to produce a feasibility study and initial design concept, which were reported to the Board on the 31<sup>st</sup> July 2008 and approved by the Board, moving the project onto the detailed design stage.

The critical statistic in considering the forward planning of burial space at MSJC is that the remaining capacity for new Christian burials is currently estimated at only 15-18 months duration, based upon current service demands. The need to secure additional land for burials is therefore extremely urgent given the anticipated delivery timetable for the planning and engineering phases of such a procurement project.

This urgency is compounded by the fact that the capacity for new graves is expected to be exhausted within the next 5-10 years at London Borough of Merton's (LBM) London Road Cemetery and thereafter the demand for new graves will then transfer to MSJB. The average demand at the latter cemetery is then anticipated to rise to an average of approximately 280 new graves per year from its current level of around 140 per year. However, demand for new graves in LBM could increase even further during the next 30 years as capacity at other local authority cemeteries, for example in Lambeth, Sutton and Wandsworth, also runs out (see Appendix 2).

#### **Land for Potential Extensions**

There are a total of up to four undeveloped parcels of land on the boundary of, or very close to the existing MSJB - all owned by the Board and with a combined area of almost 14 hectares - that offer the potential for use as extensions to the existing cemetery, and that in combination would provide sufficient burial capacity for more than 100 years at the current rate of demand.

The Board has previously released Area D for the proposed extension. To develop Area D requires the land to be graded (earthworks). A section of Area C will be required to complete the earthworks for the proposed extension (see Appendix 1: Extent of Current Earthworks tie in point). The tie in area will need 18 months to settle before it can be given back.

The development of Area D would provide approximately 3,663 additional graves (the area will need 18 months after the development before it can be used for burials), which should be sufficient for approximately a further 20 years.

### **2.2 Demand for Graves**

In 2019 London Road Cemetery is expected to run out of new graves.

Demand for new graves will transfer to MSJC doubling its capacity. Area D will then only have sufficient space for approximately another 9 years (2028). Area C will then be required for burials.

Area C will have to be developed before Area D is full, this will enable the ground to be prepared therefore it will be required in 2026. Area C should provide approximately 14 years of burials being full in 2040.

Area B1 would be required in approximately 31-years time (2040) and will provide approximately 36 years of burials.

Area B would be required in approximately 67-years time (2076) and will provide approximately 43 years of burials.

In addition to historical data, one must be aware that demand for new graves in MSJC may also be affected by availability of new graves in surrounding areas. Demand for new graves in MSJC could increase in the next 30 years as space in other local authorities' cemeteries run out. See Appendix 2: Space in other local authorities' cemeteries.

The Board's approval to progress with the necessary extension works is requested.

There are on average 245 new graves required each year between the Merton and Sutton Joint Cemetery (MSJC) and London Road Cemetery.

The most recent figures available<sup>1</sup> show the following demand pattern for the two cemeteries.

Cemetery	MSJC		London Road		Totals	
	New	Open	New	Open	New	Open
Average 2003/4 to 2007/08	142	77	103	66	245	143

London Road Cemetery has remaining space for about 1,500 new graves. The MSJC has remaining space for about 400 new graves. The development of Area D would provide an additional 3,663 graves, which would be sufficient for approximately a further 20 years. This report includes a projection (Appendix 5) based on the above demand patterns for the two cemeteries, with the figure for London Road being revised upwards to 140 new graves per year in order to take account of increasing demand for new graves from the neighbouring boroughs of Lambeth and Croydon.

Using this projection, London Road Cemetery would be unable to accept any further burials after 10 years. This would then impact on burials at MSJC, with the figure increasing 140 to 280 a year at that point. (Details Appendix 5)

## **Fees Income**

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<sup>1</sup> Burial Space Review – Peter Mitchel Associates (October 2008)

The fees for burials by MSJC were 30% below the London average in 2008/09. Since then fees have been increased by 20%. However they remain 20% below the average.

The common substantive 2009/10 fees for Merton are:

- the purchase of the burial plot: £1,099
- the interment (digging the plot and burying the deceased): £720

The 2009/10 average for fees charged by the neighbouring boroughs listed in Appendix 6 (including Merton) are still significantly higher:

- the purchase of the burial plot: £1,447
- the interment (digging the plot and burying the deceased): £822

The table below shows that the 2009/10 combined burial and interment fees at MSJC are still 20% below the average combined fees for London. There is therefore still the potential to increase the fees in order to provide the funding for the financing charges relating to the capital sum required.

