

Alternative options considered

1. Creation and running of the Muslim burial element of Chadwell Heath by another provider

This option investigated the viability a long term lease (50 years) of the Muslim burial element of the cemetery extension only to a Funeral Service Provider (FSP) restricted to use as a cemetery with a provision for Muslim burials. This proposal recognises that there is specialist knowledge required to develop a Muslim Burial Site and that there are others in this market who may be interested in running such an operation.

A report commissioned by the council has placed the long term lease valuation in the region of £300,000 based on 2 of the 8 acre site. This would assume a peppercorn rent. Investment would still be required in the rest of the site and this option would result in potential income generation for the allocated 2 acres (1000 graves) but further expenditure will be required for new boundaries and possible separate access. It could also create a fragmented / two tier service.

2. Market Test for others to run the whole of the Chadwell Heath Cemetery including development of the extension.

This option investigated whether there is a market in which a Funeral Service Provider (FSP) could operate the cemetery including development of the extension and ensuring a provision for Muslim burials.

Although this option may guarantee income as part of a negotiated process. This option would fragment the current cemetery service and would mean that any income stream would be delayed by the length of time needed to undertake a procurement exercise.

3. Freehold Sale of Land – Unrestricted

This option is for the sale of the cemetery extension specifically for housing with an 80% market value, and 20% affordable housing scheme.

There are comparable schemes and valuation methods which predominately give a residual valuation based on the gross development value (GDV) with deductions for development. This enables the method to arrive at a residual land value. A recent report commissioned by the council provided a valuation in the region of £4,500,000.

This option would not provide the burial space that is clearly need and no further income generation for the authority and is not the preferred option.