	Burial		Interment		Combined		% LBM below Average
	LBM	Average	LBM	Average	LBM	Average	
2008/09	916	1,436	600	772	1,516	2,208	31%
2009/10	1,099	1,447	720	822	1,819	2,269	20%

## Funding options

### Do Nothing

As the Council is not under a statutory duty to provide a place for burials, one option is to do nothing. Failure to extend the cemetery will mean that the future income will reduce as existing grave spaces are exhausted. This will mean that the running costs of the Board will not be supported by a future income stream and would have to be met by the precepting boroughs. In addition local demand for burial services will not be available as other cemeteries begin to near capacity.

The Board and the Council are not under any statutory duty to extend its cemetery capacity, a failure to do so would adversely affect a significant proportion of LBM's residents and Council Tax payers, who wish to bury their dead, rather than cremate them. As space for new graves within LBM runs out, people will either be forced to pay higher, non-resident rates to purchase graves in neighbouring areas, or perhaps encounter problems securing burial space as other boroughs come under similar pressure and seek to preserve burial space for their own residents over non residents. Not to proceed will also have implications on burials for the potential high numbers of deaths resulting from an influenza pandemic such as swine flu.

### Sale of Land

The option to sell part of the land owned by the Joint Cemetery Board to fund the extension has been investigated and found to be impractical for drainage and planning reasons. The valuation of the other areas of land owned or held for future expansion, have limited current value and consequently would not realise sufficient capital receipts to make any significant contribution to the costs of the scheme.

### Capital Borrowing

The Board could borrow the funding through the sponsoring Authority/Authorities and repay the debt through a combination of additional income resulting from fees or precepts. The Joint Cemetery Board could increase its fees so that the financing charges of the capital works to Area D could be paid by the Joint Cemetery Board to either or both Joint Authorities. This would allow the works to go ahead without any costs to the Joint Authorities. If this arrangement were with Merton Council, the capital would have to be financed through Prudential Borrowing.

The borrowing would be over a 20-year period to match the period over which the created burial plots would be used up.

The cost of the scheme to extend the cemetery is estimated to be £2m subject to detailed design work. An initial feasibility study by consultants estimated the cost of the design to be 1.6m, however an overall budget of £2m has been proposed for the project in order to take account of increased design costs, fees (consultants and legal) and contingencies (e.g. planning enquiry).

Appendix 7 shows the amount by which fees would have to be increased to cover the repayments for a 20-year loan. Repayments (principal and interest), for a loan taken out at current interest rates, would be approximately £160k p.a.

Overall this means that the fee income required to cover the loan repayments and increased maintenance costs, would have to increase from the current level of £305k p.a. to £465k p.a. Appendix 7 looks at two possible scenarios.

### Funding Option A: Fee Increases Alone

The increase in fees would be of the order of 52%, resulting in the following prices:

Interment:	£1,098
Burial plot:	£1,675
Combined fee:	£2,773

Funding Option B: Fees increase to London Average: remainder paid by precept

If the cemetery's fees for burial and interment were increased to the current London averages, there would be a funding shortfall of approximately £90k which would have to be raised by the board in the form of a £45k precept levied on both Joint Authorities.

Comparison of Proposed Increase in Fees to Fees of Neighbouring Boroughs

Merton's combined fee for burial and interment is presently 20% below the average. The proposed increase in fees outlined in Funding Option A would result in a combined fee comparable to that currently charged by Wandsworth borough (see Appendix 6).

It is also significant to note that Merton's combined fee is considerably below the fee of the most expensive neighbouring boroughs: approximately 60% below Lambeth and 50% below Croydon. Even with the increase in fees proposed in option A, the combined fee would be approximately 36% below Lambeth and 22% below Croydon.

In Lambeth, in particular, the availability of new graves is severely limited (see Appendix 2) and MSJC's current combined fee for non-residents of £5,457 is 21% above Lambeth's fee of £4500 for its own residents, making MSJC a reasonable alternative for many Lambeth residents seeking burial elsewhere as capacity is exhausted in their own borough.

**2.3 Influenza pandemic planning**

The real, and potentially significant impact that an influenza pandemic might impose upon the burial service also needs to be factored into the forward planning process. As recent estimates suggest, there could be many deaths across London arising from such an episode and, at its peak, this might generate 65 burials per week in Merton when the current average across all of Merton's cemeteries is 11 burials per week.

The Government will give a three-week lead in warning of the pandemic. This will enable time to install temporary services such as roads and security.

An oral update will be provided at the meeting.

**2.4 Replacing Concrete beams on section 'B'**

The concrete beams on section 'B' have moved considerably overtime (see appendix 4: Photographs of Section B) resulting in the headstones leaning very badly, which could cause a danger in the near future.

We are now receiving a considerable number of complaints from the public and Members of Parliament. It is the cemetery's responsibility to renew the beams as the cemetery installed them.

To replace the beams will involve: contacting the grave owners, removing all the headstones, removing the old beams, replacing with new beams and then re-fixing the headstone as undertaken with section 'T' in 2008.

The cost of section 'T' was £47,000. Section 'B' is twice the size of section 'T' which would mean twice the cost.

The Board's decision on how the issue should be rectified is requested.

## **2.5 The waiting room/ toilet block and railings**

Considering the cost envisaged with replacing the bear beams on section B, refurbishing the waiting room/toilet block and the railings. Members of the board may consider whether to defer the refurbishment of the waiting room/toilet block and the railings.

The Board's decision on how this issue is taken forward is requested.

## **3. Alternative Options**

There are no other options other than those discussed in the report.

## **4. Proposed Timetable for Cemetery Extension**

July 2009	Commission consultants to undertake site investigation works
August 2009	Fee bid for design and contract administration duties - running parallel with the site investigation works
September 2009	Fee bid tender award
December 2009	Design works commence
February 2010	Tender issue
May 2010	Tenders returned and contractor appointed
July 2010	Works commence on site
December 2010	Works completed
January 2012	First burial

## **5. Financial implications**

If the Joint Cemetery Board wish to proceed with the extension of Area (D) funded partly, or wholly, by a loan from Merton Council, the estimated capital costs would be £2m. The costs of the capital loan to fund these works are estimated to be a £160K in a full year.

The Joint Cemetery Board may decide to increase its fees so that the financing charges of the capital works to Area (D) could be funded by the Joint Cemetery Board. This would allow the works to proceed without any precept on the Joint Authorities.

The estimated costs of the detailed site investigation and design works prior to tender are estimated at a £150k. This expenditure could be funded by a loan from Merton with the revenue costs being met by the board. The revenue costs are estimated at £15k per annum for this first phase, and these could be met from within the current budget.

The increase in fees proposed would place Merton above the average for South West London but the resultant fees would be comparable to other neighbouring boroughs and would still be considerably below the most expensive boroughs.

If the fees were increased to a lesser degree, in line with current average charges in South West London, a precept would also need to be levied by the Joint Cemetery Board on both Joint Authorities in order to meet the resultant shortfall in funding.

## **6. Legal and statutory implications**

The Board and the Council are not under any statutory duty to extend its cemetery capacity.

## **7. Contacts**

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## **8. Useful links**

8.1 Merton Council's Web site: <http://www.merton.gov.uk>

8.2 Readers should note the terms of the legal information (disclaimer)



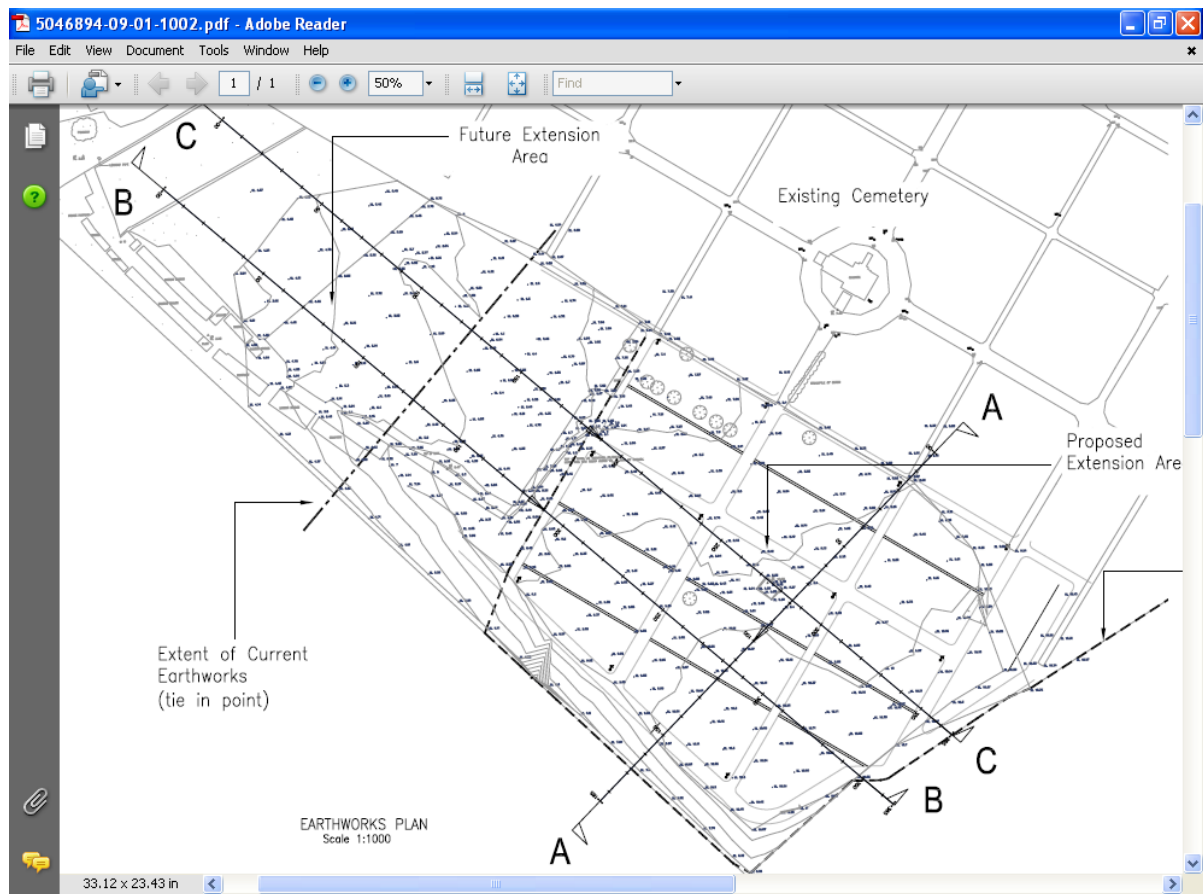
regarding information on Merton Council's and third party linked websites.

8.3 <http://www.merton.gov.uk/legal.htm>

8.4 This disclaimer also applies to any links provided here.

## Appendices

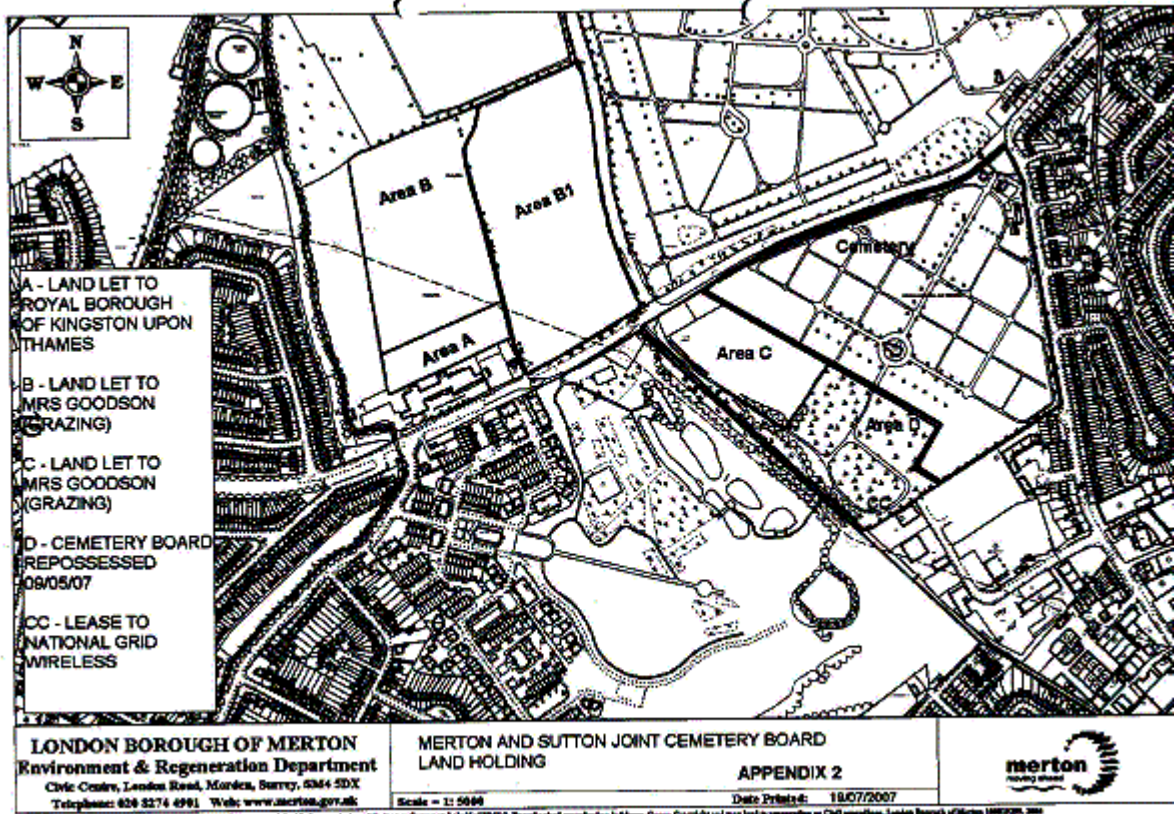
### Appendix 1: Extent of Current Earthworks tie in point of Area D & Area C



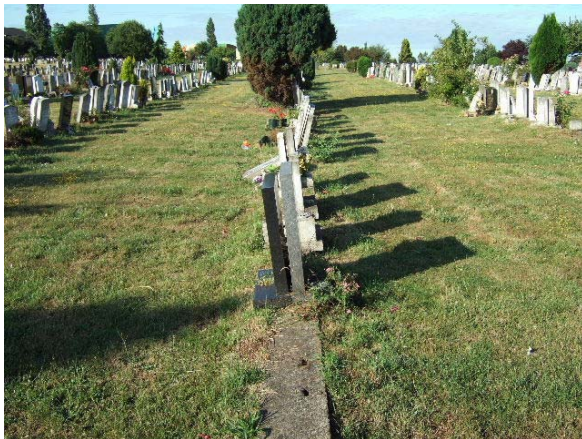
### Appendix 2: Space in other local authorities' cemeteries

Authority	Cemetery	Availability of new graves
Lambeth	Lambeth	Limited to roads and paths
Wandsworth	Morden	30 years
Wandsworth	Putney Vale	9 years
Wandsworth	Wandsworth	5 years
Sutton	Sutton	35 years

### Appendix 3: Plan of MSJC:



### Appendix 4: Photographs of Section B



## Appendix 5: Projected Demand for Graves

### Projected Usage

Year	Start of Financial Year	Burial Spaces		Note	Cemetery	Demand for Graves p.a.
		MSJC	London Road	Note		
					London Road	140
1	01 April 2009	400	1500		MSJC Years 1 to 3	140
2	01 April 2010	260	1360		MSJC Year 12 and beyond	280
3	01 April 2011	120	1220			
4	01 April 2012	3580	1080	New spaces available in Area D at MSJC		
5	01 April 2013	3440	940			
6	01 April 2014	3300	800			
7	01 April 2015	3160	660			
8	01 April 2016	3020	520			
9	01 April 2017	2880	380			
10	01 April 2018	2740	240			
11	01 April 2019	2600	100	Demand at MSJC doubles		
12	01 April 2020	2320	-40			
13	01 April 2021	2040				
14	01 April 2022	1760				
15	01 April 2023	1480				
16	01 April 2024	1200				
17	01 April 2025	920				
18	01 April 2026	640				
19	01 April 2027	360				
20	01 April 2028	80				
21	01 April 2029	-200				
22	01 April 2030					
23	01 April 2031					
24	01 April 2032					

**Appendix 6**

**Comparison of Fees and Charges**

All price from April 2009

	<b>Merton</b>	<b>Sutton</b>	<b>Wandsworth</b>	<b>Kingston</b>	<b>Hammersmith and Fulham</b>	<b>Croydon</b>	<b>Average</b>
	<i>Charges from 1/4/2009</i>	<i>Current</i>	<i>Current</i>	<i>Current</i>	<i>Current</i>	<i>Current</i>	
Purchase lawn section	1099	1205	1440	1015	1102.5	2820	1446.92
Interment lawn section	720	610	1260	510	997.5	834	821.92
<b>TOTAL</b>	<b>1819</b>	<b>1815</b>	<b>2700</b>	<b>1525</b>	<b>2100</b>	<b>3654</b>	<b>2268.83</b>

## Appendix 7: Funding Options for Cemetery Extension Area D

### I Funding Requirement

	<u>£000</u>
Current fee income approximately	305
Loan charge payable to Merton Council per annum (20 years) (£2m loan; 5% interest rate)	<u>160</u>
Total Fee income required	465

### II Funding Options

#### a) Fee increases alone

	<u>£000</u>	
Fee income required	465	
Current fee income	<u>305</u>	
Increase in fees required	160	
Equivalent percentage increase	52%	

52% increase applied to fees:		Current	Increased
i) interment		720	1,098
ii) burial plot		1,099	1,675
iii) combined		1,819	2,773

#### b) Fees increased to London Average; remainder paid by precept

		Current	Increased
i) interment		720	822
ii) burial plot		1,099	1,447
iii) combined		1,819	2,269

	<u>£000</u>	
Total Required Funding Increase	160	
Contribution from increase in fees to London Average	<u>(70)</u>	
Remainder	90	
Precept levied per authority	45.0	

